

## MINUTES

kept at the Annual General Meeting of Shareholders of Swedish Match AB, Swedish company reg. no. 556015-0756, on 23<sup>rd</sup> April 2007 in Stockholm

### § 1

Sven Unger was elected as Chairman of the Meeting.

It was duly 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

Joachim Spetz and Ingemar Syrehn 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.

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 was approved as set out in Appendix 3.

### § 6

The President gave a presentation of the Company's operations, Appendix 4.

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 expenses paid to Swedish Match's auditors in 2006.

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 2006 were submitted.

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

Questions from the shareholders were answered by the board of director's chairman and 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 5.

**§ 8**

Pursuant to the Board of Directors' proposal Appendix 6, it was resolved

that the funds at the disposal of the Annual General Meeting, i.e. SEK 7,863,816,016.14, shall be appropriated as follows: a dividend of SEK 2.50 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 26<sup>th</sup> April 2007.

**§ 9**

a) Pursuant to the Board of Directors' proposal according to Appendix 7, it was resolved

that the Company's share capital shall be reduced by SEK 18,084,644.37 by means of the withdrawal of 13,000,000 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 duly noted that the resolution under item a) had been passed unanimously.

b) Pursuant to the Board of Directors' proposal, Appendix 7, it was resolved that the Company's share capital shall be increased by SEK 18,084,644.37 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.

**§ 10**

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

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 for a maximum of SEK 3,000 million;

that 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 that 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 unanimously.

#### **§ 11**

Pursuant to the Board of Directors' proposal according to Appendix 9, 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.

#### **§ 12**

Pursuant to the Board of Directors' proposal according to Appendix 10, it was resolved

that the Company shall issue a maximum of 1,315,577 call options to cover the Company's stock option programme for 2006;

and that the Company, in a deviation from the preferential rights of shareholders, shall be permitted to transfer a maximum of 1,315,577 shares in the Company at a selling price of SEK 145.50 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 2007/2012", Appendix 11.

It was duly noted that the resolution had been passed unanimously.

#### **§ 13**

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 1<sup>st</sup> January – 31<sup>st</sup> December 2006.

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

#### **§ 14**

The Chairman of the Nominating Committee, Mads Eg Gensmann, 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 eight ordinary Board members.

## § 15

It was duly noted that the Nominating Committee had issued statements of principle regarding the Members' of the Board shareholding in the Company, as outlined in Appendix 12.

Applying the above-mentioned principles with regard to Directors' fees, pursuant to the Nominating Committee's proposal according to Appendix 12, 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:

- the Chairman shall receive a fee of SEK 1,500,000 and other Members of the Board elected by the General Meeting of Shareholders shall each receive a fee of SEK 600,000;
- compensation for committee work shall amount to a maximum of SEK 875,000 in total, of which the Chairman of the Compensation Committee and the Audit Committee shall receive SEK 210,000 respectively and the other members of these committees shall each receive SEK 110,000; and that
- Members of the Board employed by the Swedish Match Group shall not receive any Directors' fees.

## § 16

Pursuant to the Nominating Committee's proposal according to Appendix 13, 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: Andrew Cripps, Sven Hindrikes, Arne Jurbrant, Conny Karlsson, Kersti Strandqvist and Meg Tivéus;

that, for the period lasting until the end of the next Annual General Meeting, Charles A. Blixt and John P. Bridendall shall be elected as new ordinary Board members;

and that Conny Carlsson 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), 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.

It was also duly noted that Sven Hindrikes expressed the Board of Directors' and the Company's acknowledgement to Bernt Magnusson and Karsten Slotte, who resigned from the Board of Directors, for their effort as members of the Board.

**§ 17**

Pursuant to the Nominating Committee's proposal according to Appendix 14, 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 2008 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.

**§ 18**

Pursuant to the Nominating Committee's proposal according to Appendix 15, it was resolved to adopt the revised Instructions for Swedish Match AB's Nominating Committee.

**§ 19**

Pursuant to the Board of Directors' proposal according to Appendix 16, it was resolved

to amend the Company's Articles of Association so that they, after the decision has been implemented, has the wording set out in Appendix 17;

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.

**§ 20**

Pursuant to the Board of Directors' proposal according to Appendix 18, 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 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 (i.e. loans where the interest rate is wholly or partially dependent on the dividends to the shareholders, the price trend for the Company's shares, the Company's profits or the Company's financial position )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.

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Minutes checked by:

Sven Unger  
Chairman

Joachim Spetz

Ingemar Syrehn

Minutes kept by:

Fredrik Peyron