



OMX Nordic Exchange: SWMA

## **PRESS RELEASE**

*22 March, 2010*

### **Annual General Meeting of Swedish Match AB (publ)**

The shareholders of Swedish Match AB are hereby notified of the Annual General Meeting of Shareholders to be held on Tuesday April 27, 2010 at 16:30 (CET) at Hotel Rival, Mariatorget 3, Stockholm, Sweden.

The Board of Directors proposes an increased dividend to 4.75 SEK per share. The proposed record date for entitlement to receive a cash dividend is April 30, 2010.

The Board of Directors proposes that it be authorized to decide on the acquisition, on one or more occasions prior to the next Annual General Meeting, of a maximum of as many shares as may be acquired without the Company's holding at any time exceeding 10 percent of all shares in the Company.

In addition the Board will also propose a reduction in the Company's share capital of 31,037,085.04 SEK through withdrawal of 20,000,000 previously repurchased shares, with a simultaneous bonus issue without issuing new shares, of the corresponding amount to restore the share capital. Furthermore, the Board will propose that the reduction be allocated to a fund for use in repurchasing the Company's own shares.

The Nominating Committee of Swedish Match AB proposes re-election of Charles A. Blixt, Andrew Cripps, Karen Guerra, Arne Jurbrant, Conny Karlsson, Kersti Strandqvist and Meg Tivéus. Conny Karlsson is proposed to be re-elected as Chairman of the Board and Andrew Cripps is proposed to be re-elected as Deputy Chairman of the Board.

The Nominating Committee consists of Andy Brown (Cedar Rock Capital), Mads Eg Gensmann (Parvus Asset Management), KG Lindvall (Swedbank Robur Funds), William Lock (Morgan Stanley Investment Management) and the Chairman of the Board, Conny Karlsson.

The complete notice of the Annual General Meeting can be found on the corporate web site: [www.swedishmatch.com](http://www.swedishmatch.com), and is also enclosed.

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*Swedish Match develops, manufactures and sells market-leading brands in smokefree products, cigars and lights products. The Group sells products across the globe, with production units in 10 countries. The Group's global operations generated sales of 14,204 MSEK for the twelve month period ending December 31, 2009. The Swedish Match share is listed on the NASDAQ OMX Stockholm (SWMA).*

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Corporate Identity Number: 556015-0756  
[www.swedishmatch.com](http://www.swedishmatch.com)*

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# Annual General Meeting of Swedish Match AB (publ)

The shareholders of Swedish Match AB are hereby notified of the Annual General Meeting of Shareholders to be held on Tuesday April 27, 2010 at 16:30 (CET) at Hotel Rival, Mariatorget 3, Stockholm, Sweden.

## Agenda

1. Opening of the Meeting and election of the Chairman of the Meeting.
2. Preparation and approval of the voting list.
3. Election of one or two persons, to verify the Minutes.
4. Determination of whether the Meeting has been duly convened.
5. Approval of the Agenda.
6. Presentation of the Annual Report and the Auditors' Report, the Consolidated Financial Statements and the Auditors' Report on the Consolidated Financial Statements for 2009, the Auditors' Statement regarding compliance with the principles for determination of remuneration to senior executives as well as the Board of Directors' motion regarding the allocation of profit and explanatory statements. In connection therewith, the President's address and the report regarding the work of the Board of Directors and the work and function of the Audit Committee.
7. Adoption of the Income Statement and Balance Sheet and of the Consolidated Income Statement and Consolidated Balance Sheet.
8. Resolution in respect of allocation of the Company's profit in accordance with the adopted Balance Sheet and resolution on record day for dividend.
9. Resolution regarding discharge from liability for the Board members and the President.
10. a) Resolution regarding the reduction of the share capital by way of a recall of repurchased shares, and the transfer of the reduced amount to a fund for use in repurchasing the Company's own shares; and  
b) Resolution regarding a bonus issue.
11. Resolution regarding the authorization of the Board of Directors to decide on the acquisition of shares in the Company.
12. Adoption of principles for determination of remuneration payable to senior executives. In connection therewith the report regarding the work and function of the Compensation Committee.
13. Resolution regarding the issue by the Company of call options on treasury shares in the Company for the 2009 option program, as well as the right of the Company to transfer shares in the Company in conjunction with any exercise of the call options.
14. Determination of the number of Board members to be elected by the Meeting.
15. Determination of the remuneration to be paid to the Board of Directors.
16. Election of members of the Board, the Chairman of the Board and the Deputy Chairman of the Board.
17. Resolution regarding the procedure for appointing members to the Nominating Committee and the matter of remuneration for the Nominating Committee, if any.
18. Adoption of Instructions for Swedish Match AB's Nominating Committee.

## The proposals of the Nominating Committee appointed after the Annual General Meeting of Shareholders in 2009

**Item 1:** Sven Unger, attorney at law, is proposed as the Chairman of the Meeting.

**Item 14:** The Board of Directors shall comprise seven members elected by the Annual General Meeting and no Deputies.

**Item 15:** It is proposed that the fees to the Board of Directors be paid as follows for the period until the close of the next Annual General Meeting: the Chairman shall receive 1,575,000 SEK, the Deputy Chairman shall receive 745,000 SEK and the other Board members elected by the Meeting shall each receive 630,000 SEK. It is furthermore proposed that the Board, as remuneration for committee work carried out, be allotted 230,000 SEK to the Chairmen of the Compensation Committee and the Audit Committee respectively and 115,000 SEK respectively to the other members of these committees, although totaling no more than 920,000 SEK. It is proposed that

members of the Board employed by the Swedish Match Group not receive any remuneration.

**Item 16:** The following Board members are proposed for re-election: Charles A. Blixt, Andrew Cripps, Karen Guerra, Arne Jurbrant, Conny Karlsson, Kersti Strandqvist and Meg Tivéus. Conny Karlsson is proposed to be reelected as Chairman of the Board and Andrew Cripps is proposed to be re-elected as Deputy Chairman of the Board.

**Item 17:** The Nominating Committee proposes 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 form 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 its 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 four largest shareholders are identified on the basis of the known numbers of votes in due time before the date falling six months before the Annual General Meeting. 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.

**Item 18:** The Nominating Committee proposes that the Meeting should adopt the Instructions for Swedish Match AB's Nominating Committee, which are identical to those adopted by the 2009 Annual General Meeting.

## The motions of the Board of Directors

**Item 8:** The Board of Directors proposes that a dividend be paid to the shareholders in the amount of 4.75 SEK per share. The Board of Directors proposes that the remaining profits be carried forward, minus the funds that may be utilized for a bonus issue, provided that the 2010 Annual General Meeting passes a resolution in accordance with the Board of Directors' motion concerning a reduction of the share capital pursuant to item 10 a) below, as well as a resolution concerning a bonus issue in accordance with the Board of Directors' motion pursuant to item 10 b) below. The proposed record date for entitlement to receive a cash dividend is April 30, 2010. The dividend is expected to be paid through Euroclear Sweden AB, on May 5, 2010.

**Item 10 a):** The Board of Directors proposes a reduction in the Company's share capital of 31,037,085.04 SEK by means of the withdrawal of 20,000,000 shares in the Company. The shares in the Company proposed for withdrawal have been repurchased by the Company in accordance with the authorization granted by the General Meeting of the Company. The Board of Directors further proposes that the reduced amount be allocated to a fund for use in repurchasing the Company's own shares.

**Item 10 b):** Provided that the Meeting passes a resolution in accordance with the Board's motion under item 10 a) above, the Board of Directors proposes an increase in the Company's share capital of 31,037,085.04 SEK through a transfer from non-restricted shareholders' equity to the share capital (bonus issue). The share capital shall be increased without issuing new shares. The reason for the bonus issue is that if the Company transfers an amount corresponding to the amount by which the share capital is reduced in accordance with the Board's motion under item 10 a) above, the resolution to reduce the share capital can be passed without obtaining the permission of the Swedish Companies Registration Office (Bolagsverket), or, in disputed cases, court permission. The effect of

the Board of Directors' motion under item 10 a) entails a reduction in the Company's share capital of 31,037,085.04 SEK. The effect of the Board of Directors' motion under item 10 b) is a corresponding increase in the Company's share capital through a bonus issue, thereby restoring it to its balance prior to the reduction.

The resolution of the General Meeting in accordance with the Board's motion under item 10 a) is contingent upon it being supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Meeting.

**Item 11:** The Board of Directors proposes that it be authorized to decide on the acquisition, on one or more occasions prior to the next Annual General Meeting, of a maximum of as many shares as may be acquired without the Company's holding at any time exceeding 10 percent of all shares in the Company. The shares shall be acquired on 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 selling 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 program.

The resolution of the General Meeting with regard to the Board motions under item 11 is contingent upon it being supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Meeting.

**Item 12:** The Board of Director proposes principles for remuneration and other terms of employment for the President and other members of the Group management whereby remuneration and other terms of employment for the Group management shall correspond to market practise. In addition to the fixed salary, the members of the Group management may be entitled to variable salary. The variable salary may include both an annual short term program to be paid out in the beginning of the subsequent year depending on the outcome of the program, and a long term program with a performance period which shall not be shorter than three years. The variable salary, which shall be capped in relation to the fixed salary, shall primarily be based on specific, clear, predetermined and measurable financial or operational criteria and may include an obligation to purchase and hold shares in the Company. Full details on the proposed principles and their application on 2010 variable salary are available on the Company's website [www.swedishmatch.com](http://www.swedishmatch.com).

**Item 13:** According to the call option program for 2009, which was adopted by the Annual General Meeting of April 2009, certain senior executives shall be allotted a minimum of 2,701 options and a maximum of 69,134 options per person. The options may be exercised for the purchase of shares during the period from 1 March 2013 to 27 February 2015 inclusive, at an exercise price of 197.45 SEK. The terms and conditions applying to the options were established on the basis of the average price of the Swedish Match share on the NASDAQ OMX Stockholm during the period from February 25 to March 10, 2010 inclusive, which was 164.55 SEK. The market value of the options, calculated on the basis of conditions prevailing at the time when the terms and conditions applying to the options were established, has been established by an independent valuation institute to be 26.04 SEK per option, corresponding to a total maximum value of 18,584,759 SEK. The Board of Directors proposes that the Meeting resolve that the Company issue 713,670 call options to execute the option program for 2009. The Board of Directors further proposes that the Company, in a deviation from the preferential rights of shareholders, be permitted to transfer of 713,670 shares in the Company at a selling price of 197.45 SEK per share in conjunction with a potential exercise of the call options. 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 another similar measure.

The resolution of the General Meeting in accordance with the Board's motions under item 13 is contingent upon it being supported by shareholders representing at least nine-tenths of both the votes cast and the shares represented at the Meeting.

## Documents

The Annual Report, the Auditors' Report, full details of the resolutions proposed under items 8, 10 a), 10 b), 11, 12, and 13 as well as statements by the Board of Directors, pursuant to Chapter 18 Section 4 and Chapter 19 Section 22 of the Swedish Companies Act, and the statement by the auditors pursuant to Chapter 8 Section 54 and Chapter 20 Section 14 of the Swedish Companies Act, will be made available at Swedish Match AB's headquarters (Legal Department) at Rosenlundsgatan 36 in Stockholm, Sweden, no later than April 13, 2010. They will also be available on the Company's website, [www.swedishmatch.com](http://www.swedishmatch.com), on the same date. They can also be ordered from the Company. The documents will also be available at the Meeting.

## Number of shares and votes in the Company

The total number of shares and votes in Swedish Match AB on the issue date of this notice amounted to 251 000 000. As per March 17, 2010 Swedish Match owns 21,715,000 repurchased shares and these shares can consequently not be represented at the Meeting.

## Right to participate in the Meeting

In order to participate in the Meeting you need to be registered as a shareholder in the register of shareholders maintained by Euroclear AB on April 21, 2010. In addition, you need to notify Swedish Match of your intention to participate no later than April 21, 2010, at which time notifications to participate must have been received by Swedish Match. Shareholders who wish to be accompanied by one or two assistants at the Meeting shall also advise Swedish Match thereof within the appointed period of time.

## Proxy form

Proxy forms are available upon request and on the Company's website [www.swedishmatch.com](http://www.swedishmatch.com).

## Notice of participation

Notice of participation may be submitted in writing to Swedish Match AB, Legal Department, SE-118 85 Stockholm, Sweden, by telephone at +46 (0)8 658 02 50 (13:00 – 16:00 CET), by fax at +46 (0)8 720 76 56, or via the Internet at [www.swedishmatch.com/stamman](http://www.swedishmatch.com/stamman). When giving notice of participation, the shareholder shall state his or her name, address, telephone number (daytime), civic ID/corporate registration number and name of assistants, if any. Receipt of notification will be confirmed by Swedish Match, which will issue an attendance card prior to the Meeting to be presented at the entrance to the venue at which the Meeting is held.

## Proxy

Shareholders who are represented by proxy shall issue a power of attorney for the proxy. If the power of attorney is issued by a legal entity, a copy of the corporate registration certificate for the legal entity shall be enclosed (or if no such document is available, an equivalent authorization document). These documents may not be older than one year. To facilitate entry at the Meeting, the power of attorney in the original as well as the corporate registration certificate and other authorization documents should be received by the Company at the address provided above no later than Thursday, April 22, 2010.

## Share registration

Shareholders whose shares are nominee registered and who wish to participate in the Meeting must re-register the shares in their own name. Such re-registration may be temporarily, known as voting right registration. Requests for re-registration should be submitted to the bank or broker who administers the shares in sufficient time to allow re-registration to be effective on Wednesday, April 21, 2010.

The entrance to the venue for the Meeting will be opened at 15:30 (CET). Coffee will be served before the Meeting.

Stockholm, March 2010  
*The Board of Directors*