

## MINUTES

kept at the Annual General Meeting of Shareholders of Swedish Match AB (publ), Swedish company reg. no. 556015-0756, on 27<sup>th</sup> April 2010 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

Magnus Henjeby and Caroline Häggqvist 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 2009 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 2009, 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 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 2009.

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

Questions from the shareholders were answered by the president, the Chairman of the Board and by the auditor.

## § 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

It was resolved that the funds at the disposal of the Annual General Meeting, i.e. MSEK 22,840 shall be appropriated as follows: a dividend of SEK 4.75 per share to be paid to the shareholders for each share in Swedish Match AB, that -59 MSEK be carried forwards as a hedge reserve, that the remaining earnings be carried forward,

and that the record date for determining who is entitled to receive a cash dividend shall be 30 April 2010.

## § 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 2009.

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

## § 10

a) The Board of Directors' proposal according to Appendix 8 was submitted.

Sveriges Aktiesparares Riksförbund, Aktiespararna Topp Sverige, Hjärdis Eklund, Günther Mårder, Påldata AB and Bertil Pålsson (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.

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 31,037,085.04 by means of the withdrawal of 20,000,000 shares in the Company; 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 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 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 31,037,085.04 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.

Aktiespararna, represented by Per Lundin, submitted an alternative motion to authorise the Board of Directors to decide to acquire shares in the Company in accordance with the proposal according to the Board of Directors' proposal (Appendix 9), with the alteration that the only purpose of the repurchase shall be to cover the allocation of options as part of the Company's option programme.

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; 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);

The purpose of the repurchase is primarily 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.

The Board of Directors shall be able to resolve that purchase of own shares shall be made within a repurchase programme in accordance with the Commissions Regulation (EC) no 2273/2003, if the purpose of the authorisation and the purchase only is to decrease the Company's equity and/or to meet obligations arising from the Company's option programme.

It was noted

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.

## § 12

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

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

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 President shall not be entitled to variable salary, but otherwise in agreement with the Board of Directors' proposal.

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.

**§ 13**

Pursuant to the Board of Directors' proposal according to Appendix 11, it was resolved

that the Company shall issue 713,670 call options to cover the Company's stock option programme for 2009;

and that the Company, in a deviation from the preferential rights of shareholders, shall be permitted to transfer a maximum of 713,670 shares in the Company at a selling price of SEK 197.45 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 2010/2015", Appendix 12.

It was noted that the resolution had been passed unanimously.

**§ 14**

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.

**§ 15**

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 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.

**§ 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 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 Eva Norlén Moritz (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.

### § 17

The Board of Directors' proposal according to Appendix 14 was submitted.

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 2011 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.

### § 18

The Board of Directors' proposal according to Appendix 15 was submitted.

Torvald Arvidsson submitted as an alternative motion that section 1 in the Instructions for Swedish Match AB's Nominating Committee should include the following paragraph: The Nominating Committee shall, when fulfilling its duties consider the need of increased equality of opportunity between women and men as well as the need of increased equality of opportunity between ethnical Swedes and immigrants.

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

It was noted that Torvald Arvidsson registered a reservation against the decision.

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Minutes checked by:

Sven Unger  
Chairman

Magnus Henjeby

Caroline Häggqvist

Minutes kept by:

Fredrik Peyron