

**The Board of Directors' proposal under item 18 on the Agenda of the Annual General Meeting of Swedish Match AB (publ) on April 2, 2020**

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. Payment for the shares is to be made in cash. 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 Board of Directors shall be able to resolve that a purchase of own shares shall be made within a repurchase program in accordance with the Market Abuse Regulation (EU) No 596/2014 ("MAR") and the Commission Delegated Regulation (EU) No 2016/1052 (the "Safe Harbour Regulation"), if the purpose of the purchase only is to decrease the Company's equity.

The Board of Directors' statement concerning the justification of the proposed authorization in respect of repurchase of the Company's own shares pursuant to Chapter 19 § 22 of the Swedish Companies Act, is enclosed in Appendix 1 A.

The resolution of the General Meeting with regard to the Board's proposal under item 18 is only valid if supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Meeting.

**Previous repurchases\***

<b>Year</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Number of repurchased shares</b>	7 473 046	4 243 104	8 762 149	5 699 833	6 982 392
<b>Holding at year-end</b>	7 584 209	4 077 313	5 889 462	5 739 295	6 721 687
<b>Holding at year-end as a percentage of total share capital</b>	3,86 %	2,16%	3,24%	3,26%	3,96%

\* net after shares sold in conjunction with stock option programmes