

NOMINATION COMMITTEE PRIOR TO 2017 ANNUAL GENERAL MEETING

Decision regarding appointments

The 2016 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 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.”

Composition

The nomination committee prior to the 2017 annual general meeting comprises:

Helena Stjernholm, AB Industrivärden,
Petter Johnsen, Norges Bank Investment Management,
Håkan Sandberg, Handelsbankens Pensionsstiftelse and others,
Hans Sterte, Skandia, and
Pär Boman, chairman of the board of directors of SCA

The nomination committee shall submit proposals concerning the matters listed below for presentation to the 2017 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

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

The nomination committee's proposal to the annual general meeting 2017

Svenska Cellulosa Aktiebolaget SCA's nomination committee proposes the following.

- Chairman of the annual general meeting

Attorney at law Carl Svernlöf

- Number of members of the board of directors

Ten ordinary members and no deputy directors (2016: nine ordinary members] and no deputy directors)

- Remuneration to the board of directors

Chairman of the board of directors: SEK 2,100,000 (2016: SEK 2,100,000)

Each of the other members who is not employed by the company: SEK 700,000 (2016: SEK 700.000)

(i) Members of the remuneration committee, additional remuneration: SEK 105,000 (2016: SEK 105.000); chairman of the remuneration committee: SEK 135.000 (2016: SEK 135.000)

(ii) Members of the audit committee, additional remuneration: SEK 250,000 (2016: SEK 200,000), chairman of the audit committee: SEK 330,000 (2016: SEK 250,000)

The proposed remuneration to the board of directors is unchanged compared to last year. The total remuneration for the work of the board of directors and committees is proposed to increase by a total of SEK 880,000, since the board of directors has increased with one member and the remuneration for the audit committee is proposed to increase due to increased work load and responsibility.

- Members of the board of directors

Re-election of Pär Boman, Ewa Björling, Maija-Liisa Friman, Annmarie Gardshol, Magnus Groth, Louise Svanberg, Johan Malmquist, Bert Nordberg och Barbara M. Thoralfsson. Election of Lars Rebien Sörensen.

- Chairman of the board of directors

Pär Boman (2016: Pär Boman)

- Number of auditors and deputy auditors

One auditor, with no deputy auditor (2016: One auditor, with no deputy auditor)

- Auditor

EY AB (2016: EY AB)

- Remuneration to the auditor

According to approved invoice (2016: According to approved invoice)

- The nomination committee

The nomination committee proposes that, following nomination instruction, with only editorial changes from 2016, will apply until further notice.

“The nomination committee shall be composed of representatives of the four largest registered shareholders in terms of voting rights according to the shareholders’ register¹ maintained by the company as of the last banking day of August, 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. The chairman of the board shall not be 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 in terms of voting rights 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 by SCA no later than by 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 SCA. 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 including remuneration for committee work, auditor and remuneration to the auditor, and, to the extent deemed necessary, amendments to this instruction.”

- Nomination committee in respect of the resolution on distribution

Provided that the annual general meeting 2017 of SCA resolves on the distribution of the shares of the subsidiary SCA Hygiene AB to the shareholders of SCA, SCA intends to convene an extraordinary general meeting to be held no later than the

¹ Euroclear Sweden AB is responsible for the company’s share register.

second half of 2017, inter alia, to appoint new board members in SCA. For the appointment of the nomination committee prior to such extraordinary general meeting the nomination committee proposes the following procedure.

“The nomination committee shall be composed of representatives of the four largest registered shareholders in terms of voting rights according to the shareholders’ register² maintained by the company as of 30 March 2017, 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. The chairman of the board shall not be 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 in terms of voting rights 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 by SCA no later than 7 April 2017. 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 (in accordance with the ordinary instruction for the nomination committee) has been announced. The nomination committee shall consider which proposals are required for the extraordinary general meeting and may propose chairman of the general meeting, number of members of the board of directors, the board of directors, the chairman of the board of directors, remuneration to the board of directors and remuneration for committee work or any other proposals that the nomination committee’s is to propose.”

- The nomination committee’s reasoned statement and presentation of the nomination committee’s work

In September 2016, pursuant to the mandate of the 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 2017 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. SCA’s nomination committee has held ten recorded meetings. All resolutions of the nomination committee were unanimous. The nomination committee has conducted a structured recruitment process and also involved external expertise. The nomination committee has, on behalf of the board of directors, also prepared the matter regarding the board of directors and remuneration to the board of directors of the subsidiaries SCA Forest Products AB and SCA Hygiene AB.

² Euroclear Sweden AB is responsible for the company’s share register.

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. The nomination committee has applied rule 4.1 of the Swedish Corporate Governance Code as diversity policy when preparing its proposal. The nomination committee has also taken part of not only the result of the company's evaluation of the auditor's work, but also the audit committee's recommendation regarding proposals for election of auditors and also the evaluation of the audit committee's increased work load and greater responsibility.

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 entire result of the completed evaluation of the 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 nomination committee has been informed that all board members are available for re-election. Ten members elected by the general meeting is deemed appropriate.

In its proposal regarding the board of directors, the nomination committee has paid specific 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.

In light of the completed evaluation the nomination committee proposes re-election of Pär Boman, Ewa Björling, Maija-Liisa Friman, Annmarie Gardshol, Magnus Groth, Louise Svanberg, Johan Malmquist, Bert Nordberg and Barbara M. Thoralfsson and election of Lars Rebien Sørensen. 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. The proposal also provides continuity in the board's work, which the nomination committee has considered to be of specific importance with respect to the changes that the company is proposed to undergo. Five of the proposed board members are women, which corresponds to 50 % of the members of the board of directors.

The nomination committee concludes that the Stock Exchange's rules on board members' stock market experience are met, as well as the independency requirements in the Swedish Corporate Governance Code.

The work of the nomination committee conducted in respect of the proposal on distribution of shares in the subsidiary SCA Hygiene AB to the shareholders of SCA

In its listing process, Nasdaq Stockholm requests that the board of directors, in companies that shall be reviewed, preferably has been in place for two quarters,

however for at least one quarter, and has participated in the preparations and resolved on at least one quarterly report, prior to the day of listing.

The nomination committee has, on behalf of SCA's board of directors, also prepared the matter regarding the board of directors and remuneration to the board of directors of the subsidiaries SCA Hygiene AB and SCA Forest Products AB, in the event that the annual general meeting 2017 of SCA resolves on the distribution of shares of the subsidiary SCA Hygiene AB to the shareholders of SCA. Below is a statement on the nomination committee's work and proposal in these parts.

The proposed board of directors of SCA has been proposed to compose the board of directors of the listed hygiene company, SCA Hygiene AB. The nomination committees reason is the same as the reason in the proposal for the annual general meeting of 2017, as regards the board of directors of SCA.

The nomination committee has proposed that it is appropriate that the remunerations of SCA Hygiene AB shall be the same as the remunerations proposed in SCA for the annual general meeting on 5 April, 2017. SCA Hygiene AB has held a general meeting and appointed the proposed board of directors as of 1 March, 2017, as a preparation for the listing as an independent company. Remuneration for the board of directors shall only be paid provided that the annual general meeting of SCA on 5 April, 2017 resolves upon the distribution of all shares in SCA Hygiene AB. No compensation shall be paid to members of the board of directors of SCA Hygiene AB if they are also employed by SCA.

If the annual general meeting 2017 of SCA resolves upon the distribution of all shares in the subsidiary SCA Hygiene AB to the shareholders of SCA, SCA plans to convene an extraordinary general meeting to be held prior to a listing to, inter alia, appoint a new board of directors of SCA.

For the appointment of the nomination committee prior to such extraordinary general meeting, it is proposed that the annual general meeting resolves that the nomination committee shall be composed of representatives of the four largest registered shareholders in terms of voting rights according to the shareholders' register maintained by the company as of 30 March 2017, and of the chairman of the board of directors and, that the nomination committee is appointed and published following the annual general meeting of 2017, however not later than 7 April, 2017.

Since the SCA Forest Product AB's board of directors, which is intended to be proposed as board of directors of SCA after the distribution, must be in place for a certain period of time prior to the listing, the nomination committee will have a limited amount of time for issuing its proposal. Therefore, the nomination committee has, on behalf of the board, started the preparation of this matter.

The nomination committee's approach has been to propose a board of directors for SCA Forest Products AB where individual board members as well as the board of directors as a group, meet highly set standards of relevant knowledge and experience to carry out efficient work characterized by high quality.

The nomination committee has been informed that certain board members are available for re-election. Nine appointed members elected by the general meeting has been deemed appropriate.

The nomination committee has in its proposal regarding the board paid specific attention to:

- i) that continuity is created to ensure that the board of directors of the listed company SCA maintains knowledge and provides the company with a solid base to stand on (it is proposed that the four most experienced members that are available for re-election are re-elected, whilst a majority of five members leave the board),
- ii) that the board of directors will be in quorum in respect of issues in relation to SCA Hygiene AB (a quorum of a majority of members that will not be part of the hygiene company's board of directors are proposed to be elected),
- iii) that the proposed board members' other assignments will not prevent them to devote the time and commitment required for their assignments in the SCA board, and
- iv) that the proposed board of directors, with respect to the company's operations, phase of development and other relevant circumstances, will obtain an appropriate composition with versatility and breadth of skills, experience, background and diversity. Four of the board members are women, representing 40 percent of board members.

The nomination committee has applied rule 4.1 in the Swedish Corporate Governance Code as diversity policy when preparing its proposal.

In light of the completed evaluation and the nomination committee's proposal above, SCA has, as of 1 March 2017, appointed Pär Boman, chairman, Charlotte Bengtsson, Lennart Evrell, Annmarie Gardshol, Ulf Larsson, Martin Lindqvist, Bert Nordberg and Barbara M. Thoralfsson as the board of directors of its subsidiary SCA Forest Products AB. It has been proposed that Lotta Lyrå will take office at a later stage.

The nomination committee concludes that the Stock Exchange's rules regarding board members' stock market experience are met, as well as the rules of the Swedish Corporate Governance Code in respect of independence of board members.

The remunerations in SCA are proposed to be reduced, at the extraordinary general meeting being planned in SCA (prior to the listing of SCA Hygiene AB), by SEK 100,000 to SEK 600,000 for members and by SEK 300,000 to SEK 1.8 million for the chairman.

For the new members that, due to the listing process, are elected as board members in the subsidiary SCA Forest Products AB, compensation in the form of a single amount of SEK 250,000 will be paid for the period as from 1 March 2017 until the extraordinary general meeting prior to the listing, for their assignment to carry out the board work required for the listing. However, no compensation shall be paid to

members in SCA Forest Products' board if they are also a board member of SCA or employed by SCA.

Stockholm, March 2017

The nomination committee for Svenska Cellulosa Aktiebolaget SCA