

Press release

Stockholm, March 1, 2017



Notice of the Annual General Meeting

Notice is given to the Shareholders of Svenska Cellulosa Aktiebolaget SCA ("SCA") of the Annual General Meeting of Shareholders to be held on Wednesday 5 April 2017, at 3 p.m. at Stockholm Waterfront Congress Centre, Nils Ericsons Plan 4, Stockholm (registration from 1.30 p.m.)

Notification of attendance

Shareholders who wish to attend the annual general meeting must

- be listed in the shareholders' register maintained by Euroclear Sweden AB on Thursday, 30 March 2017, and
- give notice of their intention to attend the meeting no later than Thursday, 30 March 2017.

Notification may be given in any of the following manners:

- by telephone +46 8 402 90 59, weekdays between 8 a.m. and 5 p.m.
- on the company website www.sca.com
- by mail to Svenska Cellulosa Aktiebolaget SCA, Group Function Legal Affairs, P.O. Box 200, SE-101 23 Stockholm, Sweden.

In addition to notification, shareholders who have their shares registered through a bank or other nominee must request to be entered into the share register by Thursday, 30 March 2017, in order to be entitled to attend the meeting. Such registration may be temporary. In such cases, the shareholder should instruct the nominee of this well in advance of Thursday, 30 March 2017.

Name, personal identity number/corporate registration number, address and telephone number, and accompanying persons, if any, should be stated when notification is given. Shareholders represented by proxy should deliver a proxy in the original to the company prior to the annual general meeting. Proxy forms are available upon request and on the company website www.sca.com. Anyone representing a corporate entity must present a copy of the registration certificate, not older than one year, or equivalent authorization document, listing the authorized signatories.



Proposed agenda

1. Opening of the meeting and election of chairman of the meeting.
2. Preparation and approval of the voting list.
3. Election of two persons to check 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 auditor's report and the consolidated financial statements and the auditor's report on the consolidated financial statements.
7. Speeches by the chairman of the board of directors and the president.
8. Resolutions on
 - a) adoption of the income statement and balance sheet, and of the consolidated income statement and the consolidated balance sheet,
 - b) appropriations of the company's earnings under the adopted balance sheet, including (i) cash dividend and (ii) the distribution of all shares in SCA Hygiene AB,
 - c) record date for the resolved cash dividend and authorization for the board of directors to resolve on the record date for the distribution of all of the shares of SCA Hygiene AB,
 - d) discharge from personal liability of directors and president 2016.
9. Resolution on the number of directors and deputy directors.
10. Resolution on the number of auditors and deputy auditors.
11. Resolution on the remuneration to be paid to the board of directors and the auditor.
12. Election of directors and deputy directors.
 - Re-election of
 - i. Pär Boman
 - ii. Ewa Björling
 - iii. Maija-Liisa Friman
 - iv. Annemarie Gardshol
 - v. Magnus Groth
 - vi. Johan Malmquist
 - vii. Bert Nordberg
 - viii. Louise Svanberg
 - ix. Barbara Milian Thoralfsson
 - Election of
 - x. Lars Rebien Sörensen
13. Election of chairman of the board of directors.
14. Election of auditors and deputy auditors.
15. Resolution on instruction for the nomination committee
 - a) in respect of the resolution on distribution,
 - b) for the next annual general meeting.



16. Resolution on guidelines for remuneration for the senior management.
17. Resolution on amendments of the Articles of Association.
18. Resolution on
 - a) reduction of the share capital by cancellation of own shares,
 - b) increase of the share capital by a bonus issue, without issuance of new shares.
19. Closing of the meeting.

Proposal for resolution under Item 1

The nomination committee proposes Carl Svernlöv, attorney at law, as chairman of the annual general meeting.

Proposal for resolution under Item 8 b)

- (i) The board of directors proposes a cash dividend for the financial year 2016 of SEK 6.00 per share.
- (ii) The board of directors further proposes that all shares in the wholly-owned subsidiary SCA Hygiene AB are to be distributed, whereby one Class A share in Svenska Cellulosa Aktiebolaget SCA entitles to one Class A share in SCA Hygiene AB, and one Class B share in Svenska Cellulosa Aktiebolaget SCA entitles to one Class B share in SCA Hygiene AB.

Proposal for resolution under Item 8 c)

The record date for the cash dividend is proposed to be Friday, 7 April 2017. Provided that the annual general meeting resolves in accordance with this proposal, payment of the dividend through Euroclear Sweden AB is estimated to be made on Wednesday, 12 April 2017.

The board of directors proposes the annual general meeting to authorize the board of directors to resolve on the record date for the distribution of all shares of SCA Hygiene AB.

Proposals for resolutions under Items 9–14

The nomination committee proposes the following:

- The number of directors shall be ten with no deputy directors.
- The number of auditors shall be one with no deputy auditor.



- The remuneration to each director elected by the meeting and who is not employed by the company shall be SEK 700,000 and 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 250,000, while the chairman of the audit committee is to receive an additional remuneration of SEK 330,000. Remuneration to the auditor is to be paid according to approved invoice.
- Re-election of the directors Pär Boman, Ewa Björling, Maija-Liisa Friman, Annemarie Gardshol, Magnus Groth, Johan Malmquist, Bert Nordberg, Louise Svanberg and Barbara Milian Thoralfsson and election of Lars Rebien Sørensen as new director.

Lars Rebien Sørensen, B.Sc. Forestry and B.Sc. Economics, Copenhagen Business School, served as President and CEO of Novo Nordisk from 2000 to 2016, and prior to that he served as Head of Health Care for Novo Nordisk, from 1994 to 2000. Mr. Sørensen is currently Deputy Chairman of Carlsberg and a board member of the Novo Nordisk Foundation and Thermo Fisher Scientific, USA. He has previously served as a board member for Bertelsmann, Danmarks Nationalbank, Dong Energy and SAS, among others.

- Furthermore, Pär Boman is proposed to be elected as chairman of the board of directors.
- Re-election of the registered accounting firm EY AB, in accordance with the audit committee's recommendation, for the period until the end of the annual general meeting 2018. If elected, EY has announced its appointment of Hamish Mabon as auditor-in-charge.

Proposals for resolutions under Item 15

The nomination committee proposes the following as regards the instruction for the nomination committee.

a) Proposal for resolution regarding instruction for the 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 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' register¹ 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 to 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 general meeting's resolution pursuant to this item is conditional upon that the general meeting resolves on the distribution of SCA Hygiene AB in accordance with the board of directors proposal pursuant to item 8b) above.

b) Proposal for resolution regarding instruction for the nomination committee prior to the next annual general meeting

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' register² maintained by the company as of

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

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



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 month prior to the annual general meeting. Remuneration shall not to 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.”

Proposal for resolution under Item 16

The board of directors proposes that the annual general meeting adopt the following guidelines for remuneration for the senior management.

“Remuneration to senior managers³ will be a fixed amount (base salary), variable remuneration, additional benefits and pension. The total remuneration is to correspond to market practice and be competitive on the senior manager’s field of profession and is to be linked to the manager’s responsibility and authority. The variable remuneration is to be limited and linked to the fixed remuneration based on performance results in relation to the annual and long-term goals respectively. In the event of termination of employment, the notice period should normally be not more than two years should the

³ Senior management include the President, Executive Vice President, Business Unit President and equivalent, and the like, as well as the Central Staff Managers.



termination be initiated by the company, and not more than one year, when initiated by the senior manager. Severance pay should not exist. Pension benefits shall, to the extent possible, solely contain pension benefits determined by charge and be payable from the age of 65. The pension is not to be based on variable remuneration. The board of directors shall be entitled to deviate from the adopted guidelines if, in an individual case, there are special reasons for doing so. The guidelines shall not prevail over mandatory conditions under labour law or collective agreements. Neither do they apply to existing agreements.”

Proposal for resolution under Item 17

Provided that the annual general meeting has resolved on the distribution of SCA Hygiene AB in accordance with the board of directors’ proposal pursuant to item 8b) above, the board of directors proposes the annual general meeting to amend the Articles of Association in accordance with the below.

Current wording

§ 3
The registered office of the Company is in *Stockholm*.

§ 16
Shares of Class C carry entitlement annual dividends from the Company’s distributable earnings in an amount corresponding to STIBOR for a term of *360 days* from 1 May of a certain year until and including 1 May of the subsequent year and calculated on the ratio value of the Company’s share.

The Board of Directors of the Company shall in the period from 1 July up to and including 31 July of each year be entitled to decide to reduce the share capital by redemption of all Class C shares.

If a decision to redeem is made, holders of Class C shares shall be obliged to accept redemption at a price equivalent to the ratio value of the shares. The redemption price shall be paid as soon as possible.

Proposed amended wording

§ 3
The registered office of the Company is in *Sundsvall*.

§ 16
Shares of Class C carry entitlement annual dividends from the Company’s distributable earnings in an amount corresponding to STIBOR for a term of *6 months* from 1 May of a certain year until and including 1 May of the subsequent year and calculated on the ratio value of the Company’s share.

The Board of Directors of the Company shall in the period from 1 July up to and including 31 July of each year be entitled to decide to reduce the share capital by redemption of all Class C shares.

If a decision to redeem is made, holders of Class C shares shall be obliged to accept redemption at a price equivalent to the ratio value of the shares. The redemption price shall be paid as soon as possible.



The board of directors further proposes that the annual general meeting authorizes the CEO, or whomever the CEO may appoint, to make any adjustments to the resolutions that are necessary in connection with the registration with the Swedish Companies Registration Office.

The annual general meeting's resolution pursuant to this item is valid only when supported by shareholders holding at least two thirds of the votes cast as well as the shares represented at the meeting.

Proposals for resolutions under Item 18

The board of directors proposes that the annual general meeting resolves in accordance with the following proposals.

a) Reduction of the share capital by way of cancellation of own shares

The board of directors proposes that the annual general meeting resolves that the share capital be reduced by SEK 9,225,350 by way of cancellation of 2,767,605 Class B shares held by the company, each share with a quota value of approximately SEK 3.33 (rounded to two decimals). The reduction shall be executed without repayment to the shareholders. Following the reduction, the company's share capital amounts to SEK 2,341,141,630. The number of shares in the company will, following the reduction, amount to 702,342,489, each with a quota value of approximately SEK 3.33 (rounded to two decimals).

The company acquired the own shares as a part of the incentive programs that expired in 2008 and 2009. The reason for the reduction is that the board of directors believes that there is no reason for the company to continue to hold these shares or to sell them. The purpose of the reduction is to transfer the reduction amount from the non-restricted equity, with a simultaneous bonus issue and an increase of the share capital.

The resolution pursuant to this item is conditional upon the annual general meeting approving the board of directors' proposal pursuant to item b) below, to ensure that neither the restricted equity nor the share capital of the company are reduced as a result of this resolution. The general meetings resolution pursuant to this item is valid only when supported by shareholders holding at least two thirds of the votes cast as well as the shares represented at the meeting.



b) Increase of the share capital by a bonus issue, without issuance of new shares

The board of directors also proposes that the annual general meeting resolves on a bonus issue to increase the company's share capital with SEK 9,225,350 to SEK 2,350,366,980, by a transfer from non-restricted equity. No new shares shall be issued in connection with the bonus issue. The purpose of the bonus issue is to restore the company's share capital following the reduction pursuant to item a) above.

The resolution pursuant to this item is conditional upon the annual general meeting approving the board of directors' proposal pursuant to item a) above.

Finally, the board of directors proposes the annual general meeting to authorize the CEO, or whomever the CEO appoints, to make any adjustments of the resolutions under items a) and b) above, that is considered necessary in connection with the registration of the resolutions with the Swedish Companies Registration Office and Euroclear Sweden AB.

The nomination committee

The nomination committee is composed of Helena Stjernholm, AB Industrivärden (chairman), Petter Johnsen, Norges Bank Investment Management, Håkan Sandberg, Handelsbankens Pensionsstiftelse and others, Hans Sterte, Skandia, and Pär Boman, chairman of the board of SCA.

Additional information

The financial statements, the auditor's report and the board of directors' complete proposal including the board of directors' statement pursuant to Chapter 20, section 13 of the Companies act, as well as other documentation, which, according to the Companies Act, shall be made available at the annual general meeting, as well as proxy forms and the information brochure regarding the board of directors' proposed distribution of the shares in SCA Hygiene AB, will be available at the company and on the company website, www.sca.com, no later than 14 March 2017, and will be distributed free of charge to shareholders upon request and notification of postal address.

The board of directors and the president shall, if any shareholder so requests and the board of directors believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, and regarding circumstances that can affect the assessment of the

company's or its subsidiaries' financial situation or the company's relation to other companies within the group.



The total number of shares in the company amounts to 705,110,094 shares, of which 64,594,523 are series A shares and 640,515,571 are series B shares, representing a total of 1,286,460,801 votes. The series A share carries ten votes and the series B share carries one vote. The company holds 2,767,605 series B shares, which may not be represented at the general meeting. The information pertains to the circumstances as per the time of issuing this notice.

Stockholm in March 2017
Svenska Cellulosa Aktiebolaget SCA (publ)
The Board of Directors

NB: The information was submitted for publication at 21:40 CET on March 1, 2017.

For further information, please contact:

Karl Stoltz, Media Relations Manager, +46 8 788 51 55
Johan Karlsson, Vice President Investor Relations, +46 8 788 51 30

SCA is a leading global hygiene and forest products company. The Group develops and produces sustainable personal care, tissue and forest products. Sales are conducted in about 100 countries under many strong brands, including the leading global brands TENA and Tork, and regional brands, such as Libero, Libresse, Lotus, Nosotras, Saba, Tempo, Vinda and Zewa. As Europe's largest private forest owner, SCA places considerable emphasis on sustainable forest management. The Group has about 46,000 employees. Sales in 2016 amounted to approximately SEK 117bn (EUR 12.4bn). SCA was founded in 1929, has its headquarters in Stockholm, Sweden, and is listed on NASDAQ Stockholm. More information at www.sca.com.