

## **MINUTES**

kept at the Annual General Meeting of Shareholders of Swedish Match AB (publ), Swedish company reg. no. 556015-0756, on 28<sup>th</sup> April 2009 in Stockholm

### **§ 1**

Claes Beyer was elected as Chairman of the Meeting.

It was noted that Fredrik Peyron was requested to keep the minutes at the Meeting.

### **§ 2**

The list of shareholders present was approved as the list of those entitled to vote, Appendix 1.

### **§ 3**

Fredrik Ohlsson and Åsa Nisell were appointed to check the minutes together with the Chairman of the Meeting.

### **§ 4**

The Meeting was declared to have been duly convened.

The Notice to attend the Meeting was appended to the minutes, Appendix 2.

### **§ 5**

The Agenda was approved as set out in Appendix 3.

### **§ 6**

The Annual Report and the Audit Report as well as the Consolidated Accounts and the Consolidated Audit Report for the period 1<sup>st</sup> January – 31<sup>st</sup> December 2008 were submitted. In addition, the Board of Directors' proposal regarding the allocation of profit and explanatory statement were submitted, Appendix 4 and 5, as well as the Auditor's report regarding compliance with the principles for the compensation of senior executives adopted by the Annual General Meeting 2008, Appendix 6.

The President gave a presentation of the Company's operations.

The Chairman of the Board reported on the work of the Board of Directors and the Compensation Committee's work and function.

The Chairman of the Audit Committee, Meg Tivéus, reported on the work and function of the Audit Committee and presented the consulting costs and other costs paid to Swedish Match's auditors in 2008.

The auditor, Thomas Thiel, reported on the auditing work.

Questions from the shareholders were answered by the president.

**§ 7**

It was resolved to adopt the income statement and balance sheet, along with the consolidated income statement and consolidated balance sheet, presented in the Annual Report, Appendix 7.

**§ 8**

Pursuant to the Board of Directors' proposal according to Appendix 4, it was resolved that the funds at the disposal of the Annual General Meeting, i.e. SEK 21,758,310,461.78 shall be appropriated as follows: a dividend of SEK 4.10 per share to be paid to the shareholders for each share in Swedish Match AB and the remaining profits to be carried forward to a new account;

and that the record date for determining who is entitled to receive a cash dividend shall be 4<sup>th</sup> May 2009.

**§ 9**

It was resolved to discharge the members of the Board of Directors and the Presidents in office during the relevant period from liability for the period 1<sup>st</sup> January – 31<sup>st</sup> December 2008.

It was noted that the members of the Board of Directors and the President did not take part in the resolution.

**§ 10**

a) Pursuant to the Board of Directors' proposal according to Appendix 8, it was resolved

that the Company's share capital shall be reduced by SEK 6,110,045.76 by means of the withdrawal of 4,000,000 shares in the Company without any refund to the shareholders; and

that the reduced amount shall be allocated to a fund for use in repurchasing the Company's own shares.

It was noted that the resolution under item a) had been passed unanimously.

b) Pursuant to the Board of Directors' proposal, Appendix 8, it was resolved that the Company's share capital shall be increased by SEK 6,110,045.76 through a transfer from non-restricted shareholders' equity to the share capital (bonus issue), whereby the share capital shall be increased without issuing new shares.

**§ 11**

The Board of Directors' proposal according to Appendix 9 was submitted.

Sveriges Aktiesparares Riksförbund and Aktiespararna Topp Sverige, (below jointly referred to as "Aktiespararna") represented by Per Lundin, submitted as an alternative motion to reject the proposal submitted by the Board of Directors'.

Questions from the shareholders were answered by the Chairman of the Board, the President and the Auditor.

Pursuant to the Board of Directors' proposal according to Appendix 9, it was resolved

to authorise the Board of Directors to decide to acquire, on one or more occasion prior to the next Annual General Meeting, a maximum of as many shares as may be acquired without the Company's holding at any time exceeding 10 per cent of all shares in the Company for a maximum of SEK 3,000 million; and

that the shares shall be acquired on the NASDAQ OMX 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 offer price);

It was noted

that the resolution was supported by Sara Edlund representing 282 shareholders with 60,064,958 shares and votes,

that the resolution was supported with at least two thirds of the votes cast and the votes represented at the Meeting, and

that the resolution had been passed with the requisite majority.

In addition, it was noted that Aktiespararna registered a reservation against the decision.

## **§ 12**

The Board of Directors' proposal according to Appendix 10 was submitted.

Aktiespararna, represented by Per Lundin, submitted as an alternative motion regarding the principles for determination of salary and other remuneration payable to the President and other members of the Company management according to which the maximum annual variable salary shall be capped at 30 per cent of the fixed salary but otherwise unchanged in relation to the Board of Directors' proposal.

Questions from the shareholders were answered by the Chairman of the Board.

Pursuant to the Board of Directors' proposal according to Appendix 10, it was resolved to adopt the principles for determination of salary and other remuneration payable to the President and other members of the Company management.

It was noted that Aktiespararna, Mats Björling, Nea Sköld-Bergström, Gösta Spetz and Valentin Vikberg registered a reservation against the decision.

## **§ 13**

Pursuant to the Board of Directors' proposal according to Appendix 11, it was resolved to adopt the 2009 stock option program.

It was noted that Swedbank Robur Fonder AB, Aktiespararna, Mats Björling, Nea Sköld-Bergström, Gösta Spetz and Valentin Vikberg registered a reservation against the decision and that Swedbank Robur Fonder AB submitted a statement to be recorded in the minutes, Appendix 12.

**§ 14**

Pursuant to the Board of Directors' proposal according to Appendix 13, it was resolved

that the Company shall issue 1,720,000 call options to cover the Company's stock option programme for 2008;

and that the Company, in a deviation from the preferential rights of shareholders, shall be permitted to transfer a maximum of 1,720,000 shares in the Company at a selling price of SEK 141.24 per share in conjunction with a request for the redemption of the call options, whereby the number of shares and the selling price of the shares covered by the transfer resolution in accordance with this item may be recalculated as a consequence of a bonus issue of shares, a consolidation or split of shares, a new share issue, a reduction in the share capital, or other similar measure, in accordance with the "Terms and conditions for call options 2009/2014", Appendix 14.

It was noted that the resolution had been passed unanimously.

**§ 15**

The Chairman of the Nominating Committee, Mads Eg Gensmann, reported on how the work of the Nominating Committee had been performed.

Pursuant to the Nominating Committee's proposal, it was resolved that the Board of Directors shall, for the period lasting until the end of the next Annual General Meeting, consist of seven ordinary Board members.

**§ 16**

It was resolved that the Board of Directors in total, for the period up to and including the date when the next Annual General Meeting is held, shall receive the following fees:

- the Chairman shall receive a fee of SEK 1,575,000, the Deputy Chairman shall receive SEK 745,000 and other Members of the Board elected by the General Meeting of Shareholders shall each receive a fee of SEK 630,000;
- compensation for committee work shall amount to a maximum of SEK 920,000 in total, of which the Chairmen of the Nominating Committee and the Audit Committee shall receive SEK 230,000 respectively and the other members of these committees shall each receive SEK 115,000; and that
- Members of the Board employed by the Swedish Match Group shall not receive any Directors' fees.

**§ 17**

Pursuant to the Nominating Committee's proposal according to Appendix 15, it was resolved

that, for the period lasting until the end of the next Annual General Meeting, the following persons were elected as ordinary Board members: Andrew Cripps, Charles A.Blixt, Karen Guerra, Arne Jurbrant, Conny Karlsson, Kersti Strandqvist and Meg

Tivéus;

that Conny Karlsson was elected Chairman of the Board of Directors, and

that Andrew Cripps was elected Deputy Chairman of the Board of Directors.

It was noted that the employees' organisations had, in special elections, appointed Kenneth Ek (the Swedish Federation of Salaried Employees in Industry and Services, PTK), Eva Larsson (the Swedish Trade Union Confederation, LO) and Joakim Lindström (the Swedish Trade Union Confederation, LO) as ordinary Board members, as well as Eeva Kazemi-Vala (the Swedish Federation of Salaried Employees in Industry and Services, PTK), Håkan Johansson (the Swedish Trade Union Confederation, LO) and Gert-Inge Rang (the Swedish Federation of Salaried Employees in Industry and Services, PTK) as deputy Board members.

### **§ 18**

Pursuant to the Board of Directors' proposal according to Appendix 16, it was resolved to amend the Articles of Association.

It was noted that the resolution had been passed unanimously.

Furthermore, it was noted

that the resolution of the General Meeting to amend the Articles of Association in accordance with the above shall be conditional upon an amendment of the procedures for convening general meetings in the Swedish Companies Act (SFS 2005:551) having entered into force and the above proposed wording of the Articles of Association being consistent with the Swedish Companies Act, and

that the Company's President is authorized to make minor adjustments of an editorial nature to the resolution of the shareholders' meeting that may prove necessary in connection with the registration of such a resolution with the Swedish Companies Registration Office (Bolagsverket).

### **§ 19**

Pursuant to the Nominating Committee's proposal according to Appendix 17, it was resolved

that the Chairman of the Board shall be given a mandate to contact the Company's four largest shareholders and ask them each to appoint one representative to make up the Nominating Committee, together with the Chairman of the Board, for the period until a new Nominating Committee has been appointed in accordance with a mandate from the next Annual General Meeting. If any of these shareholders waives his or her right to appoint a representative, the next largest shareholder in terms of the number of votes shall be asked to appoint a representative. The names of the members of the Nominating Committee shall be published no later than six months prior to the 2010 Annual General Meeting. The determination of the identity of the four largest shareholders shall be ascertained in due time before the date falling six months before the Annual General Meeting; and

that no remuneration shall be payable to the members of the Nominating Committee and that any expenses incurred in the course of the Nominating Committee's work shall be borne by the Company.

**§ 20**

Pursuant to the Nominating Committee's proposal according to Appendix 18, it was resolved to adopt the Instructions for Swedish Match AB's Nominating Committee.

No further items were brought to the attention of the Meeting.

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Minutes checked by:

Minutes kept by:

Claes Beyer  
Chairman

Fredrik Peyron

Fredrik Ohlsson

Åsa Nisell