

Nasdaq Stockholm: SWMA

**March 1, 2019**

## **Notice to the Annual General Meeting in Swedish Match AB (publ)**

The shareholders of Swedish Match AB (publ), Reg. No. 556015-0756, are hereby notified of the Annual General Meeting to be held on Tuesday, April 9, 2019, at 15.30 CET at the cinema Skandia, Drottninggatan 82, Stockholm, Sweden.

### **Agenda**

1. Opening of the Meeting and election of the Chairman of the Meeting.
2. Preparation and approval of the voting list.
3. Election of one or two persons to verify the minutes.
4. Determination of whether the Meeting has been duly convened.
5. Approval of the Agenda.
6. Presentation of the annual report and the auditor's report, the consolidated financial statements and the auditor's report on the consolidated financial statements for 2018, the auditor's opinion regarding compliance with the principles for remuneration to members of the executive management as well as the Board of Directors' proposal regarding the allocation of profit and motivated statement. In connection thereto, the President's speech and the Board of Directors' report on its work and the work and function of the Compensation Committee and the Audit Committee.
7. Resolution on adoption of the income statement and balance sheet and of the consolidated income statement and consolidated balance sheet.
8. Resolution regarding allocation of the Company's profit in accordance with the adopted balance sheet and resolution on a record day for dividend.
9. Resolution regarding discharge from liability in respect of the Board members and the President.
10. Resolution regarding the number of members of the Board of Directors to be elected by the Meeting.
11. Resolution regarding remuneration to the members of the Board of Directors.
12. Election of members of the Board, the Chairman of the Board and the deputy Chairman of the Board.
13. Resolution regarding the number of auditors.
14. Resolution regarding remuneration to the auditor.
15. Election of auditor.
16. Resolution regarding principles for remuneration to members of the executive management.
17. Resolution regarding:
  - a. the reduction of the share capital by means of withdrawal of repurchased shares; and
  - b. bonus issue.
18. Resolution regarding authorization of the Board of Directors to resolve on acquisitions of shares in the Company.
19. Resolution regarding authorization of the Board of Directors to resolve on transfer of shares in the Company.
20. Resolution regarding authorization of the Board of Directors to issue new shares.
21. Adoption of Instructions for Swedish Match AB's Nominating Committee.

## **The Proposals of the Nominating Committee**

**Item 1:** Björn Kristiansson, attorney at law, is proposed as the Chairman of the Meeting.

**Item 10:** The Board of Directors is proposed to consist of seven members and no deputies.

**Item 11:** Remuneration to the members of the Board of Directors is proposed to be paid as follows for the period until the Annual General Meeting 2020 (2018 resolved remuneration within brackets). The Chairman of the Board shall receive 2,080,000 SEK (1,910,000), the deputy Chairman shall receive 980,000 SEK (900,000) and the other Board members elected by the Meeting shall each receive 830,000 SEK (764,000). It is further proposed that the Board, as remuneration for committee work, be allotted 270,000 SEK (270,000) to the Chairman of the Compensation Committee and 310,000 SEK (310,000) to the Chairman of the Audit Committee, and 135,000 SEK (135,000) to each of the other members of these committees.

**Item 12:** The following members of the Board of Directors are proposed for re-election for the period until the end of the Annual General Meeting 2020: Charles A. Blixt, Andrew Cripps, Jacqueline Hoogerbrugge, Conny Karlsson, Pauline Lindwall, Wenche Rolfsen and Joakim Westh. Conny Karlsson is proposed to be re-elected as Chairman of the Board and Andrew Cripps is proposed to be re-elected as deputy Chairman of the Board.

**Item 13:** The number of auditors is proposed to be one and no deputy auditor.

**Item 14:** Remuneration to the auditor is proposed to be paid according to approved accounts.

**Item 15:** The auditor company Deloitte AB is proposed to be elected as auditor for the period until the end of the Annual General Meeting 2020.

**Item 21:** The Nominating Committee proposes that the Meeting should adopt the Instructions for Swedish Match AB's Nominating Committee.

## **The Proposals of the Board of Directors**

**Item 8:** The Board of Directors proposes a dividend of 10.50 SEK per share and that the remaining profits are carried forward. The proposed record day for the right to receive the dividend is Thursday April 11, 2019. Payment through Euroclear Sweden AB is expected to be made on Tuesday April 16, 2019.

**Item 16:** The Board of Directors proposes that the 2019 Annual General Meeting adopts principles for remuneration and other terms of employment for members of executive management according to the following. Remuneration and other terms of employment shall correspond to market practice. In addition to the fixed salary, the members of the executive management may be entitled to variable remuneration. The variable remuneration may include an annual short term program to be paid out in the beginning of the following year, depending on the outcome of the program, and a long term program with a performance period which shall not be shorter than three years. The variable remuneration, which shall be capped in relation to the fixed salary, shall primarily be based on specific, clear, predetermined and measurable financial or operational objectives. The variable remuneration may include an obligation to purchase and hold shares in the Company. The proposed principles are unchanged compared to the principles adopted by the 2018 Annual General Meeting. Full details on the proposed principles for remuneration and other terms of employment for the executive management and its application in 2019 are available on the Company's website [www.swedishmatch.com](http://www.swedishmatch.com).

**Item 17 a):** The Board proposes that the Annual General Meeting resolves to reduce the share capital by way of cancellation of own shares. The purpose of the reduction is allocation to unrestricted equity to be used as resolved by the Annual General Meeting in accordance with item b) below. The reduction of the share capital shall be made by cancellation of such own shares that are held by the Company three weeks prior to the Annual General Meeting. The reduction of the share capital may be made with no more than 16,382,000 SEK by way of cancellation of no more than 7,400,000 shares. The exact reduction amount and the exact number of shares proposed to be cancelled will be presented in the complete proposal, which will be held available no later than three weeks prior to the Annual General Meeting. The resolution to reduce the share capital under this item a) may be effectuated without obtaining an authorization from the Swedish Companies Registration Office or, in disputed cases, a court of general jurisdiction, as the Company simultaneously effectuates a bonus issue, as set out under item b) below, with an amount corresponding to no less than the amount the share capital is being reduced with, as set out above. Combined, these measures entail that neither the Company's restricted equity nor its share capital is reduced.

**Item 17 b):** With the purpose of restoring the share capital after the proposed reduction of the share capital, as set out under item a) above, the Board proposes that the Annual General Meeting simultaneously resolves to increase the share capital by way of a bonus issue with an amount corresponding to no less than the amount the share capital is reduced with by way of cancellation of shares, as set out under item a) above. The bonus issue shall be carried out with the amount being transferred from equity without the issuance of new shares. The exact amount of the increase will be presented in the complete proposal, which will be held available no later than three weeks prior to the Annual General Meeting.

Resolutions by the Annual General Meeting in accordance with items 17 a)-b) above shall be adopted as a joint resolution and require approval by shareholders representing no less than two thirds of the votes cast as well as the shares represented at the Annual General Meeting. The Board further proposes that the Annual General Meeting authorizes the Board to make such minor adjustments to the above resolutions as may be required to file the resolutions with the Swedish Companies Registration Office or Euroclear Sweden AB and to take such other measures required to execute the resolutions.

**Item 18:** The Board of Directors proposes that it be authorized to resolve on acquisition of the Company's own shares, on one or several occasions prior to the next Annual General Meeting, provided that the Company's holding does not at any time exceed 10 percent of all shares in the Company. The shares shall be acquired on Nasdaq Stockholm at a price within the price interval registered at any given time, *i.e.* the interval between the highest bid price and the lowest selling price. The purpose of the repurchasing right is primarily to enable the Company to adapt its capital structure to its capital needs over time, and thereby contribute to an increased shareholder value.

The resolution of the Annual General Meeting with regard to the Board's proposal under item 18 requires the support of shareholders representing at least two thirds of both the votes cast and the shares represented at the Meeting.

**Item 19:** The Board of Directors proposes that it be authorized to resolve on transfer of the Company's own shares, on one or several occasions prior to the next Annual General Meeting.

The shares may only be transferred in conjunction with the financing of company acquisitions and other types of strategic investments and acquisitions, and the transfers may not exceed the maximum number of treasury shares held by the Company at any given time. Transfer of own shares shall be made either on Nasdaq Stockholm or in another manner. In conjunction with the acquisition of companies or operations, transfer of own shares may be made with deviation from the shareholders' preferential rights and at a price within the price interval registered at any given time (*i.e.* the interval between the highest bid price and the lowest selling price) at the time of the decision regarding the transfer and in accordance with the rules of Nasdaq Stockholm. Payment for shares transferred in this manner may be made in cash or through a non-cash issue or offsetting of claims against the Company, or on other specific terms. The reason for the authorization and deviation from the shareholders' preferential rights is, where appropriate, to be able to transfer shares in conjunction with the financing of any company acquisitions and other types of strategic investments and acquisitions in a cost-efficient manner.

The resolution of the Annual General Meeting with regard to the Board's proposal under item 19 requires the support of shareholders representing at least two thirds of both the votes cast and the shares represented at the Meeting.

**Item 20:** The Board of Directors proposes it be authorized to, for the period until the end of the next Annual General Meeting, to issue new ordinary shares on one or more occasions, with or without deviation from shareholders' preferential rights and against payment in cash, in kind or by set-off. The number of shares that may be issued may not exceed a maximum dilution effect of 10 percent of the share capital and votes at the time of the Annual General Meeting 2019. The reasons for the authorization and deviation from shareholders' preferential rights are that the Board wishes to increase the Company's financial flexibility and to allow the Company to issue common shares as payment in connection with acquisitions the Company might make. The subscription price shall be determined according to prevailing market conditions at the time the shares are issued.

The resolution of the Annual General Meeting with regard to the Board's proposal under item 20 requires the support of shareholders representing at least two thirds of both the votes cast and the shares represented at the Meeting.

## **Documents**

The annual report, the auditor's report, the auditor's opinion according to item 6 and full details of the proposals and statements regarding items 8, 16, 17 a) - b), 18, 19, 20 and 21, will be made available at Swedish Match headquarters (Legal Department) at Sveavägen 44, in Stockholm, Sweden, no later than Tuesday March 19, 2019. The documents will be sent to shareholders upon request, provided that such shareholder states its address. All the above documents will be available on the Company's website, [www.swedishmatch.com](http://www.swedishmatch.com) and be presented at the Annual General Meeting.

## **Number of shares and votes in the Company**

The total number of shares and votes in Swedish Match AB (publ) as per Wednesday February 27, 2019 amounts to 175,950,000 of which 5,739,295 shares are repurchased own shares which may not be represented at the Meeting.

## **Right to participate in the Meeting**

In order to participate in the Meeting you need to be registered as a shareholder in the share register kept by Euroclear Sweden AB on Wednesday April 3, 2019. In addition, you need to notify Swedish Match of your intention to participate in the Meeting no later than Wednesday April 3, 2019, at which time the notification shall have been received by Swedish Match. Shareholders who wish to be accompanied by one or two assistants at the Meeting shall also inform Swedish Match thereof within the appointed period of time.

## **Notice of participation**

Notice of participation may be submitted in writing to Swedish Match AB (publ), "Årsstämman", c/o Euroclear Sweden AB, P.O 191,101 23 Stockholm, Sweden, by telephone at +46 (0)8 402 90 42 (09:00 – 16:00 CET), or via the Internet at [www.swedishmatch.com/agm](http://www.swedishmatch.com/agm). Upon giving notice of participation, the shareholder shall state his or her name/company name, civic ID/corporate registration number, address, telephone number (daytime) and the number of assistants, if any. Receipt of notification will be confirmed by Swedish Match, which will issue an attendance card prior to the Meeting to be presented at the entrance to the venue where the Meeting is held.

## **Proxy form**

Proxy forms are available upon request and on the Company's website [www.swedishmatch.com](http://www.swedishmatch.com).

## **Proxy**

Shareholders who are represented by proxy shall issue a power of attorney for the proxy. If the power of attorney is issued by a legal entity, a copy of the corporate registration certificate for such legal entity shall be enclosed (or if no such document is available, an equivalent authorization document). The proxy is valid for one year from the date of issuance or the longer period of validity stated in the proxy, however not longer than five years from the date of issuance. To facilitate entry at the Meeting, the power of attorney in original as well as the corporate registration certificate and other authorization documents, if any, should be provided to the Company at the address stated above no later than Friday April 5, 2019.

## **Voting right registration**

Shareholders whose shares are nominee registered and who wish to participate in the Meeting must temporarily re-register such shares in their own name (i.e. voting right registration). Request for re-registration shall be submitted to the nominee in sufficient time to allow the re-registration to be effective at Euroclear Sweden AB no later than Wednesday, April 3, 2019.

## **Information at the Annual General Meeting**

The Board of Directors and the President shall, if any shareholder so requests and the Board of Directors considers that it may be done without significant harm to the Company, provide information regarding circumstances that may affect the assessment of an item on the Agenda, and circumstances that may affect the assessment of the Company's or its subsidiaries' financial position and the Company's relation to other companies within the Group.

## Processing of personal data

For information on how your personal data is processed, see

<https://www.swedishmatch.com/Service-pages/About-the-website/privacy-notice/shareholders/>

The entrance to the venue for the Meeting will open at 14:30 (CET). Coffee will be served before the Meeting.

Stockholm, February 2019

SWEDISH MATCH AB (publ)

*The Board of Directors*

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Contact:

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Swedish Match develops, manufactures, and sells quality products with market-leading brands in the product segments Snus and moist snuff, Other tobacco products, and Lights. Production is located in seven countries, with sales concentrated in Scandinavia and the US. The Group's global operations generated sales of 12,966 MSEK for the twelve month period ending December 31, 2018. The Swedish Match share is listed on Nasdaq Stockholm (SWMA).

Swedish Match's vision is a world without cigarettes. Some of its well-known brands include: *General, Longhorn, ZYN, Game, Red Man, Fiat Lux, and Cricket.*

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