

MINUTES

kept at the Annual General Meeting of Shareholders of Swedish Match AB, Swedish company reg. no. 556015-0756, on 20th April 2006

Unofficial translation from Swedish

§ 1

Pursuant to the Nominating Committee's proposal, Ingemar Mundebo was elected as Chairman of the Meeting. It was duly noted that Bo Aulin 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

Pernilla Klein 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.

It was resolved that the people granted guest access to the Meeting by the Company shall have the right to attend the Meeting.

§ 5

The Agenda (Appendix 2) was approved.

§ 6

The President gave a speech in which he presented the Company's operations (Appendix 3).

The Chairman of the Board reported on the work of the Board of Directors.

The Chairman of the Audit Committee reported on the work and function of the Audit Committee and presented the consulting costs and other expenses paid to Swedish Match's auditors in 2005.

A presentation was made of the Annual Report and the Audit Report as well as the Consolidated Accounts and the Consolidated Audit Report for the period 1st January – 31st December 2005. In conjunction with the presentation of the Audit Report, Thomas Thiel, auditor, reported on the auditing work.

§ 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 4).

§ 8

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

that the funds at the disposal of the Annual General Meeting, i.e. SEK 5,402,311,707.61, shall be appropriated as follows: a dividend of SEK 2.10 per share to be paid to the shareholders for each share in Swedish Match AB, SEK 28,800,000 to be utilised for a bonus issue by means of which the share capital after the proposed reduction is restored to its original amount (see item 13 below) 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 25th April 2006.

§ 9

The Chairman of the Board reported on the work and function of the Compensation Committee and on the principles for remuneration and other terms of employment for the Company management.

Pursuant to the Board of Directors' proposal, it was resolved to adopt principles for remuneration and other terms of employment for the Company management (Appendix 5).

It was duly noted that Lars-Erik Forsgårdh, representing Sveriges Aktiesparares Riksförbund and Aktiespararna Topp Sverige, registered a dissenting opinion against the resolution insofar as the resolution related to the stock option programme of the Company.

§ 10

It was resolved to adopt the stock option programme proposed by the Board of Directors (Appendix 6).

It was duly noted that Lars-Erik Forsgårdh, representing Sveriges Aktiesparares Riksförbund and Aktiespararna Topp Sverige, registered a dissenting opinion against the resolution.

§ 11

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

that the Company shall issue a maximum of 723,333 call options to cover the Company's stock option programme for 2005;

and that the Company, in a deviation from the preferential rights of shareholders, shall be permitted to transfer a maximum of 723,333 shares in the Company at a selling price of SEK 127.10 per share in conjunction with a demand 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 2006/2011" enclosed to the Agenda (Appendix 7).

It was duly noted that the resolution had been passed with the requisite majority, i.e. it was supported by shareholders representing at least nine-tenths of the votes cast and nine-tenths of the shares represented at the Meeting. It was also duly noted that Lars-Erik Forsgårdh, representing Sveriges Aktiesparares Riksförbund and Aktiespararna Topp Sverige, registered a dissenting opinion against the resolution.

§ 12

With the purpose of the repurchase primarily being to enable the Company's capital structure to be adjusted and to cover the allocation of options as part of the Company's option programme, it was resolved, pursuant to the Board of Directors' proposal, to authorise the Board of Directors to decide to acquire, on one or more occasions 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, whereby the shares shall be acquired on the Stockholm Stock Exchange 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) and repurchase may not take place during the period when an estimate of an average price for the Swedish Match share on the Stockholm Stock Exchange is being carried out in order to establish the terms of any stock option programme for the senior company officials of Swedish Match.

It was duly noted that the resolution had been passed with the requisite majority, i.e. it was supported by shareholders representing at least two-thirds of the votes cast and two-thirds of the shares represented at the Meeting.

§ 13

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

that the Company's share capital shall be reduced by SEK 28,800,000 by means of the withdrawal of 24,000,000 shares in the Company without any refund to the shareholders, which shares have been repurchased by the Company in accordance with the authorisation granted by the General Meeting of Shareholders of the Company;

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

It was duly noted that the resolution under item a) had been passed with the requisite majority, i.e. it was supported by shareholders representing at least two-thirds of the votes cast and two-thirds of the shares represented at the Meeting.

b) Pursuant to the Board of Directors' proposal, it was resolved

that the Company's share capital shall be increased by SEK 28,800,000 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.

§ 14

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

that the Company's statutory reserve shall be reduced by SEK 80,364,332.20 to SEK 0,

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

§ 15

It was resolved to discharge the members of the Board of Directors and the President responsible during the relevant period from liability for the period 1st January – 31st December 2005.

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

§ 16

The Chairman of the Nominating Committee reported on how the work of the Nominating Committee has 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 nine ordinary Board members and no deputies.

§ 17

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

that, for the period lasting until the end of the next Annual General Meeting, a fee of SEK 875,000 shall be payable to the Chairman of the Board, and that a fee of SEK 330,000 shall be payable to each of the other ordinary Board members elected by the General Meeting of Shareholders. Board members who are employed by the Swedish Match Group shall, however, receive no Directors' fees;

and that the Board of Directors shall be allocated SEK 500,000 as compensation for committee work, to be distributed within the Board in the manner decided by the Board of Directors.

§ 18

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

that, for the period lasting until the end of the next Annual General Meeting, the following people shall be re-elected as ordinary Board members: Sven Hindrikes, Tuve Johannesson, Arne Jurbrant, Bernt Magnusson, Karsten Slotte, Kersti

Strandqvist and Meg Tivéus;

that, for the period lasting until the end of the next Annual General Meeting, Conny Carlsson and Andrew Cripps shall be elected as new ordinary Board members;

and that Bernt Magnusson shall be elected Chairman of the Board of Directors.

It was duly 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) and Håkan Johansson (the Swedish Trade Union Confederation, LO) as deputy Board members.

It was also duly noted that Bernt Magnusson expressed the Board of Directors' and the shareholders' acknowledgement to Jan Blomberg, who resigned from the Board of Directors, for his effort during the ten years as a member of the Board.

§ 19

Pursuant to the Nominating Committee's proposal, 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 2007 Annual General Meeting. The four largest shareholders are identified on the basis of their known numbers of votes immediately prior to publication;

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.

It was duly noted that Lars-Erik Forsgårdh, representing Sveriges Aktiesparares Riksförbund and Aktiespararna Topp Sverige, registered a dissenting opinion against the resolution.

§ 20

Pursuant to the Nominating Committee's proposal, it was resolved to adopt the revised Instructions for Swedish Match AB's Nominating Committee (Appendix 8).

It was duly noted that Lars-Erik Forsgårdh, representing Sveriges Aktiesparares Riksförbund and Aktiespararna Topp Sverige, registered a dissenting opinion against the resolution.

§ 21

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

to invite shareholders with a shareholding in Swedish Match AB corresponding to fewer than 200 shares (one trading lot comprises 200 shares) to sell their entire shareholding in the Company, free of brokerage charges;

and to request that the Board of Directors draw up the details of terms and conditions and determine the timing of such an offer, whereby the Board of Directors shall be entitled to adjust the terms and conditions of the offer in different countries, including the right to reduce the number of shares that shareholders are invited to sell, or entirely exclude shareholders in certain countries, for legal, administrative or cost reasons.

It was duly noted that Lars-Erik Forsgårdh, representing Sveriges Aktiesparares Riksförbund and Aktiespararna Topp Sverige, encouraged the Board of Directors to consider to offer the shareholders with a shareholding in Swedish Match AB corresponding to fewer than 200 shares to purchase a number of shares in the Company which increases its shareholding in the Company to one trading lot comprising 200 shares, free of brokerage charges.

§ 22

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

to amend the Company's Articles of Association (Appendix 9);

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

It was duly noted that the resolution had been passed with the requisite majority, i.e. it was supported by shareholders representing at least two-thirds of the votes cast and two-thirds of the shares represented at the Meeting.

§ 23

To afford the Company the maximum possible flexibility in its efforts to optimise the terms and conditions in conjunction with loan financing, it was resolved, pursuant to the Board of Directors' proposal, to authorise the Board of Directors to decide, no later than until the next Annual General Meeting and on one or more occasions, to raise participating loans in the event that the Company, in conjunction with any loan-based financing of the ongoing commercial activities, should deem this loan type to be most advantageous for the Company in the instance in question.

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

Minutes checked by:

Ingemar Mundebo
Pernilla Klein
Åsa Nisell

Minutes kept by:

Bo Aulin