

**MINUTES**

kept at the Annual General Meeting of Shareholders of Swedish Match AB (publ), Swedish company reg. no. 556015-0756, on 22<sup>nd</sup> April 2008 in Stockholm

**§ 1**

Sven Unger 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**

Patric Naeslud and Peter Lundkvist 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 2007 were submitted. In addition, the Board of Directors' proposal regarding the allocation of profit and explanatory statement were submitted, Appendix 5 and 6, as well as the Auditor's report regarding compliance with the principles for the compensation of senior executives, Appendix 7.

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 2007.

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 8.

**§ 8**

Svenska Aktiespararnas Riksförbund and Aktiespararna Topp Sverige, (below jointly referred to as “Aktiespararna”) represented by Siv Berlin, submitted as an alternate motion on allocation of profit a dividend of SEK 1.25 per share.

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

Pursuant to the Board of Directors’ proposal according to Appendix 5, it was resolved

that the funds at the disposal of the Annual General Meeting, i.e. SEK 21,792,881,193.64 shall be appropriated as follows: a dividend of SEK 3.50 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 25<sup>th</sup> April 2008.

It was noted that Aktiespararna registered a reservation against the decision.

**§ 9**

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 2007.

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 9, it was resolved

that the Company’s share capital shall be reduced by SEK 17,506,310.89 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 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 17,506,310.89 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**

Pursuant to the Board of Directors' proposal according to Appendix 10, 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; and

that the shares shall be acquired on the OMX Nordic Exchange 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 the resolution had been passed with the requisite majority and that Aktiespararna registered a reservation against the decision.

#### **§ 12**

Pursuant to the Board of Directors' proposal according to Appendix 11, 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.

#### **§ 13**

Pursuant to the Board of Directors' proposal according to Appendix 12, it was resolved to adopt the 2008 stock option program.

#### **§ 14**

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

that the Company shall issue 1,592,851 call options to cover the Company's stock option programme for 2007;

and that the Company, in a deviation from the preferential rights of shareholders, shall be permitted to transfer a maximum of 1,592,851 shares in the Company at a selling price of SEK 172.68 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 2008/2013", 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 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 seven ordinary Board members.

#### **§ 16**

Pursuant to the Nomination Committee's proposal, 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 1,575,000 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 Compensation 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 shall be elected as ordinary Board members: Andrew Cripps, Charles A. Blixt, Karen Guerra, Arne Jurbrant, Conny Karlsson, Kersti Strandqvist and Meg Tivéus;

that Conny Carlsson shall be elected Chairman of the Board of Directors,

and that Andrew Cripps shall be 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 Nominating Committee's proposal it was resolved to appoint as auditor an audit firm and no deputy auditors.

**§ 19**

Pursuant to the Nominating Committee's proposal it was resolved that fees to the auditors shall be paid on approved account.

**§ 20**

Pursuant to the Nominating Committee's proposal it was resolved to re-elect KPMG Bohlins AB as auditor, up to and including the annual general meeting to be held four years from election of the auditor.

**§ 21**

Pursuant to the Nominating Committee's proposal according to Appendix 16, 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 2009 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.

**§ 22**

Pursuant to the Nominating Committee's proposal according to Appendix 17, it was resolved to adopt the Instructions for Swedish Match AB's Nominating Committee.

It was also noted that Conny Karlsson expressed the Board of Directors' and the Company's appreciation and acknowledgement to Sven Hindrikes for his effort as President and member of the Board.

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

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Minutes checked by:

Sven Unger  
Chairman

Minutes kept by:

Fredrik Peyron

Patric Naeslund

Peter Lundkvist