

## MINUTES

kept at the Annual General Meeting of Shareholders of Swedish Match AB (publ), Swedish company reg. no. 556015-0756, on 25 April 2013 in Stockholm

### § 1

Sven Unger was elected as Chairman of the Meeting.

It was noted that the secretary of the Board, Fredrik Peyron, was requested to keep the minutes at the Meeting.

The Meeting resolved to not permit any audio and video recording or photography during the Meeting proceedings, other than on behalf of the company for internal use.

### § 2

The list of shareholders present was approved as the list of those entitled to vote, Appendix 1.

### § 3

Magnus Henjeby and Ulrika Malmberg Livijn 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 2012 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 functions of the Audit Committee and presented the auditing costs and other fees paid to Swedish Match's auditors in 2012.

The auditor, Cronie Wallquist, reported on the auditing work.

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

#### **§ 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 shall be appropriated as follows: a dividend of SEK 7.30 per share to be paid to the shareholders for each share in Swedish Match AB, 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, 2013.

#### **§ 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 2012.

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.

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 7 563 406:16 by means of the withdrawal of 4,000,000 shares in the Company; and

that the reduced amount shall be allocated to a fund to be used pursuant to a resolution adopted by the General Meeting.

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 7 563 406:16 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.

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.

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**

Björn Lind, a member of the Nominating Committee, reported on how the work of the Nominating Committee had been conducted.

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.

## **§ 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, for the period lasting until the end of the next Annual General Meeting

that the following persons were elected as ordinary Board members: Andrew Cripps, Karen Guerra, Conny Karlsson, Wenche Rolfsen, 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), Håkan Johansson (the Swedish Trade Union Confederation, LO) and Eva Larsson (the Swedish Trade Union Confederation, LO) as ordinary Board members, as well as Patrik Engelbrektsson (the Swedish Trade Union Confederation, LO), Eva Norlén Moritz (the Swedish Federation of Salaried Employees in Industry and Services, PTK) and Gert-Inge Rang (the Swedish Federation of Salaried Employees in Industry and Services, PTK) as deputy Board members.

#### **§ 16**

Pursuant to the Nominating Committee's proposal according to Appendix 12, it was resolved

that the number of auditors shall be one with no deputy auditor.

#### **§ 17**

Pursuant to the Nominating Committee's proposal according to Appendix 12, it was resolved

that the remuneration to the Auditor is to be paid against approved invoice.

#### **§ 18**

Pursuant to the Nominating Committee's proposal according to Appendix 12, it was resolved

that the accounting firm KPMG AB was re-elected for the period as of the end of the Annual General Meeting 2013 until the end of the Annual General Meeting 2014.

It was noted that KPMG AB had communicated that Cronie Wallquist will be the Auditor in Charge.

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Minutes checked by:

Minutes kept by:

Sven Unger  
Chairman

Fredrik Peyron

Magnus Henjeby

Ulrika Malmberg Livijn