

**COMPANY ANNOUNCEMENT**

No. 17/2016

Copenhagen, 4 April 2016

**NOTICE CONVENING ANNUAL GENERAL MEETING  
OF SCANDINAVIAN TOBACCO GROUP A/S**

In accordance with Article 7 of the Articles of Association, notice is hereby given of the annual general meeting of Scandinavian Tobacco Group A/S (the "Company") to be held on

Tuesday, 26 April 2016 at 4.30 p.m.  
at Axelborg, Vesterbrogade 4A, DK-1620 Copenhagen V

**Agenda**

In accordance with Article 8.2 of the Articles of Association, the agenda of the meeting is as follows:

1. Report of the board of directors on the Company's activities during the past financial year
2. Adoption of the audited annual report  
*The audited annual report is available on [www.st-group.com](http://www.st-group.com). A copy may also be requested by contacting the Company at [investor@st-group](mailto:investor@st-group) or telephone +45 3955 6200.*
3. Adoption of the remuneration of the board of directors and any board committees  
*The board of directors proposes to the general meeting that compensation for the board of directors for the financial year 2016 be adopted based on a base annual fee of DKK 400,000 to each member. Furthermore, under this proposal, the chairman will receive three times the base annual fee and the vice-chairman will receive 1.75 times the base annual fee. The chairman of the Audit Committee will receive (in addition to the base annual fee as board member) a fee corresponding to 75 percent of the base annual fee for members of the board of directors. Other members of the Audit Committee will receive (in addition to the base annual fee as board members) a fee corresponding to 37.5 percent of the base annual fee for members of the board of directors. The members of each of the Remuneration Committee and Nomination Committee will receive (in addition to the base annual fee as board members), a fee corresponding to 12.5 percent of the base annual fee for members of the board of directors. The chairman of each of the Remuneration Committee and Nomination Committee will receive (in addition to the base annual fee as board members) a fee corresponding to 25 percent of the base annual fee for members of the board of directors.*
4. Appropriation of profit or loss as recorded in the adopted annual report  
*The board of directors proposes to the general meeting that for the financial year 2015 the Company pays a dividend of DKK 5.00 per share of DKK 1.*

5. Election of members to the board of directors

*In accordance with Article 11.1 of the Articles of Association, all members of the board of directors elected by the general meeting are up for election. The board of directors has received notice that Tommy Pedersen wishes to resign from the board of directors. The board of directors proposes that Nigel Northridge be elected as new member of the board of directors and that Jørgen Tandrup (chairman), Conny Karlsson (vice-chairman), Søren Bjerre-Nielsen, Dianne Neal Blixt, Marlene Forsell, Luc Missorten and Henning Kruse Petersen be re-elected as members of the board of directors. Information about the nominated candidates is enclosed to this notice and is also available at the Company's website ([www.st-group.com](http://www.st-group.com)).*

6. Election of auditor(s)

*The board of directors proposes that PricewaterhouseCoopers Statsautoriseret Revisionspartnerskab be re-elected as auditor of the Company.*

7. Any proposals by the board of directors and/or shareholders

*The board of directors has not received any proposals from the shareholders.*

## **VOTING REQUIREMENTS**

Adoption by the general meeting of proposals set out in items 2, 3, 4, 5 and 6 on the agenda requires a simple majority at the general meeting, see Article 10.2 of the Articles of Association.

## **REGISTRATION, ADMISSION AND PROXY**

### **Registration date**

In accordance with Article 9.4 of the Articles of Association, a shareholder's right to participate in the general meeting and the number of votes which the shareholder is entitled to cast is determined in accordance with the number of shares held by such shareholder on 19 April 2016 (*the registration date*). The shares held by each shareholder are determined at the registration date on the basis of the shareholdings registered in the share register and in accordance with any notices on shareholding received, but not yet registered, by the Company in the share register as of the registration date.

### **Deadline for notice of attendance**

A shareholder or its proxy wishing to attend the general meeting must give notice thereof and order admission cards via the Company's website, [www.st-group.com](http://www.st-group.com) or via Computershare A/S, Kongevejen 418, DK-2840 Holte, telefax +45 4546 0998, e-mail [gf@computershare.dk](mailto:gf@computershare.dk) no later than 21 April 2016 at 11.59 pm.

### **Proxy and postal votes**

If you are prevented from attending the general meeting, you may appoint a proxy to cast the votes carried by your shares. The proxy can be submitted directly via the Company's website, [www.st-group.com](http://www.st-group.com) or may be downloaded from the website and sent, duly signed and dated, to Computershare A/S, Kongevejen 418, DK-2840 Holte, telefax +45 4546 0998, e-mail [gf@computershare.dk](mailto:gf@computershare.dk) so that it is received no later than 21 April 2016 at 11.59 pm.

Shareholders may also vote by post. A form for voting by post can be printed from the Company's website ([www.st-group.com](http://www.st-group.com)) or be requested from Computershare A/S, Kongevejen 418, DK-2840 Holte, telefax +45 4546 0998, e-mail [gf@computershare.dk](mailto:gf@computershare.dk). Signed and dated vote by post must be received by Computershare A/S Kongevejen 418, DK-2840 Holte, telefax +45 4546 0998, e-mail [gf@computershare.dk](mailto:gf@computershare.dk) no later than 25 April 2016 at 11.59 pm. Once a vote by post has been received by Computershare A/S, the vote cannot be revoked by the shareholder.

## **LANGUAGE**

In accordance with Article 9.7 of the Articles of Association, the general meeting will be conducted in English. Shareholders may choose to speak in Danish or English.

## **SHARE CAPITAL AND VOTING RIGHTS**

The Company's share capital is DKK 100,000,000, divided into 100,000,000 shares of DKK 1 each. Article 9.1 of the Articles of Association stipulates that each share of nominally DKK 1 shall carry one vote at the general meeting.

## **AGENDA ETC.**

The complete, unabridged text of the documents to be submitted to the general meeting, including the audited annual report, as well as the agenda with the full text of all proposals to be submitted to the general meeting, the total number of shares and voting rights as at the date of the notice and the forms to be used for voting by proxy and by post are available at the Company's website, [www.st-group.com](http://www.st-group.com).

## **RIGHT TO INQUIRE**

Article 9.6 of the Articles of Association affords to the shareholders the right to ask questions in writing to the Company's management about matters of significance to the assessment of the annual report and the general position of the Company or the assessment of any matter to be resolved at the general meeting. At the general meeting, the management will, subject to applicable law and regulation, answer such questions provided they are received prior to 21 April 2016 at 11.59 pm.

Scandinavian Tobacco Group A/S

The Board of Directors

### **For further information, please contact:**

For media inquiries:

Kaspar Bach Habersaat, Director of Group Communications, phone: +45 7220 7152 or [kaspar.bach@st-group.com](mailto:kaspar.bach@st-group.com).

For investor inquiries:

Torben Sand, Head of Investor Relations, phone: +45 7220 7126 or [torben.sand@st-group.com](mailto:torben.sand@st-group.com).

## CANDIDATES FOR THE BOARD OF DIRECTORS

### *Jørgen Tandrup (chairman)\**

Born 1947, Danish nationality. Chairman and a member of the Board of Directors since 2010. Chairman of the Nomination Committee and of the Remuneration Committee since these committees were established in January 2016. Held various management positions in Skandinavisk Tobakskompagni A/S 1975-1992, 1992-2006 Chief Executive Officer of Skandinavisk Tobakskompagni A/S and 2006-2010 chairman of Skandinavisk Tobakskompagni A/S. Currently chairman of the board of directors of Caf Invest A/S, Kurhotel Skodsborg A/S, Skodsborg Sundhedscenter A/S, Chr. Augustinus Fabrikker Aktieselskab, Jeudan A/S, Fritz Hansen A/S, Skandinavisk Holding A/S, Skandinavisk Holding II A/S and Tivoli A/S. Serves as a member of the board of directors of Skodsborg Sundpark A/S, Rungsted Sundpark A/S and The Augustinus Foundation and is executive officer of GFKJUS ApS. Mr Tandrup holds a Master of Science degree from Copenhagen Business School. Jørgen Tandrup has extensive general management experience and specific expertise in sale and marketing, fast-moving consumer goods businesses and the tobacco industry.

\*Based on the Recommendations on Corporate Governance of the Danish Committee on Corporate Governance last issued on 6 May 2013 and amended in November 2014, Jørgen Tandrup is not independent due to his long affiliation with the Company as an executive.

### *Conny Karlsson (vice-chairman)*

Born 1955, Swedish nationality. Vice-chairman and a member of the Board of Directors since October 2010. Member of the Nomination Committee and the Remuneration Committee since these committees were established in January 2016. Held various management positions 1978-1990 in Procter & Gamble and was Chief Executive Officer of Duni AB 1990-2000. Conny Karlsson is chairman of the board of directors of Swedish Match AB, Zeres Capital AB and The North Alliance AS. Serves as a member of the board of directors of YA Holding AB and Malte Månson Holding AB and is an operating partner in Capman Buyout. Conny Karlsson holds a Bachelor's degree in Business from Stockholm School of Economics. Conny Karlsson has extensive experience in the management of international businesses as well as solid experience in sales and marketing and fast-moving consumer goods businesses.

### *Søren Bjerre-Nielsen*

Born 1952, Danish nationality. Joined the Board of Directors in February 2016, chairman of the Audit Committee. Mr Bjerre-Nielsen also currently serves as chairman of the board of directors of Danmarks Nationalbank, MT Højgaard A/S, Højgaard Holding A/S, Højgaard Industri A/S, VKR Holding A/S, and Velux A/S. Mr Bjerre-Nielsen 1995-2011 served as an Executive Officer and Chief Financial Officer of Danisco A/S (now Dupont Nutrition Biosciences ApS). Søren Bjerre-Nielsen was partner at Deloitte State Authorised Public Accountants from 1981 until 1995 and also Managing Director at Deloitte 1986-1995. Mr Bjerre-Nielsen is a State-Authorised Public Accountant and holds a Master's degree in Economics and Business Administration from Copenhagen Business School. Mr Bjerre-Nielsens holds significant experience in general and international management, economic and financial management, risk management, strategic business development and listed companies.

### *Dianne Neal Blixt*

Born 1959, United States nationality. Joined the Board of Directors in February 2016 and is a member of the Audit Committee. Held various positions from 1988 until 2007 in Reynolds American and its subsidiaries. From 2003 to 2004, Dianne Blixt served as Executive Vice President and Chief Financial Officer of R. J. Reynolds Tobacco Holdings, Inc. From 2004 until her retirement in 2007, Dianne Blixt was Executive Vice President and Chief Financial Officer of Reynolds American, Inc. Ms Blixt currently serves as a member of the board of directors of Ameriprise Financial Services, Inc. and as the chairperson for the board of trustees of Reynolda House Museum of American Art and also currently serves as a member of the board of managers of NatureWorks Organics LLC. Ms Blixt has served as a member of the board of directors of Lorillard, Inc. in which company she also served as a member of the audit committee and as chairperson of the compensation committee. Dianne Blixt holds a Master's degree in Business Administration and Finance from University of North Carolina at Greensboro. Ms Blixt has significant experience in business analysis and financial management and reporting and holds considerable insight into the US tobacco industry.

### *Marlene Forsell*

Born 1976, Swedish nationality. Has been a member of the Board of Directors and the Audit Committee since June 2014. Joined Swedish Match AB in 2004 from Ernst & Young and has since 2013 served as Chief Financial Officer of Swedish Match. Marlene Forsell is currently a member of the board of directors of Arnold André GmbH & Co. KG and various companies within the Swedish Match AB group of companies. Marlene Forsell holds a Master of Science degree in Business and Economics from Stockholm School of Economics and has extensive experience in and insight into financial issues and reporting processes in listed companies.

### *Luc Missorten*

Born 1955, Belgian nationality. Joined the Board of Directors in February 2016. Luc Missorten currently serves as chairman of the board of directors of Ontex Group NV and as a member of the board of directors of Barco NV, Recitel NV/SA, GIMV NV and Corelio NV. Mr Missorten served from 2007 until 2014 as Chief Executive Officer of Corelio NV. Before joining Corelio NV, he was Executive Vice President and Chief Financial Officer from 1995 until 2003 at Inbev S.A. and was Group Chief Financial Officer and Executive Vice President for Finance at UCB S.A. 2004-2007. Mr Missorten holds a law degree from the Catholic University of Leuven, a Master of Laws from the University of California, Berkeley and a Certificate of Advanced European Studies from the College of Europe, Bruges. Luc Missorten has through his various positions gained substantial experience in particular in the financial management of international corporations.

### *Nigel Northridge*

Born 1956, Irish nationality. Was appointed chairman of Hogg Robinson Group PLC on 1 April 2016, and is also Senior Independent Director of Inchcape PLC. Following six years as chairman of Debenhams PLC, Nigel Northridge will step down from that board on 7 April 2016. Previously, Nigel Northridge has acted as chairman of Paddy Power PLC and has been a non-executive director of Aer Lingus PLC, Aggreko PLC and Thom-

as Cooke Group PLC. His executive career was with Gallaher Tobacco Ltd. (subsequently Gallaher Group PLC) where he was employed for over 30 years. He held a number of sales, marketing and then general management positions both in the UK and overseas, before being appointed to the board of directors in 1993 and as Group Chief Executive Officer in 2000. When Gallaher was sold to Japan Tobacco Inc. in 2007 Nigel Northridge progressed his non-executive career. Nigel Northridge has extensive experience as an executive director in the international tobacco industry, as a Chief Executive Officer of a publicly listed company and more recently as a non-executive director in various publicly listed companies.

#### *Henning Kruse Petersen*

Born 1947, Danish nationality. Has been a member of the Board of Directors since October 2010. Member of the Nomination Committee and the Remuneration Committee since January 2016. Henning Kruse Petersen currently also serves as chairman of the board of directors of Erhvervsinvest Management A/S, Den Danske Forskningsfond, Scandinavian Private Equity A/S, Midgard Denmark K/S, C.W. Obel A/S and Santa Fe Group A/S. Until 26 April 2016 Mr Kruse Petersen further serves as chairman of the board of directors of Sund og Bælt Holding A/S, A/S Storebæltsforbindelsen, A/S Femern Landanlæg, Femern Bælt A/S, A/S Øresundsforbindelsen and Øresundsbro Konsortiet I/S. Henning Kruse Petersen is currently the deputy chairman of the board of directors of Fritz Hansen A/S, Skandinavisk Holding A/S and Skandinavisk Holding II A/S. Furthermore, Mr Kruse Petersen currently serves as a member of the board of directors of Proactive A/S, Midgard Group Inc., Asgard Ltd., Dekka Holdings Ltd. and Det Østasiatiske Kompagnis Almennyttige Fond. Mr Kruse Petersen currently also serves as Chief Executive Officer of 2KJ A/S. He has previously served in executive officer positions in Unibank (now Nordea), Øresundskorsortiet and A/S Øresundsforbindelsen, and from 1995 until 2007 Henning Kruse Petersen was Group Managing Director of Nykredit responsible for corporate lending, international activities and chairman of the Group Credit Committee. He holds a Master's degree in Law from Aarhus University. Henning Kruse Petersen has extensive management experience as CEO and board member of large private, public and state-owned entities and has considerable experience in economics and financing matters.

#### **About Scandinavian Tobacco Group**

Scandinavian Tobacco Group A/S with its subsidiaries (the "**Group**") is a world leading producer of cigars and traditional pipe tobacco. The Group also produces fine-cut tobacco and sells tobacco-related accessories. The Group produces and sells 3 billion cigars and 5,000 tonnes of pipe and fine-cut tobacco annually. Scandinavian Tobacco Group believes it is the only company globally with a core strategic focus on production and distribution in all of these tobacco categories.

Scandinavian Tobacco Group holds market-leading positions in the machine-made cigar market in Europe, the handmade cigar market in the US, the online and catalogue retail sales of cigars in the US, the traditional pipe tobacco market globally and in selected fine-cut tobacco markets.

Scandinavian Tobacco Group has a diversified portfolio of more than 200 brands providing a complementary range of established global brands and local champions. In the cigar segment, the brand portfolio comprises Café Crème, La Paz, Macanudo, CAO, Partagas (US) and Cohiba (US). Pipe tobacco brands include Captain Black, Erinmore, Borkum Riff and W.Ø. Larsen, while leading fine-cut tobacco brands include Bugler, Break, Escort, Bali Shag and Tiedemanns.

As at 31 December 2015, the Group employed approx. 8,100 people in the Dominican Republic, Honduras, Nicaragua, Indonesia, Europe, New Zealand, Australia, Canada and the US.

For more information please visit [www.st-group.com](http://www.st-group.com).