



SCANDINAVIAN TOBACCO GROUP

Company Announcement 8/2017

Copenhagen, 3 April 2017

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

Wednesday, 26 April 2017 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. A copy may also be requested by contacting the Company at investor@st-group or telephone +45 3955 6200.

3. Appropriation of profit or loss as recorded in the adopted annual report

The Board of Directors proposes to the general meeting that the Company pays for the financial year 2016 a dividend of DKK 5.50 per share of DKK 1.

4. Adoption of the remuneration of the Board of Directors and any Board committees

The Board of Directors proposes that the remuneration of the Board of Directors for the financial year 2017 (as in 2016) be as follows:

- *Ordinary members of the Board of Directors shall be paid a base annual fee of DKK 400,000*
- *The chairman shall receive three times the base annual fee*
- *The vice-chairman shall receive 1.75 times the base annual fee*
- *The chairman of the Audit Committee shall receive a fee corresponding to 75 percent of the base annual fee*
- *Other members of the Audit Committee shall receive a fee corresponding to 37.5 percent of the base annual fee*

- *The chairman of each of the Remuneration Committee and Nomination Committee shall receive a fee corresponding to 25 percent of the base annual fee*
- *The members of each of the Remuneration Committee and Nomination Committee shall receive a fee corresponding to 12.5 percent of the base annual fee*

The fees for the chairmen and members of the committees are in addition to their fee as chairman, vice-chairman or member of the Board of Directors.

5. Election of members to the Board of Directors

Pursuant to Article 11.1 of the Articles of Association, all members of the Board of Directors elected by the general meeting are elected for one year at a time. The Board of Directors has received notice that Jørgen Tandrup (chairman) and Marlene Forsell wish to resign from the Board of Directors and will not accept re-election.

The Board of Directors proposes re-election of the following Board members:

Nigel Northridge (vice-chairman), Søren Bjerre-Nielsen, Dianne Neal Blixt, Conny Karlsson, Luc Mis-sorten and Henning Kruse Petersen.

The Board of Directors proposes election of Henrik Brandt as new member 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).

6. Election of auditor(s)

Pursuant to Article 16.1 of the Articles of Association, the auditor elected by the general meeting is up for election. The Board of Directors proposes to re-elect PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab in accordance with the Audit Committee's recommendation. The Audit Committee has not been influenced by any third party and no clause of a contract entered into with a third party has been imposed upon it, which restricts the general meeting's choice of certain auditors or audit firms.

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 2017 (*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 on the Investor Portal at the Company's website, www.st-group.com, or by printing the admission card order form found on the website and submitting it to Computershare A/S, Kongevejen 418, DK-2840 Holte, telefax +45 4546 0998, e-mail gf@computershare.dk no later than 23 April 2017 11.59 pm.

Admission card

Starting this year, admission cards will be issued electronically only. Thus, admission cards will not be distributed by ordinary mail. Please register the email address, to which the electronic admission card should be sent, on the Investor Portal at the Company's website, www.st-group.com, when requesting the admission card.

Shareholders who have ordered admission cards for the general meeting have the following options:

- print the admission card and bring it to the general meeting, or
- bring the admission card on a smartphone or tablet, or
- collect the admission card at the general meeting upon presentation of proper ID.

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 Investor Portal on the Company's website www.st-group.com, or by printing the proxy form at the website and submitting it, duly signed and dated, to Computershare A/S, Kongevejen 418, DK-2840 Holte, telefax +45 4546 0998, e-mail gf@computershare.dk. The proxy must be submitted so that it is received no later than 23 April 2017 at 11.59 pm.

Shareholders may also vote by post directly on the Investor Portal on the Company's website, www.st-group.com, no later than 25 April 2017 at 11.59 pm. Alternatively, shareholders can submit the printed, signed and dated postal vote form found at the website to Computershare A/S, Kongevejen 418, DK-2840 Holte, telefax +45 4546 0998, e-mail gf@computershare.dk. Vote by post must be received by Computershare A/S no later than 25 April 2017 at 11.59 pm. Once a vote by post has been received, 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.

RIGHT TO INQUIRE

Article 9.6 of the Articles of Associations afford 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 23 April 2017 at 11.59 pm.

Scandinavian Tobacco Group A/S

The Board of Directors

For further information, please contact:

For media enquiries:

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

For investor enquiries:

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

CANDIDATES FOR THE BOARD OF DIRECTORS

Nigel Northridge

Independent

Born in 1956, Irish.

Joined the board in 2016. Vice-chairman, member of the Remuneration Committee and the Nomination Committee.

Competencies:

- Long professional experience as an executive director in the international tobacco industry
- Experience as executive and non-executive director in managing publicly listed companies
- Sales and marketing of fast-moving consumer goods

Selected former employment positions:

- CEO of Gallaher Group PLC 2000-2007
- Held a number of sales, marketing and then general management positions within the group of Gallaher Tobacco Ltd. (subsequently Gallaher Group PLC) in the UK and overseas, before being appointed to the board of directors in 1993, a position held 1993-2000.

Educational background:

- HND in Business Studies from Northern Ireland Polytechnic, Sullivan Upper School, Belfast

Directorships and other offices:

- Hogg Robinson Group PLC (Chairman)
- Inchcape PLC. (Senior Independent Director)

Søren Bjerre-Nielsen

Independent

Born in 1952, Danish.

Joined the board in 2016. Chairman of the Audit Committee,

Competencies:

- Long professional experience in general and international management, including of listed companies
- Expertise in economic and financial management
- Risk management
- Strategic business development

Selected former positions:

- Executive Officer and Chief Financial Officer of Danisco A/S (now Dupont Nutrition Biosciences ApS). 1995-2011
- Managing Director at Deloitte 1986-1995
- Partner at Deloitte State-Authorised Public Accountants 1981-1995

Educational background:

- State-authorized Public Accountant
- Master's degree in Economics and Business Administration from Copenhagen Business School

Directorships and other offices:

- Danmarks Nationalbank (Chairman)
- MT Højgaard A/S (Chairman)
- Højgaard Holding A/S (Chairman)
- Højgaard Industri A/S (Chairman)
- VKR Holding A/S (Chairman)

Dianne Neal Blixt

Independent

Born in 1959, US nationality.

Joined the board in 2016. Member of the Audit Committee.

Competencies:

- Significant experience in business analysis
- Financial management and reporting expertise
- Considerable insight into the US tobacco industry

Selected former positions:

- Member of the board of directors of Lorillard, Inc. 2011-2015
- Executive Vice President and Chief Financial Officer of Reynolds American, Inc. 2004-2007
- Executive Vice President and Chief Financial Officer of R. J. Reynolds Tobacco Holdings, Inc. 2003-2004
- Various positions in Reynolds American and its subsidiaries 1988 until 2003

Educational background:

- Master's degree in Business Administration and Finance from University of North Carolina at Greensboro

Directorships and other offices:

- Ameriprise Financial Services, Inc. (member of the board of directors)
- NatureWorks Organics LLC (member of the board of managers)

Henrik Brandt

Independent

Born in 1955, Danish

Competencies:

- Extensive experience in leading international, publicly listed and private equity businesses
- Fast-moving consumer goods
- Strategic business development

Selected former positions:

- President and CEO Royal Unibrew A/S 2008-2017
- President and CEO of Unomedical a/s 2003-2008
- President and CEO of Sophus Berendsen A/S 1999-2002
- CEO of House of Prince A/S and Group Executive Skandinavisk Tobakskompagni A/S 1992-1999
- President and CEO of Fritz Hansen A/S 1989-1992
- President and CEO of Kevi A/S 1987-1988

Educational background:

- Master of Business Administration, Stanford University
- Master of Science (Economics), Copenhagen School of Economics

Directorships and other offices:

- Toms Gruppen A/S (Chairman)
- Ferd Holding as (member of the board of directors)
- Gerda & Victor B. Strands Fond (member of the board of directors)
- Gerda & Victor B. Strand Holding A/S (member of the board of directors)
- Uno Equity ApS (member of the management)

Conny Karlsson

Independent

Born in 1955, Swedish

Joined the board in 2010. Member of the Remuneration Committee and the Nomination Committee.

Competencies:

- Extensive experience in the management of international businesses
- Sales and marketing and fast-moving consumer goods businesses

Selected former positions:

- Vice-chairman of the board of directors of Scandinavian Tobacco Group A/S 2010-2016
- CEO of Duni AB 1990-2000
- Various management positions in Procter & Gamble 1978-1990

Educational background:

- Bachelor's degree in Business from Stockholm School of Economics

Directorships and other offices:

- Swedish Match AB (Chairman)
- YA Invest AB (Chairman)
- Zeres Capital AB (Chairman)
- EuroFlorist Holding AB (Chairman)
- Euroflorist Aktiebolag (Chairman)
- Filius Luna Invest AB (Chairman)
- Kungsåra Bildemontering AB (Chairman)
- YA Holding AB (member of the board of directors)
- Åkestam Holst Group AB (member of the board of directors)
- ArcbyNoA AB (member of the board of directors)
- Bold Stockholm AB (member of the board of directors)
- Anfri AB (member of the board of directors)
- Fornwij AB (member of the board of directors)
- Studion Åkestam Holst AB (member of the board of directors)
- Karelia Timber Intressenter AB (member of the board of directors)
- Promenad Intressenter AB (member of the board of directors)
- Malte Månson Holding AB (member of the board of directors)
- Åkestam.Holst Intressenter AB (member of the board of directors)

Luc Missorten

Independent

Born in 1955, Belgian

Joined the board in 2016.

Competencies:

- Executive and non-executive general management experience
- Substantial experience in financial management of international corporations

Selected former positions:

- CEO of Corelio NV 2007-2014
- Group CFO and Executive Vice President for Finance at UCB S.A. 2004-2007
- Executive Vice President and CFO at Inbev S.A. (now ABI) 1995-2003

Educational background:

- Law degree from the Catholic University of Leuven
- Certificate of Advanced European Studies from the College of Europe, Bruges
- Master of Laws from the University of California, Berkeley

Directorships and other offices:

- Ontex Group NV (Chairman)
- Barco NV (member of the board of directors)
- Recitel NV/SA (member of the board of directors)
- GIMV NV (member of the board of directors)
- Corelio NV (member of the board of directors)

Henning Kruse Petersen

Independent

Born in 1947, Danish

Joined the board in 2010

Competencies:

- Extensive management experience as CEO and board member of large private, public and state-owned entities
- Considerable experience in economics and financing matters

Selected former positions:

- Group Managing Director of Nykredit 1995-2007

Educational background:

- Master's degree in Law from Aarhus University

Directorships and other offices:

- C.W Obel A/S (Chairman)
- Erhvervsinvest Management A/S (Chairman)
- Santa Fe Group A/S (Chairman)
- Den Danske Forskningsfond (Chairman)
- Scandinavian Private Equity A/S (Chairman)
- Midgard Denmark K/S (Chairman)
- Fritz Hansen A/S (Deputy Chairman)
- Skandinavisk Holding A/S (Deputy Chairman)
- Skandinavisk Holding II A/S (Deputy Chairman)
- Asgard Ltd. (Deputy Chairman)
- Howart University A/S (Chairman)
- Lunar Holding ApS (Chairman)
- Lunar Way A/S (Chairman)
- Firstaiders A/S (Chairman)
- The Financial Compliance Group A/S (Chairman)
- Proactive A/S (member of the board of directors)
- Det Østasiatiske Kompagnis Almennyttige Fond (member of the board of directors)
- Midgard Group Inc.(member of the board of directors)
- Dekka Holdings Ltd. (member of the board of directors)
- 2KJ A/S (CEO)
- Komplementarselskabet Midgard Denmark ApS (CEO)