

NOMINATION COMMITTEE PRIOR TO 2018 ANNUAL GENERAL MEETING

Decision regarding appointments

The 2017 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 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 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.”

Composition

The nomination committee prior to the 2018 annual general meeting comprises:

Helena Stjernholm, AB Industrivärden,
Petter Johnsen, Norges Bank Investment Management,
Håkan Sandberg, Handelsbankens Pensionsstiftelse and others,
Marianne Nilsson, Swedbank Robur Fonder, and
Pär Boman, chairman of the board of directors of SCA

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

The nomination committee shall submit proposals concerning the matters listed below for presentation to the 2018 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.

No proposals have been received.

The nomination committee's proposal to the annual general meeting 2018

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

- Chairman of the annual general meeting

Attorney at law Eva Hägg

- Number of members of the board of directors

Ten ordinary members and no deputy directors (2017: nine ordinary members and no deputy directors)

- Remuneration to the board of directors

Chairman of the board of directors: SEK 1,800,000 (2017: SEK 1,800,000)

Each of the other members who is not employed by the company: SEK 600,000 (2017: SEK 600,000)

- (i) Members of the remuneration committee, additional remuneration: SEK 105,000 (2017: SEK 105,000); chairman of the remuneration committee: SEK 135,000 (2017: SEK 135,000)
- (ii) Members of the audit committee, additional remuneration: SEK 250,000 (2017: SEK 200,000), chairman of the audit committee: SEK 330,000 (2017: SEK 330,000)

The proposed remuneration to the board of directors as well as the remuneration to the chairman of the board is unchanged compared to the remuneration decided at the extraordinary general meeting on 17 May 2017 and the proposed remuneration for committee work is unchanged compared to the remuneration decided at the annual general meeting on 5 April 2017. The total remuneration for the work of the board of directors and committees is

proposed to increase by a total of SEK 600,000, since the board of directors is increased with one member.

- Members of the board of directors

Re-election of Charlotte Bengtsson, Pär Boman, Lennart Evrell, Annemarie Gardshol, Ulf Larsson, Martin Lindqvist, Lotta Lyrå, Bert Nordberg, Barbara M. Thoralfsson and election of Anders Sundström as new director.

- Chairman of the board of directors

Pär Boman (2017: Pär Boman)

- Number of auditors and deputy auditors

One auditor, with no deputy auditor (2017: One auditor, with no deputy auditor)

- Auditor

EY AB (2017: EY AB), for the period until the end of the annual general meeting 2019.

- Remuneration to the auditor

According to approved invoice (2017: According to approved invoice)

- The nomination committee

The nomination committee does not propose any amendments to the instruction for appointment of the Nomination Committee.

The nomination committee's reasoned statement and presentation of the nomination committee's work

In September 2017, 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 2018 annual general meeting. On 18 September 2017, the company announced the composition of the nomination committee and how shareholders, if they desire, may submit proposals to the nomination committee. No proposals have been received. The nomination committee has held five recorded meetings as well as ongoing contact.

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 met with the president and CFO of the company and has reviewed a presentation 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 functions together as a group. At a meeting, the nomination committee

interviewed one of the directors. The conclusion is that the current board and its work functions properly.

The aim of the nomination committee has been to propose a board of SCA 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 characterized of high quality. 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, Charlotte Bengtsson, Lennart Evrell, Annemarie Gardshol, Ulf Larsson, Martin Lindqvist, Lotta Lyrå, Bert Nordberg and Barbara Milian Thoralfsson and new election of Anders Sundström, whom the nomination committee considers complies with the requirements described above. Ten members elected by the general meeting is deemed appropriate.

The nomination committee considers that the proposed board of directors, in accordance with rule 4.1 of the Swedish Corporate Governance Code, will obtain an appropriate composition with regard to the company's operations, phase of development and other relevant circumstances, characterized by diversity and breadth as to the board members' qualifications, experience and background as well as achieving an equal gender diversity. The nomination committee has applied rule 4.1 of the Swedish Corporate Governance Code as diversity policy. Of the 10 proposed members of the board, six are men and four are women, which corresponds to 60 % respectively 40 %. Furthermore, the proposed board meets the independency requirements in the Swedish Corporate Governance Code.

The nomination committee has not found any reason to propose any changes to the remuneration for the board of directors decided by the extraordinary general meeting 2017, nor to the remuneration of the remuneration committee or the audit committee decided by the annual general meeting.

The nomination committee has reviewed the audit committee's work regarding proposals for election of auditors as well as the audit committee's recommendation in this regard. The audit committee has recommended re-election of EY AB as the company's auditor. EY has been the company's auditor since the annual general meeting 2016 and has performed its assignment in a satisfactory manner. The nomination committee proposes, in accordance with the recommendation of the audit committee, election of EY for the period until the end of the annual general meeting 2019. If elected, EY has announced its appointment of Hamish Mabon as auditor-in-charge.

Questions about the nomination committee's proposal, will be answered by the Chairman of the nomination committee Helena Stjernholm, phone +46 8 666 64 00.

Sundsvall, February 2018

The nomination committee for Svenska Cellulosa Aktiebolaget SCA