

## NOMINATION COMMITTEE - TERMS OF REFERENCE

On 11 December 2015 the board of directors of Scandinavian Tobacco Group A/S (the "Board of Directors" decided upon these terms of reference for the Nomination Committee (the "Nomination Committee").

### 1. MEMBERS OF THE NOMINATION COMMITTEE

The Nomination Committee consists of a minimum of three members who are appointed by the Board of Directors.

Members are appointed from among the members of the Board of Directors. Members are appointed to the Nomination Committee for one-year terms. Members may be removed by the Board of Directors at any time. Any member of the Nomination Committee who resigns from the Board of Directors must also resign from the Nomination Committee. The majority of the members of the Nomination Committee must be independent.

The chairman of the Board of Directors serves as chairman of the Nomination Committee.

### 2. ATTENDANCE AND FREQUENCY OF MEETINGS

Members of the Nomination Committee will attend the meetings. Meetings will be held as often as the chairman deems it necessary or if requested by a member of the Nomination Committee. The Nomination Committee constitutes a quorum when more than half of its members are present.

### 3. AUTHORITY

The Board of Directors authorises the Nomination Committee to:

- investigate and assess all matters that fall within the guidelines set out in the rules of procedure for the Nomination Committee;
- obtain all necessary information from the members of the Executive Management and employees of the Company and its subsidiaries;
- obtain information from the Company's auditor elected by the General Meeting; and
- obtain the advice, guidance and assistance from external advisers that the Nomination Committee deems to be necessary or appropriate for performing its duties.

### 4. DUTIES

The Nomination Committee must annually assess the individual Board members' qualifications, knowledge and experience (including taking into consideration the qualifications, knowledge and experience of the Executive Management) and report its assessment to the Board of Directors.

The Nomination Committee must annually assess the Board of Directors' structure, size and composition, and recommend any changes to the Board of Directors.

The Nomination Committee, or the person the Nomination Committee puts in its place, shall keep a register of the members of the Board of Directors' positions and assignments.

The Nomination Committee must describe the qualifications required for members of the Board of Directors, and must specify the time estimated to be required for discharging the function.

The Nomination Committee should identify and propose qualified and experienced candidates and ensure appropriate succession planning for the Board of Directors, giving due consideration to any other legal requirements regarding composition, appointment or succession

The Nomination Committee shall duly consider whether the composition of the Board of Directors is diversified in relation to gender, age, geographical provenance and educational and professional background.

The Nomination Committee shall describe the qualifications required by the member of the Executive Management. The Nomination Committee shall assess the competences, knowledge and experience of the Executive Management (including taking into consideration the qualifications, knowledge and experience of the Board of Directors) and report its assessment to the Board of Directors.

The evaluations and assessments and the results thereof shall be documented by the Nomination Committee.

At the General Meeting, the chairman of the Nomination Committee must be available for answering questions about the Nomination Committee's Rules of Procedure and activities.

## 5. REPORTING AND PUBLICATION

Minutes of all meetings of the Nomination Committee must be prepared as soon as possible and are upon approval by the Committee submitted to the Board of Directors.

The Nomination Committee's reasoned recommendations to the Board of Directors must be set out in the minutes. Minutes of the meetings of the Nomination Committee must be reviewed at the next meeting of the Board of Directors.

Meetings of the Board of Directors to consider the Nomination Committee's recommendations must be organised so as to enable the chairman of the Nomination Committee or an independent member of the Nomination Committee appointed by the chairman to attend the meeting.

At least every six months, the Nomination Committee must report its activities, etc. to the Board of Directors, including in connection with the Nomination Committee duties under the rules of procedure for the Nomination Committee.

The Company must publish the following information in its annual report and on its website:

- that the Company has established a Nomination Committee;
- the names of the members of the Nomination Committee;
- the name of the chairman of the Nomination Committee; and
- which members of the Nomination Committee are independent members.