

Swedish Match AB (publ) is a public Swedish limited liability company listed on the NASDAQ OMX Stockholm. The objective of the Company's operations, as stated in the Company's Articles of Association, is to directly or indirectly conduct business relating to the development and manufacture of and trade in tobacco products, matches and lighters and to carry out other activities that are related to these businesses.

GOVERNANCE REPORT

Swedish Match is subject to a variety of rules that affect its governance including the Company's Articles of Association, the Swedish Companies Act, the Rule Book for Issuers on the NASDAQ OMX Stockholm, the Swedish Code of Corporate Governance, and other applicable laws and regulations. The Articles of Association, adopted by the general meeting of shareholders, are available on the Company's website at www.swedishmatch.com.

Swedish Match applies the Swedish Code of Corporate Governance, which is available on the NASDAQ OMX website at www.nasdaqomx.com. The Company is not reporting any deviations from the Code for 2009, except with regard to the Code's regulation that auditors shall review the Company's half-year or nine-month report. The reason for this deviation is that the Board of Directors, with reference to the Company's stable operations, is of the opinion that the extra cost that would be incurred by such a review is not warranted and that sufficient control is achieved through the Company's internal reporting and control systems.

This Corporate Governance Report, with the exception of the report on internal control, has been examined by the Company's auditors but does not represent part of the formal Annual Report.

General Meeting

The General Meeting constitutes the highest governing body in a limited liability company, and shareholders' rights to participate in resolutions regarding the Company's

affairs are exercised at General Meetings. The Company's shareholders were informed of their legal rights to have issues addressed at General Meetings through the Company's website at www.swedishmatch.com. Each share entitles the holder to one vote at a General Meeting. Resolutions adopted by General Meetings are generally resolved by a simple majority. However, according to the Swedish Companies Act, certain matters are to be decided by a qualified majority.

The Annual General Meeting must be held within six months of the close of the fiscal year. At the Annual General Meeting, resolutions are adopted concerning such matters as dividends, approval of the Annual Report, discharge of the Board of Directors and the President from personal liability, election and compensation of the Chairman and members of the Board of Directors and, where applicable, auditors, guidelines for determination of compensation payable to senior executives, and other matters of importance to the Company.

The Annual General Meeting for 2009 was held on April 28, 2009. The minutes of the meeting are available on the Company's website at www.swedishmatch.com.

Nominating Committee

The Nominating Committee is established according to the principles resolved by the Annual General Meeting each year. Pursuant to the decision of the Annual General Meeting 2009 the Nominating Committee shall include the Chairman of the Board of Directors and one representative of each

of the four largest shareholders who wish to appoint a representative to the Committee. 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 coming Annual General Meeting.

Pursuant to instructions established by the General Meeting, the Nominating Committee's duties are to prepare and submit proposals to the General Meeting concerning the election of the Chairman of the Annual General Meeting, the election of the Chairman and other members of the Board, directors' fees divided among the Chairman of the Board and other Board members, and any fees for committee work, as well as, if applicable, the election of and fees to be paid to the auditors.

In the autumn of each year the Board of Directors commissions an external consultant to conduct an evaluation of the Board as regards the conduct and functioning of the Board's work. The Chairman of the Board informs the Nominating Committee about the outcome of the evaluation. This evaluation gives the Nominating Committee a basis from which to assess the competence and experience of the Board Members and the requirements for the future.

The Nominating Committee shall meet as often as necessary to discharge its duties, and at least once per year. Proposals to the Nominating Committee can be submitted to the Nominating Committee's secretary, the General Counsel of Swedish Match. The 2009 Annual General Meeting decided

that no fees should be paid to the members of the Nominating Committee, but that any expenses of the Nominating Committee were to be borne by the Company.

Nominating Committee for the AGM 2009

The Nominating Committee for the Annual General Meeting in 2009 comprised the following five persons; Michael Allison (Morgan Stanley Investment Management), William N. Booth (Wellington Management Company), Andy Brown (Cedar Rock Capital), Mads Eg Gensmann (Parvus Asset Management), and the Chairman of the Board. Mads Eg Gensmann served as Chairman of the Nominating Committee. The Committee held three meetings during the period between the 2008 and 2009 Annual General Meetings combined with informal contacts and discussions between the members. A report on the work of the Nomination Committee was presented to the AGM 2009.

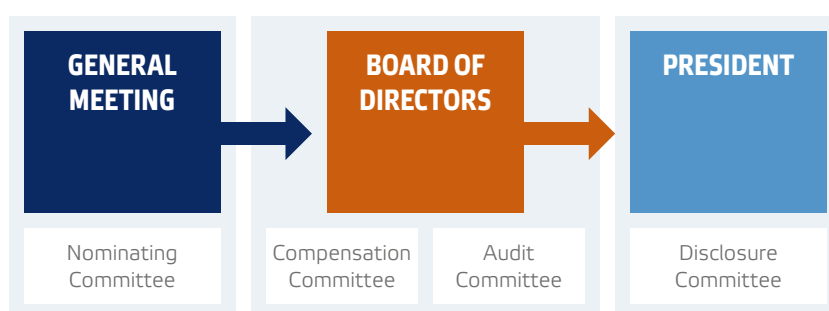
Nominating Committee for the AGM 2010

The Nominating Committee for the Annual General Meeting in 2010 was announced in a press release on October 27, 2009 with the following members, in addition to the Chairman of the Board; Andy Brown (Cedar Rock Capital), Mads Eg Gensmann (Parvus Asset Management), KG Lindvall (Swedbank Robur Funds), and William Lock (Morgan Stanley Investment Management). Mads Eg Gensmann serves as Chairman of the Nominating Committee.

Contacting the Nominating Committee

Shareholders may submit its proposals to the Company's Nominating Committee at any time. However, any proposal should be submitted to the Committee no later

GOVERNANCE OF THE SWEDISH MATCH GROUP



than two months prior to the AGM, so that the Nominating Committee can consider proposals received with due care.

Proposals shall be submitted to:
 Swedish Match AB
 The Nominating Committee
 c/o General Counsel
 SE-118 85 Stockholm, Sweden
 E-mail: nominating.committee@swedishmatch.com

Board of Directors

Board composition

According to the Articles of Association, the Company's Board of Directors must consist of at least five and at most ten directors, apart from those persons who, pursuant to law, may be appointed according to other arrangements. At the end of 2009, the Swedish Match Board of Directors consisted of seven members elected by the General Meeting plus three employee representatives and their three deputies in accordance with the Trade Union Representatives (Status at the Workplace) Act.

During the year, the Board of Directors consisted of the following directors elected by the General Meeting: Conny Karlsson, Charles A. Blixt, Andrew Cripps, Karen

Guerra, Arne Jurbrant, Kersti Strandqvist, and Meg Tivéus. During the year, Kenneth Ek, Eva Larsson, and Joakim Lindström served as employee representatives on the Board, with Håkan Johansson, Eeva Kazemi Vala, and Gert-Inge Rang as deputies. Detailed information about individual Board members and deputies is provided on pages 106–107.

Board meetings

The Board of Directors convenes for six ordinary meetings and one statutory meeting per year. In addition to the scheduled Board meetings, the Board is called to additional meetings convened at the discretion of any director or of the President.

The auditors participate in the Board meeting at which the annual accounts for the fiscal year are presented in order to communicate their observations from the audit. The auditors also met with the Board without the presence of the President or any other member of the executive management.

Responsibilities of the Board of Directors

The Board of Directors is primarily responsible for establishing the Swedish Match strategic and financial Long-Range Plan, monitoring the performance of the oper-

ations on an ongoing basis, ensuring that there is a satisfactory process for monitoring the Company's compliance with laws and regulations, reviewing and approving the financial accounts, and taking decisions regarding investments and divestments.

The Board of Directors appoints and issues instructions for the President and monitors his work. The Board also determines the President's salary and other compensation within the framework of the guidelines established at General Meetings.

The Board of Directors is responsible for ensuring that the Group's organization is appropriate for its purpose, and conducts ongoing evaluations of the financial position of the Company, of management guidelines, and of the investment of company funds. The Board also safeguards the Company's financial accounting, internal control and the quality of its financial reporting through the system for internal control described in detail in the section entitled "Report on internal control" on page 105.

Working procedures for the Board of Directors

The working procedures for the Board of Directors are established annually at the statutory Board meeting. The working procedures include instructions relating to the role of the Chairman of the Board, the divi-

sion of responsibilities between the Board of Directors and the President, and the guidelines for financial reporting to the Board. The working procedures stipulate that the Company shall have an Audit Committee and a Compensation Committee.

Activities of the Board of Directors during 2009

The number of Board meetings during 2009 was seven, of which six were scheduled meetings and one was a statutory meeting. The Board of Directors elected at the 2009 Annual General Meeting held its 2009 statutory meeting on the same day as the Annual General Meeting, when decisions were made concerning the working procedures for the Board and instructions for the Compensation and Audit Committees. In addition, customary decisions were made concerning the election of the secretary (General Counsel Fredrik Peyron) and authorized signatories, and the appointment of members of the Compensation and Audit Committees.

In addition to a financial review of the business and distribution of surplus funds, the Board during the year devoted considerable time to the Company's strategy and organization, management benefit structures and to divestments and acquisitions.

All of the meetings held during the year followed an approved agenda. Prior to each meeting, a proposed agenda and, where applicable, documents relevant to the items on the agenda were sent to the Board. The Company's auditors attended the Board meeting in February to present the audit report and observations from the audit. In conjunction with the Board's meetings in June, the Board visited the Company's cigar manufacturing facility in Houthalen, Belgium.

Chairman of the Board

The Chairman of the Board is responsible for organizing and directing the Board's work and ensuring that the Board fulfills its obligations. Through regular contact with the President, the Chairman of the Board monitors the Company's operations and development, ensures that the Board of Directors continuously receives the information required for upholding the quality of the Board's work, and monitors that this work is performed in compliance with the Swedish Companies Act.

The Chairman's other responsibilities include forwarding the owners' opinions to the Board of Directors. During 2009, Conny Karlsson served as Chairman of the Board.

Audit Committee

The Audit Committee is appointed annually by the Board of Directors. In 2009, the members were Meg Tivéus, (Chairman), Andrew Cripps, and Kersti Strandqvist. Although the Committee's work is primarily of a preparatory and advisory nature, the Board of Directors delegates decision-making authority on specific issues to the Committee. The Committee is responsible for overseeing procedures for accounting and financial reporting and for the organization of internal control. It also oversees the audit of the Group's accounting records. Its reviews focus on the quality and integrity of the Group's financial statements and related disclosure, the performance of the Company's internal control function and independent auditors, the independent auditors' qualifications and independence, the Group's compliance with applicable laws

COMPOSITION OF THE BOARD OF DIRECTORS AND COMMITTEES AND NUMBER OF MEETINGS AND ATTENDANCE DURING 2009

	Audit Committee	Compensation Committee	Board of Directors
Total number of meetings	5	7	7
Conny Karlsson		7	7
Charles A. Blixt		7	7
Andrew Cripps	5		7
Karen Guerra			6
Arne Jurbrant		7	6
Kersti Strandqvist	5		7
Meg Tivéus	5		7
Kenneth Ek			7
Eva Larsson			7
Joakim Lindström			7
Håkan Johansson			7
Eeva Kazemi Vala			7
Gert-Inge Rang			7

and regulations and, as required, related party transactions. In conjunction with the Audit Committee's review of the financial reports, the members of the Audit Committee also discuss accounting issues relating to the Company's financial reporting. The Audit Committee also establishes guidelines by which services other than auditing may be secured from the Company's auditors. The Audit Committee also discusses other important issues relating to the Company's financial reporting and reports its observations to the Board.

Decision-making powers have been delegated to the Committee by the Board pertaining to:

- (i) advance approval of non-audit services to be provided by the auditors;
- (ii) advance approval of transactions between the Company and related parties;
- (iii) matters pertaining to special review of interim reports by auditors, and
- (iv) the need for a separate review function (internal audit).

The Chairman of the Committee kept the Board of Directors informed on an ongoing basis of the work and decisions of the Committee throughout the year. Prior to the 2009 Annual General Meeting, the Audit Committee evaluated the auditors' work and informed the Nominating Committee of the results of the evaluation.

In consultation with Committee members, the Chairman of the Committee shall decide where and how frequently the Committee shall meet. The number of meetings in 2009 was five including one by telephone. The Company's auditors participated in all of the meetings of the Audit Committee in 2009 and, in connection with two of these meetings, also met with the Committee without the presence of Company representatives

Compensation Committee

The Compensation Committee is appointed annually by the Board of Directors. Members in 2009 were Conny Karlsson, Chairman, Arne Jurbrant, and Charles A. Blixt. The Company's President presents reports on certain issues, but is not a member of the Committee and is not present when the Committee prepares decisions regarding compensation to the President.

The Committee's duties are to prepare and submit to the Board proposals for decisions on the following issues:

- (i) guidelines to be proposed to the Annual General Meeting, for the determination of salaries and other compensation, as well as other terms of employment for the Company's President and other members of Group Management Team;
- (ii) any share-related incentive programs;
- (iii) salary and other compensation as well as other terms of employment for the Company's President, including annual salary review;
- (iv) other compensation and employment term matters which, by law or other regulations, the Swedish Code of Corporate Governance or established practice shall be resolved by the General Meeting or the Board of Directors; and
- (v) approval of significant engagements outside the Company with respect to the President.

The Board of Directors has delegated decision-making authority to the Committee for the following issues:

- (i) calculation and payment of variable salary to the Company's President and other members of the Group Management Team;

- (ii) the allotment of options, within the framework for the call option program, as resolved by the Annual General Meeting;
- (iii) payment of funds to the Company's profit-sharing system in Sweden, pursuant to the rules stipulated by the Board for the Swedish profit-sharing system;
- (iv) salary and other compensation which, within the framework of the guidelines resolved by the Annual General Meeting, shall be paid to, and other terms of employment that shall apply for, members of Group Management Team other than the President;
- (v) approval of significant engagements outside the Company with respect to other members of the Group Management Team than the President; and
- (vi) study fees paid to the employee representatives on the Board.

The Committee's Chairman kept the Board of Directors informed on an ongoing basis about the Committee's work and decisions during the year.

The Committee shall meet as often as necessary but at least twice annually. The number of meetings held during 2009 was seven including two by means of correspondence.

During 2009, the Committee devoted special attention to determination of variable compensation for 2008 to be paid in 2009, proposals to the Board concerning adjustments to the President's salary and variable compensation for 2010, determination of salaries and variable compensation for other members of the Group Management Team for 2010 and proposals for long term incentive programs. In addition, the Committee submitted a proposal to the Board, prior to the 2009 Annual General Meeting, to have the Company issue call options in respect of the 2008 options program and a proposal for guidelines for the determination of salary and other remuneration paid to the President and other members of the Group Management Team.

MEMBERS OF THE COMMITTEES OF THE BOARD OF DIRECTORS 2009

COMPENSATION COMMITTEE

Conny Karlsson
(Chairman)
Charles A. Blixt
Arne Jurbrant

AUDIT COMMITTEE

Meg Tivéus
(Chairman)
Andrew Cripps
Kersti Strandqvist

Evaluation of the work of the Board of Directors

The Board of Directors shall ensure that its work is evaluated annually. During the autumn of 2009, the Board's work was evaluated with the assistance of an independent consulting company. The Nominating Committee was informed of the result of the evaluation.

Independence of Board members

All of the Board members are considered to be independent under the rules of the Swedish Code of Corporate Governance in relation to the Company's major shareholders and in relation to the management and the Company.

Compensation to the Board of Directors

The Nominating Committee submits proposals to the General Meeting regarding compensation to the Board of Directors. The Meeting then votes on the matter.

Directors' fees were paid during 2009 pursuant to the resolution of the Annual General Meeting in 2009. No compensation for Directorship work was paid to Directors employed by the Swedish Match Group.

Pursuant to a resolution adopted by the 2009 Annual General Meeting, compensation to the Board for the period from the 2009 Annual General Meeting up to and including the 2010 Annual General Meeting amounted to 1,575,000 SEK to the Chairman of the Board, 745,000 SEK to the deputy Chairman and 630,000 SEK to each

member of the Board elected by the General Meeting. In addition, a total of 920,000 SEK was granted for committee work, with the Chairman of the Compensation and Audit Committees receiving 230,000 SEK each and other members serving on these committees receiving 115,000 SEK each.

For further information about Directors' fees for 2009, see *Note 7 Personnel*, page 66.

Management President

The President is appointed by the Board of Directors, and manages the Company's operations within the framework established by the Board. The President's duties include responsibility for ensuring that the Board of Directors receives objective, comprehensive and relevant information prior to Board meetings, enabling the Board to reach well-founded decisions. The President also submits reasoned proposals for decisions by the Board. On a monthly basis, the President provides Board members with the information required to monitor the position, liquidity and development of the Company and the Group, while also providing the Chairman with ongoing information regarding the operations of the Company and the Group. During 2009 Lars Dahlgren served as President and CEO.

Group Management Team

In 2009, the Swedish Match Group Management Team consisted of Lars Dahlgren, President and CEO; Mats Adamson, Senior

Vice President Group Human Resources; Bo Aulin, Senior Executive Advisor (until May 31, 2009); Henrik Brehmer, Senior Vice President Corporate Communications; Rich Flaherty, President of North America Division, until August 31, 2009 and thereafter President of US Sales Division; Lennart Freeman, Executive Vice President and President of Swedish Match International; Martin Källström, President of North Europe Division from May 1, 2009 until August 31, 2009 and thereafter President of Smokefree Division; Lars Olof Löfman, Senior Vice President of Global Smokefree Products until August 31, 2009 and thereafter President of Other Operations; Jonas Nordquist, President of Scandinavia Sales Division from September 1, 2009; Fredrik Peyron, Senior Vice President Legal Affairs; Joakim Tilly, CFO and Senior Vice President Group Finance and IT, and Torbjörn Åkeson, acting President of North Europe Division (until April 30, 2009).

Compensation to Group Management

The 2009 Annual General Meeting established certain guidelines for determining salary and other compensation to the President and other members of the Group Management Team. For information on the guidelines established at the Annual General Meeting, see *Note 7 Personnel*, page 66.

For information concerning compensation and other benefits to the Group Management Team and the Company's options program, see *Note 7 Personnel*, page 66.

CEO

GROUP FUNCTIONS

Group Finance & IT

Group Human Resources

Legal Affairs

Corporate Communications

**SMOKEFREE
DIVISION**

**SCANDINAVIA
SALES
DIVISION**

Smokefree operations

**US SALES
DIVISION**

**SWEDISH MATCH
INTERNATIONAL**

Lights and Cigar
operations

**OTHER
OPERATIONS**

Swedish distribution

Audit and auditors

The auditors are elected by the General Meeting. According to the Articles of Association, the number of authorized public auditors must be one or two with a maximum of one or two deputy auditors or one or two auditing firms.

The accounting firm KPMG AB was elected by the General Meeting as the Company's external auditors for the period from 2008 up to and including the Annual General Meeting in 2012. Thomas Thiel, authorized public accountant, serves as auditor in charge.

The duties of the external auditors include reviewing the management of the Board and President and the Company's annual accounts and accounting records. The external auditors report continuously to the Board's Audit Committee and, in conjunction with preparation of the annual accounts, they also report their observations from the audit to the Board. During 2009, in addition to auditing, KPMG AB provided consultancy services to the Group, primarily with regard to testing of IT-controls, due-diligence reports and tax services.

For information concerning compensation to the Swedish Match auditors during 2009, see *Note 8 Audit fees*, page 70.

Disclosure Committee

The President has appointed a Disclosure Committee whose primary responsibility is to ensure that all external reporting, including interim reports, annual reports and press releases whose content could have an impact on the share price or that contains financial information, is prepared in accordance with the Group's prevailing routines. Members of the Committee during 2009 were the Company's Senior Executive Advisor, Bo Aulin, (until May 31, 2009), and the heads of Corporate Communications, Investor Relations, Group Reporting and Tax (from June 1, 2009), and Legal Affairs. The head of Legal Affairs served as the Chairman of the Committee.

Report on internal control

The Board of Directors is responsible for internal control pursuant to the Swedish Companies Act and the Swedish Code of Corporate Governance. This report on internal control was prepared in accordance with the Swedish Code of Corporate Governance and is limited to internal control over financial reporting. The report is a separate section in the Corporate Governance Report. The report on internal control is not a part of the official Annual Report and has not been examined by the Company's auditors.

Control environment

The basis for internal control over financial reporting is the control environment that has been documented and communicated in governing documents such as internal policies on business ethics, delegation of authority, related party transactions and fraud response. In addition a set of policies and instructions for accounting and reporting, as well as for internal control and IT security, have been established. All policies are regularly updated and distributed through a system where key individuals confirm implementation within their area of responsibility. Fundamental to creating an effective control environment is the establishment of clear decision-making and review structures. Swedish Match has established a system of regular review meetings between Group, Division and local management where the Group values are reinforced.

Risk assessment

The Group applies a risk assessment and risk management method to ensure that the risks to which the Group is exposed are managed within the established framework. Based on the risk assessment the Group defines a standardized system of controls to ensure that essential risks pertaining to financial reporting are properly mitigated. These standardized controls are reviewed and updated annually. In addition each Group company is charged with the responsibility to assess company specific risks and identify additional key internal controls not covered by the standardized

system of controls. Furthermore the foundation of the annual evaluation of effectiveness of the internal control structure is the annually updated risk assessment of each Group company.

Control activities

Based on the framework of Group policies and instructions the Division president is charged with the responsibility to establish the internal controls over financial reporting. Control activities are established in all business processes and systems supplying information to the financial reports in order to safeguard the reliability of the information.

Information and communication

Management has established communication channels and forums to allow for an effective information flow relating to business conditions and changes affecting the financial reporting.

Monitoring

The Group monitors compliance with governing documents in the form of internal policies and instructions, and evaluates the effectiveness of the control structure. The Group Internal Audit department, which reports directly to the CFO and the Audit Committee, conducts the evaluation of internal controls.

Financial reports are provided on a monthly, quarterly and annual basis to Division and Group management through a common reporting and consolidation system. Management, financial as well as operating management, reviews the financial information to validate completeness and accuracy. The Board receives monthly reports, and the financial status of the Group is discussed at every scheduled Board meeting. The Disclosure Committee monitors the sufficiency of financial reports with regard to disclosure requirements.

Stockholm, February 24, 2010

The Board of Directors of
Swedish Match AB

Board of Directors



Conny Karlsson

CONNY KARLSSON Born 1955, MBA. Chairman since 2007. Board member since 2006. Chairman of the Compensation Committee.
Other Board Assignments: Board member of TeliaSonera AB and CapMan OYJ.
Previous positions: President, Duni AB; Marketing Director, Procter & Gamble UK; Marketing Director and Regional Director, Procter & Gamble Scandinavia; Marketing Director, Procter & Gamble E&SO.
Own and related parties' shares: 21,000



Charles A. Blixt

ANDREW CRIPPS Born 1957, B.A., University of Cambridge. Board member since 2006. Deputy Chairman and member of the Audit Committee.
Other Board Assignments: Non-executive Director and Chairman of Audit Committee of Booker Group plc. Non-executive director and Chairman of the Remuneration Committee of Molins Plc. Non-executive Director and Chairman of the Audit Committee of Helphire Group plc.
Previous positions: Non-executive director, Trifast Plc; Director, Carreras Group Ltd; Head of Acquisitions and Head of Strategy Development, British American Tobacco; Director of Corporate Finance, Rothmans International; Managing Director, Rothmans Holdings BV; President, Ed. Laurens International SA. Chartered Accountant.
Own and related parties' shares: 12,200

CHARLES A. BLIXT Born 1951. J.D. and B.A. Board member since 2007. Member of the Compensation Committee.
Other Board Assignments: Corporate Board memberships Targacept Inc. (NASDAQ: TRGT) and Krispy Kreme Doughnuts, Inc. (NYSE: KKD). Also Board member of Salem Academy and College Board of Trustees.
Previous positions: Interim General Counsel, Krispy Kreme Doughnuts; Executive Vice President and General Counsel, RJ Reynolds Tobacco Holdings; Executive Vice President and General Counsel, Reynolds American Inc.
Own and related parties' shares: 7,090



Andrew Cripps

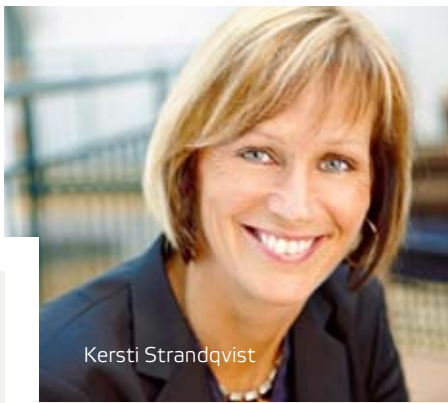


Karen Guerra

Arne Jurbrant

KAREN GUERRA Born 1956. BSc. Board member since 2008.
Other Board Assignments: Non Executive Director with Samlerhuset Group BV, a private European direct marketing company.
Previous positions: Non Executive Director and member of the Remuneration Committee, Inchcape PLC; Non Executive Director, More Group PLC; President, Colgate Palmolive France SAS; Chairman and Managing Director, Colgate Palmolive UK Ltd; Marketing Manager Pepsi-Cola Holland and Ireland, Pepsi Cola International.
Own and related parties' shares: 3,100

ARNE JURBRANT Born 1942, MBA. Board member since 2002. Member of the Compensation Committee.
Other Board Assignments: Member of the IF L/MTC Foundation.
Previous positions: CEO, Kraft Foods Nordic Region; President, Kraft Freia Marabou Nordic Region; President, General Foods Sweden/Denmark; President, General Foods Denmark; Sales Manager, General Foods; Marketing Manager, General Foods Sweden; Product Manager, Pripps Bryggerier; President's assistant, Pripps Bryggerier.
Own and related parties' shares: 15,233 (including endowment assurance)



Kersti Strandqvist

KERSTI STRANDQVIST Born 1963, M. Sci., Techn. Lic., Master of Strategic Marketing. Board member since 2005. Member of the Audit Committee. Vice President Feminine Care within SCA Personal Care.
Previous positions: Business Area Manager Baby Care, SCA Personal Care; Director R&D Incontinence Care, SCA Hygiene Products; Technical Manager Sourcing, SCA Hygiene products; Marketing Manager, Elf Atochem (France); various positions in R&D and sales, Neste Chemicals (Sweden, Finland, Belgium).
Own and related parties' shares: 8,100



Meg Tivéus

MEG TIVÉUS Born 1943, MBA. Board member since 1999. Chairman of the Audit Committee.
Other Board Assignments: Chairman of Folkandvården in Stockholm, Frösunda LSS AB and Sprit och Vinleverantörerna. Board member of Cloetta AB, Billerud AB, Apoteket Farmacii AB and Nordea Fonder AB.
Previous positions: President and CEO, Svenska Spel AB; Vice President, Posten AB; Division Manager, Holmen AB; Division Manager, Åhléns AB; Director, AB Nordiska Kompaniet; Product Manager, Modo AB; Project Manager, McCann Gunther & Bäck.
Own and related parties' shares: 12,000

Changes in the Board of Directors during 2009

There were no changes in the Board of Directors during 2009.

Independence in relation to the 2009 Board of Directors

All Board members are, as defined in the Swedish Code of Corporate Governance, independent of the Company and its management and of the Company's major shareholders.

Secretary to the Board of Directors

Fredrik Peyron General Counsel. Senior Vice President, Legal Affairs since 2007.

EMPLOYEE REPRESENTATIVES



Kenneth Ek

Eva Larsson

Joakim Lindström

KENNETH EK Born 1953. Board member since 1999. Appointed by the Council for Negotiation and Co-operation (PTK) within Swedish Match. Board member of the Swedish Association of Management and Professional Staff (Ledarna) at the snus plant in Gothenburg and Kungälv, Sweden. Works with strategic technical projects at Swedish Match plant in Gothenburg/Kungälv.
Previous positions: Technical Manager; Electrical Manager; Electrician, Swedish Match AB.
Own and related parties' shares: 0

EVA LARSSON Born 1958. Board member since 1999. Appointed by the Swedish Trade Union Confederation (LO) within Swedish Match Industries. Chairman of the trade union association at the match plant in Tidaholm, Sweden. Insurance Manager for insurance policies of persons employed under collective agreements at Swedish Match match plant in Tidaholm.
Previous positions: Line Operator, Swedish Match match plant in Tidaholm.
Own and related parties' shares: 0

JOAKIM LINDSTRÖM Born 1965. Board member since 1999. Appointed by the Swedish Trade Union Confederation (LO) within Swedish Match. Chairman and member of the nomination body of the Swedish Food Workers' (Livs) trade union association in Solna, Stockholm, Sweden. Module technician at Swedish Match distribution facility in Solna.
Previous positions: Module Technician, Swedish Match distribution facility in Solna.
Own and related parties' shares: 0

www.swedishmatch.com

For updated information on Board members and their shareholdings and options, please refer to the Company's website.

EMPLOYEE REPRESENTATIVES (DEPUTIES)



Håkan Johansson

Eeva Kazemi Vala

Gert-Inge Rang

HÅKAN JOHANSSON Born 1963. Deputy member since 2004. Appointed by the Swedish Trade Union Confederation (LO) within Swedish Match. Module Technician at Swedish Match distribution facilities in Gothenburg.
Previous positions: Module Technician, Swedish Match distribution facilities in Malmö, Line Operator at Svenska Tobaks AB in Malmö.
Own and related parties' shares: 0

EVA KAZEMI VALA Born 1949. Deputy member since 2004. Appointed by the Council for Negotiation and Co-operation (PTK) within Swedish Match. Chairman of Unionen for Swedish Match in Stockholm/Solna. Works with Exports of pipe tobacco and snus.
Previous positions: Market Coordinator Pipe tobacco, Market Research Manager, Marketing Assistant, Research Chemist, Bioanalyst, Swedish Match North Europe Division. Stockholm University, Casco AB and Karolinska Institutet.
Own and related parties' shares: 1,500

GERT-INGE RANG Born 1954. Deputy member since 2007. Appointed by the Council for Negotiation and Co-operation (PTK) within Swedish Match. Chairman of the Swedish Association of Management and Professional Staff (Ledarna) at the factory in Vetlanda, Sweden. Supervisor, Splint department at Swedish Match Industries in Vetlanda.
Previous positions: Supervisor, Swedish Match Industries in Vetlanda.
Own and related parties' shares: 1,000

AUDITORS

KPMG AB Senior Auditor: Thomas Thiel. Born 1947. Authorized Public Accountant. Swedish Match Auditor since 2004. Thomas Thiel's other auditing assignments include Atlas Copco, Axfood, Folksam, PEAB, Ratos, Skandia, SKF and Stena.



Group Management



Lars Dahlgren

LARS DAHLGREN President and CEO of Swedish Match AB since 2008. Joined Swedish Match in 1996. Member of Group Management Team since 2004. Born 1970, M. Sc. Business and Economics from Stockholm School of Economics.

Previous positions: Chief Financial Officer and Senior Vice President, Swedish Match AB; Vice President Group Finance, Swedish Match AB; Finance Director, Swedish Match Philippines; Financial analyst, SBC Warburg.

Own and related parties' shares: 5,400
Call options: 156,358



Lennart Freeman

LENNART FREEMAN Executive Vice President of Swedish Match AB since 2005. President of Swedish Match International since November 2008. Joined Swedish Match in 1975. Member of Group Management Team since 1999. Born 1951, MBA.

Previous positions: President, Swedish Match North America; President, Swedish Match Cigarette Division; Managing Director Cricket Lighters, Swedish Match Lights Division. Several marketing and business development positions within various tobacco and lights operations, Swedish Match.

Own and related parties' shares: 300
Call options: 274,595



Mats Adamson

MATS ADAMSON Senior Vice President, Group Human Resources since 2007. Joined Swedish Match in 1994. Member of Group Management Team since 2007. Born 1959, Human Resources Executives Program from Stockholm School of Economics Executive Education. He also holds a rank of Major within the Swedish Armed Forces.

Previous positions: Vice President Human Resources, Swedish Match North Europe Division; Director Human Resources, Eesti Tubakas AS.

Own and related parties' shares: 650
Call options: 74,993



Richard Flaherty

RICHARD FLAHERTY President of US Sales Division since September 2009. Joined Swedish Match in 2000. Member of Group Management Team since 2008. Born 1958, BA Economics, JD Law, LL.M. Taxation.

Previous positions: Chief Operating Officer, Swedish Match North America Division OTP; Chief Financial Officer, Swedish Match North America Division; Chief Financial Officer, Bumble Bee Seafoods; Commercial Director, Unilever.

Own and related parties' shares: 0
Call options: 131,088



HENRIK BREHMER Senior Vice President, Corporate Communications since 2007. Employed and Member of Group Management Team since 2007. Born 1964, Bachelor Human Resources Management and Business Administration. Background as an Officer in the Swedish Armed Forces.

Previous positions: Vice President Corporate Communications, Ericsson AB in Sweden and UK; Senior Vice President Investor Relations and Group Communication, Securitas AB in UK.

Own and related parties' shares: 0
Call options: 45,130



Henrik Brehmer

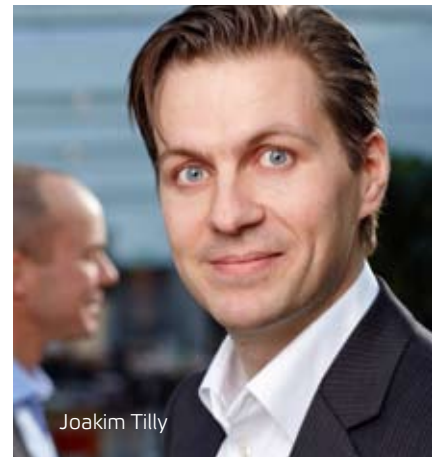


Martin Källström

MARTIN KÄLLSTRÖM President of Smokefree Division. Employed and Member of Group Management Team since May 2009. Born 1961. BSc, School of Business, Economics and law at Göteborg University.

Previous positions: Vice President Category Management, Personal Care SCA Group. Prior to this he has, over the past 25 years, served in several leading positions both in Sweden and internationally at SCA Personal Care division.

Own and related parties' shares: 0
Call options: 0



Joakim Tilly

JOAKIM TILLY Chief Financial Officer and Senior Vice President, Group Finance and IT since 2008. Joined Swedish Match in 1994. Member of Group Management Team since 2008. Born 1970, M. Sc. Business and Economics from Stockholm School of Economics.

Previous positions: Senior Vice President Group Finance, Swedish Match AB; Vice President Group Finance, Swedish Match AB; CEO and CFO, Netgiro International; CFO, Swedish Match Lighter Division.

Own and related parties' shares: 0
Call options: 58,097



Lars Olof Löfman

LARS OLOF LÖFMAN President of Other Operations. Joined Swedish Match in 1987. Member of Group Management Team since 2004. Born 1956, MSc Eng, Controller DIHM. *Previous positions:* President, Swedish Match North Europe Division; Vice President Production & Development, Swedish Match North Europe Division; Vice President Operations, Swedish Match Snuff Division; Plant and Production Manager, Swedish Match AB.

Own and related parties' shares: 1,400
Call options: 132,170



Jonas Nordqvist

JONAS NORDQUIST President of Scandinavia Sales Division. Joined Swedish Match in May 2006. Member of Group Management Team since September 2009. Born 1971, M. Sc. Electrical Engineering from Royal Institute and Technology and M. Sc. Business and Economics from Stockholm School of Economics.

Previous positions: CFO, Swedish Match North Europe Division, Head of Siemens Mobile Phones, Siemens Division in India; various management positions in Germany and India, Siemens AG.

Own and related parties' shares: 0
Call options: 32,748

Changes in the Group Management Team during 2009

Martin Källström was appointed President of Smokefree Division and Lars Olof Löfman President of Other Operations. Jonas Nordqvist was appointed President of Scandinavia Sales Division and Richard Flaherty President of US Sales Division.

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Holdings of own and related parties shares and call options as of December 31, 2009. For a detailed report of remuneration and benefits to senior executives, refer to Note 7, page 66.



Fredrik Peyron

FREDRIK PEYRON General Counsel and Senior Vice President, Legal Affairs since 2007. Joined Swedish Match in 2000. Member of Group Management Team and Secretary to the Board since 2007. Born 1967, Bachelor of Laws (LLB).

Previous positions: Vice President Corporate Affairs, Swedish Match AB; Legal Counsel, Akzo Nobel AB; Associate, Mannheimer Swartling Advokatbyrå.

Own and related parties' shares: 1,500
Call options: 76,036

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For updated information on members of the Group Management Team and their shareholdings and call options, refer to the Company's website.