

The board of directors' of Svenska Cellulosa Aktiebolaget SCA proposal for reduction of the share capital and a bonus issue

The board of directors' of Svenska Cellulosa Aktiebolaget SCA, Reg. No. 556012-6293, (the "Company") proposes that the annual general meeting on April 5, 2017, resolves in accordance with the following proposal.

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 board of directors statement under Chapter 20, section 13, fourth paragraph of the Swedish Companies Act

The resolution on the reduction of the share capital in accordance with the board's proposal may be implemented without obtaining an authorisation from the Swedish Companies Registration Office's or, in disputed cases, a court of general jurisdiction, since the resolution is conditional upon the execution of the bonus issue pursuant to item B above. A resolution pursuant to item A above entails a reduction of the Company's restricted equity and share capital by SEK

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9,225,350. The result of a resolution on bonus issue in accordance with the item B above entails an increase of the Company's restricted equity and share capital by SEK 9,225,350. Altogether, these measures will therefore neither reduce the Company's restricted equity nor its share capital.

Stockholm in March 2017

The board of directors of Svenska Cellulosa Aktiebolaget SCA