

**MINUTES**

kept at the Annual General Meeting of Shareholders of Swedish Match AB (publ), Swedish company reg. no. 556015-0756, on 2 May 2011 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 Anders Oscarsson 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 2010 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 previously adopted, 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 auditing costs and other fees paid to Swedish Match's auditors in 2010.

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

Questions from the shareholders were answered by the president, the Chairman of the Board, the Chief Financial Officer 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 21,188 shall be appropriated as follows: a dividend of SEK 5.50 per share to be paid to the shareholders for each share in Swedish Match AB, that -34 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 5 May 2011.

**§ 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 2010.

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, (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 president and by the auditor.

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 30,351,852 by means of the withdrawal of 18,000,000 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.

b) Pursuant to the Board of Directors' proposal, Appendix 8, it was resolved that the Company's share capital shall be increased by SEK 30,351,852 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 reject the proposal submitted by the Board of Directors.

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,

that the resolution had been passed with the requisite majority, and

that Aktiespararna registered a reservation against the decision.

## § 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.

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

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 six ordinary Board members.

#### § 14

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 1,710,000, the Deputy Chairman shall receive SEK 810,000 and other Members of the Board elected by the General Meeting of Shareholders shall each receive a fee of SEK 685,000;
- the Chairmen of the Compensation Committee and the Audit Committee shall receive SEK 250,000 respectively and the other members of these committees shall each receive SEK 125,000; and that
- Members of the Board employed by the Swedish Match Group shall not receive any Directors' fees.

The remuneration to a board member may, subject to a specific agreement with Swedish Match AB, be invoiced from a company. In order for the Company to enjoy full cost neutrality, the invoiced remuneration shall be adjusted for social security charges and value added tax.

#### § 15

Pursuant to the Nominating Committee's proposal according to Appendix 11, 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, Karen Guerra, Conny Karlsson, Robert F. Sharpe, Meg Tivéus and Joakim Westh.

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.

#### § 16

The Board of Directors' proposal according to Appendix 12 was submitted.

Pursuant to the Nominating Committee's proposal according to Appendix 12, 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. 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 before each Annual General Meeting. The four largest shareholders shall be identified on the basis of the known numbers of votes on August 31, the year before the forthcoming Annual General Meeting; and

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

It was noted that this decision is valid until another method of appointing the Nominating Committee is decided.

**§ 17**

The Board of Directors' proposal according to Appendix 13 was submitted.

Pursuant to the Nominating Committee's proposal according to Appendix 13, it was resolved to adopt the Instructions for Swedish Match AB's Nominating Committee.

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Minutes checked by:

Minutes kept by:

Sven Unger  
Chairman

Fredrik Peyron

Magnus Henjeby

Anders Oscarsson