

## **NOMINATION COMMITTEE PRIOR TO 2016 ANNUAL GENERAL MEETING**

### ***Decision regarding appointments***

The 2012 annual general meeting decided that the nomination committee, until further notice, shall be appointed in the following manner.

“The nomination committee shall be composed of representatives of the, no less than four and no more than six, largest shareholders in terms of voting rights listed in the shareholders’ register maintained by Euroclear Sweden AB as of the last banking day in August, and the chairman of the board of directors. The chairman of the board of directors is to convene the first meeting of the nomination committee. The member representing the largest shareholder in terms of voting rights shall be appointed chairman of the nomination committee. If so desired, due to later changes in the ownership structure, the nomination committee is authorized, in case the number of members falls below seven, to call in one or two additional members among the shareholders who in terms of voting rights are the largest shareholders next in turn, so that the total number of members is not higher than seven. Should a member resign from the nomination committee before its work is completed and, if the nomination committee considers it necessary, a “substitute” member is to represent the same shareholder or, if the shareholder is no longer one of the largest shareholders in terms of voting rights, the largest shareholder next in turn. Changes in the composition of the nomination committee shall be made public immediately. The composition of the nomination committee is to be announced no later than six months before the annual general meeting. Remuneration shall not be paid to the members of the nomination committee. The company is to pay any costs for the work of the nomination committee. The term of office for the nomination committee ends when the composition of the following nomination committee has been announced. The nomination committee shall propose the following: the chairman of the general meeting, board of directors, the chairman of the board of directors, remuneration to the board of directors individually specified for the chairman and each of the other directors, remuneration for committee work and auditor and remuneration to the auditor.“

### ***Composition***

The nomination committee prior to the 2016 annual general meeting comprises:

Helena Stjernholm, AB Industrivärden,  
Håkan Sandberg, Handelsbankens Pensionsstiftelse and others,  
Yngve Slyngstad, Norges Bank Investment Management,  
Hans Sterte, Skandia, and  
Pär Boman, styrelseordförande i SCA.

The nomination committee shall submit proposals concerning the matters listed below for presentation to the 2016 annual general meeting for decision:

Proposed chairman of the annual general meeting  
Proposed members of the board of directors  
Proposed chairman of the board  
Proposed board fees and distribution among the chairman and the other board members, as well as remuneration for work in committees  
Proposed auditor and fees for the auditor  
Proposed nomination committee before the next annual general meeting.

Shareholders who desired to present proposals to the nomination committee have had the opportunity to do so.

### ***The nomination committee's proposals***

The nomination committee has presented the following proposals prior to the 2016 annual general meeting.

#### **Election of chairman of the annual general meeting**

The nomination committee proposes attorney Eva Hägg be appointed chairman to lead the meeting.

#### **Resolution on the number of members and deputy members of the board of directors**

The nomination committee proposes that the number of board members shall be nine, with no deputies appointed.

#### **Resolution on the number of auditors and deputy auditors**

The nomination committee proposes to appoint one auditor, with no deputy auditor.

#### **Resolution on the remuneration to the board of directors and the auditor**

The nomination committee proposes, unchanged, that the remuneration to each director elected by the meeting and who is not employed by the company shall be SEK 700,000 and that the chairman of the board of directors is to receive SEK 2,100,000. Members of the remuneration committee are each to receive an additional remuneration of SEK 105,000, while the chairman of the remuneration committee is to receive an additional remuneration of SEK 135,000. Members of the audit committee are each to receive an additional remuneration of SEK 200,000. The chairman of the audit committee is to receive an additional remuneration of SEK 250,000.

Furthermore, the nomination committee proposes that remuneration to the auditor shall be paid according to approved invoice.

#### **- Reasoned statement**

The nomination committee has not identified any need to propose an increase of the remuneration resolved by the 2015 annual general meeting for the work of the board of directors or of the remuneration committee. As regards remuneration for the work of the audit committee an increase is proposed, motivated by the increased work load and responsibility of the audit committee.

#### **Election of members of the board of directors and chairman of the board**

The nomination committee proposes re-election of the directors Pär Boman, Annemarie Gardshol, Magnus Groth, Louise Julian Svanberg, Bert Nordberg and Barbara Milian Thoralfsson and election of Johan Malmquist, Maija-Liisa Friman and Ewa Björling as new directors. Pär Boman is proposed to be elected as chairman of the board of directors.

A majority (eight out of nine) of the proposed board members – Pär Boman, Annemarie Gardshol, Louise Julian Svanberg, Bert Nordberg, Barbara Milian Thoralfsson, Johan Malmquist, Maija-Liisa Friman and Ewa Björling – are independent of the company and its executive management. Of these, seven – Annemarie Gardshol, Louise Julian Svanberg, Bert Nordberg, Barbara Milian Thoralfsson, Johan Malmquist, Maija-Liisa Friman and Ewa Björling – are also considered independent of the company's major shareholders. Only one board member – Magnus Groth, CEO – is a member of the executive management. All of the

board members have experience of the requirements incumbent upon a listed company or equivalent experience.

Further information regarding the board members proposed for re-election is available on the company's website, [www.sca.com](http://www.sca.com).

Ewa Björling, born 1961, is a Med. Dr. Sci. and Associate Professor from the Karolinska Institute. Ewa Björling served as the Minister of Trade from 2007 to 2014 and as Minister of Nordic Cooperation from 2010 to 2014. She is a member of the board of Biogaia AB and Mobilaris AB, and former board member of, among others, the Swedish National Insurance Office and of the Swedish International Development Cooperation Agency (SIDA).

Maija-Liisa Friman, born 1952, holds a MSc. Eng. and served as CEO of Aspocomp Group Plc from 2004 to 2007. Prior to that, she served as the President of Vattenfall Oy and Gyproc Oy. Maija-Liisa Friman is the vice chairman of the board of Neste Corporation and a board member of Finnair, LKAB and Boardman Oy. She previously served as board member of TeliaSonera, Rautarukki, Metso, Ekokem and Talvivaara Mining Company Plc.

Johan Malmquist, born 1954, holds a MSc. Econ. and served as President and CEO of Getinge from 1997 to 2015. Johan Malmquist is a board member of Elekta AB and Mölnlycke Health Care AB and has previously served as board member of Getinge AB and Capio AB.

#### **- The work of the nomination committee and reasoned statement**

In September 2015, pursuant to the resolution of the 2015 annual general meeting, the chairman of the board summoned representatives of the four largest shareholders in terms of voting rights to form part of the nomination committee together with the chairman of the board ahead of the 2016 annual general meeting. The composition of the nomination committee and information on how shareholders may submit proposals to the nomination committee have been announced by the company. The nomination committee has held nine recorded meetings.

The nomination committee has thoroughly familiarized itself with the board's work and the specific requirements of the company's operations. The nomination committee has also reviewed the completed evaluation of individual board members' contribution to the board's work, of the chairman's work and of how the board members function together. The conclusion is that the current board and its work have functioned properly.

The aim of the nomination committee has been to propose a board where the individual board members as well as the board in its entirety meet great demands on relevant knowledge and experience in order to be able to carry out effective board work in SCA characterized of high quality. Alongside this, the nomination committee has also, in accordance with the company's diversity policy, strived to achieve a more equal gender diversity on the board.

With support from external expertise the nomination committee has conducted a structured recruitment process. In its proposal regarding the board of directors, the nomination committee has paid attention to the proposed members' other assignments, to ensure that they are able to devote their assignment in the SCA board the time and the commitment required.

Leif Johansson has declined re-election.

The nomination committee considers that the proposed board of directors will obtain an appropriate composition with regard to the company's operations, phase of development and

other relevant circumstances. It exhibits diversity and breadth as to the board members' qualifications, experience and background and meets the independency requirements in the Swedish Corporate Governance Code.

The nomination committee concludes that five of the proposed members of the board of directors are women, corresponding to a 56 % female representation.

### **Election of auditor**

The nomination committee proposes election of the registered accounting firm EY AB, for the period until the end of the annual general meeting 2017. If elected, EY has announced its appointment of Hamish Mabon as auditor-in-charge.

### **- Reasoned statement**

The nomination committee has familiarized itself with the work of the audit committee regarding the auditor and with its recommendation that includes a proposal for election of auditor. The current auditor, PwC, has been the company's auditor for a significant number of years and it has been considered an appropriate point in time to replace the auditor. The audit process of the company is complicated and includes auditing in more than 90 countries. EY has therefore been deemed appropriate for the assignment.

### **Resolution on the nomination committee**

The nomination committee proposes the following resolution regarding the nomination committee:

"The nomination committee shall be composed of representatives of the four largest shareholders in terms of voting rights according to the shareholders' register maintained by the company as of the last banking day in August who have consented to participate in the nomination committee, and of the chairman of the board of directors. The chairman of the board of directors is to convene the first meeting of the nomination committee. The member representing the largest shareholder in terms of voting rights shall be appointed chairman of the nomination committee. If deemed important, due to later changes in the ownership structure, the nomination committee is authorized to appoint one or two additional members among the shareholders who in terms of voting rights are the shareholders next in turn. The total maximum number of members shall be seven. Should a member resign from the nomination committee before its work is completed and, if the nomination committee considers it desirable, a "substitute" member shall be appointed to represent the same shareholder or, if the shareholder is no longer one of the largest shareholders in terms of voting rights, the largest shareholder next in turn. Changes in the composition of the nomination committee shall be made public immediately. The composition of the nomination committee is to be announced no later than six months prior to the annual general meeting. Remuneration shall not be paid to the members of the nomination committee. Any costs for the work of the nomination committee shall be borne by the company. The term of office for the nomination committee ends when the composition of the following nomination committee has been announced. The nomination committee shall propose the following: the chairman of the general meeting, the board of directors, the chairman of the board of directors, remuneration to the board of directors individually specified for the chairman and each of the other directors, remuneration for committee work and auditor and remuneration to the auditor." The resolution on the nomination committee shall remain in force until further notice.

**- Reasoned statement**

The proposal of the nomination committee entails a change compared to previous years in that the annual general meeting hereby resolves that the nomination committee shall consist of a fixed number of representatives. Previously the nomination committee was to be composed of no less than four and no more than six representatives and the chairman of the board of directors was to resolve on the final number of representatives.