

## **NOTICE CONVENING THE ANNUAL GENERAL MEETING OF SVENSKA CELLULOSA AKTIEBOLAGET SCA**

*Notice is given to the Shareholders of  
Svenska Cellulosa Aktiebolaget SCA ("SCA"), reg. no. 556012-6293,  
of the Annual General Meeting of Shareholders to be held on  
Thursday, March 31, 2022*

The board of directors has decided that the annual general meeting should be conducted by way of postal voting pursuant to temporary legislation, which is expected to enter into force on March 1, 2022. This means that the annual general meeting will be held without the physical presence of shareholders, representatives or third parties. The shareholders will therefore only be able to exercise their voting rights by postal voting in the manner prescribed below.

Information on the resolutions passed at the annual general meeting will be disclosed on Thursday, March 31, 2022, when the outcome of the postal voting has been confirmed.

### **Registration and notification with regard to annual general meeting by postal voting**

A person who wishes to participate in the annual general meeting must

- be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on Wednesday, March 23, 2022.
- give notice of participation by casting its postal vote in accordance with the instructions under the heading Postal voting below so that the postal voting form is received by Euroclear Sweden AB no later than on Wednesday, March 30, 2022.

In order to be entitled to participate in the annual general meeting, a shareholder whose shares are registered in the name of a nominee must, in addition to giving notice of participation in the annual general meeting by submitting its postal vote, register its shares in its own name so that the shareholder is listed in the presentation of the share register as of Wednesday, March 23, 2022. Such re-registration may be temporary (so-called voting rights registration), and request for such voting rights registration shall be made to the nominee in accordance with the nominee's routines at such a time in advance as decided by the nominee. Voting rights registration that has been made by the nominee no later than Friday, March 25, 2022 will be taken into account in the presentation of the share register.

### **Postal voting**

Shareholders may exercise their voting rights at the annual general meeting only by postal voting in accordance with the Act on temporary exceptions to facilitate the execution of general meetings in companies and other associations, which is expected to enter into force on March 1, 2022. A special form must be used for the postal vote. The form is available on the company's website [www.sca.com](http://www.sca.com). The postal vote form is considered as notice to participate in the annual general meeting.

In order to be considered, the completed and signed form must be received by Euroclear Sweden AB no later than Wednesday, March 30, 2022. The completed and signed form must be sent to by mail to Svenska Cellulosa Aktiebolaget SCA, "Årsstämma", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden or by email to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com). Shareholders who are natural persons may also cast their votes electronically through verification with BankID via the Euroclear Sweden AB's website <https://anmalan.vpc.se/EuroclearProxy/>. To be considered, such electronic votes must be submitted no later than Wednesday, March 30, 2022.

If the shareholder submits its postal vote by proxy, a power of attorney must be attached to the postal voting form. Proxy forms in Swedish and in English are available on the company's website [www.sca.com](http://www.sca.com) and also upon request. A power of attorney is valid (1) year from its issue date or such longer time period as set out in the power of attorney, however not more than (5) years. If the shareholder is a legal person, a registration certificate or other authorization document, not older than one (1) year, must be attached to the form, listing the authorized signatories.

The shareholders may not provide special instructions or conditions to the postal vote. If so, the postal vote in its entirety is invalid. Further instructions and conditions can be found in the postal voting form and at <https://anmalan.vpc.se/EuroclearProxy/>.

### **Shareholders' right to receive information**

The board of directors and CEO 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, circumstances that may affect the assessment of the company's or its subsidiaries' financial situation or the company's relation to another company within the group. A request for such information shall be made in writing to the company no later than ten days prior to the annual general meeting, i.e. no later than Monday, March 21, 2022, at Svenska Cellulosa Aktiebolaget SCA, c/o SCA's general counsel, SE-851 88 Sundsvall, Sweden, or by email to [stabjuridik@sca.com](mailto:stabjuridik@sca.com). The information will be made available on the company's website [www.sca.com](http://www.sca.com) and at the company's head office, Skepparplatsen 1, SE-851 88 Sundsvall, Sweden, no later than Saturday, March 26, 2022. The information will also be sent to any shareholder who so requests and who states its address.

### **Proposed agenda**

1. Election of chairman of the meeting.
2. Election of two persons to check the minutes.
3. Preparation and approval of the voting list.
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 of the consolidated financial statements and the auditor's report on the consolidated financial statements, the remuneration report as well as the auditor's statement regarding the application of guidelines for remuneration.
7. 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 and record date for dividend, and
  - c) discharge from personal liability of directors and president for 2021.
8. Resolution on the number of directors and deputy directors.
9. Resolution on the number of auditors and deputy auditors.
10. Resolution on the remuneration to be paid to the board of directors and the auditor.
11. Election of directors and deputy directors.

Re-election of

  - i. Pär Boman,
  - ii. Lennart Evrell,
  - iii. Annemarie Gardshol,
  - iv. Carina Håkansson,
  - v. Ulf Larsson,
  - vi. Martin Lindqvist,
  - vii. Anders Sundström,
  - viii. Barbara M. Thoralfsson.

New election of

  - ix. Åsa Bergman,
  - x. Karl Åberg.
12. Election of chairman of the board of directors.
13. Election of auditors and deputy auditors.
14. Resolution on approval of remuneration report.
15. Resolution on guidelines for remuneration to senior executives.
16. Resolution on a long-term cash-based incentive program.

### **Item 1 – Election of chairman of the meeting**

The SCA nomination committee, consisting of Helena Stjernholm, AB Industrivärden (chairman), Petter Johnsen, Norges Bank Investment Management, Anders Oscarsson, AMF Försäkring & Fonder, Mikael Hallåker, Handelsbankens Pensionsstiftelse et al., and Pär Boman, chairman of the board of directors of SCA, proposes Eva Hägg, attorney at law, as

chairman of the annual general meeting, or in the event she is prevented from participating, any other person appointed by the nomination committee.

### **Item 2 – Election of two persons to check the minutes**

The nomination committee proposes Madeleine Wallmark, AB Industrivärden, and Anders Oscarsson, AMF Försäkring & Fonder, or, if one of them or both are prevented from participating, the person(s) appointed by the nomination committee to check the minutes. The assignment to check the minutes also includes checking the voting list and that the received postal votes are correctly reflected in the minutes of the meeting.

### **Item 3 – Preparation and approval of the voting list**

The voting list proposed to be approved is the voting list prepared by Euroclear Sweden AB on behalf of the company, based on the general meeting share register and received postal votes, controlled and checked by the persons assigned to check the minutes.

### **Item 7 b) – Dividend and record date**

The board of directors proposes a cash dividend for the financial year 2021 of SEK 3.25 per share, of which SEK 2.25 constitutes an ordinary dividend and SEK 1.00 constitutes an extra dividend, and that the record date for the cash dividend is to be Monday, April 4, 2022. 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 Thursday, April 7, 2022.

### **Items 8–13 – Proposals of the nomination committee**

The nomination committee proposes the following:

- Item 8: The number of directors shall be 10 with no deputy directors.
- Item 9: The number of auditors shall be one with no deputy auditor.
- Item 10: The remuneration to each director elected by the meeting and who is not employed by the company shall be SEK 675,000 and the chairman of the board of directors is to receive SEK 2,025,000. Members of the remuneration committee are each to receive an additional remuneration of SEK 120,000, while the chairman of the remuneration committee is to receive an additional remuneration of SEK 145,000. Members of the audit committee are each to receive an additional remuneration of SEK 280,000, while the chairman of the audit committee is to receive an additional remuneration of SEK 395,000. Remuneration to the auditor is to be paid according to approved invoice.
- Item 11: Re-election of the directors Pär Boman, Lennart Evrell, Annemarie Gardshol, Carina Håkansson, Ulf Larsson, Martin Lindqvist, Anders Sundström and Barbara M. Thoralfsson. Charlotte Bengtsson and Bert Nordberg have declined re-election. New election of directors Åsa Bergman and Karl Åberg.

Åsa Bergman, born in 1967, holds a degree in engineering from the Royal Institute of Technology in Stockholm. Åsa is President and CEO of Sweco AB and has been active in the company for more than 30 years, holding a number of executive positions. Currently, Åsa is a member of the Board of AB Persson Invest and Swegon AB, but will step down from her position in AB Persson Invest at the company's annual general meeting 2022.

Karl Åberg, born in 1979, holds a degree in economics from the Stockholm School of Economics. Karl is head of the investment and analysis organisation at AB Industrivärden since 2017. Karl is currently a member of the Board of Sandvik Materials Technology. Previously, Karl worked as partner and corporate director at Zeres Capital, partner at CapMan Public Markets and has been active in Handelsbanken Capital Markets.

- Item 12: Re-election of Pär Boman as chairman of the board of directors.
- Item 13: 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 2023. If elected, EY AB has announced its appointment of Fredrik Norrman auditor-in-charge.

#### **Item 14 – Approval of remuneration report**

The board of directors proposes that the annual general meeting resolves to approve the board of directors' report regarding compensation pursuant to Chapter 8, Section 53 a of the Swedish Companies Act.

#### **Item 15 – Resolution on guidelines for remuneration to senior executives**

The board of directors proposes – with amendment to the guidelines adopted at the annual general meeting 2020 – the following guidelines for remuneration to the senior management.

These guidelines shall apply to remuneration to Board members, the President, vice President as well as other members of the senior management. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2022. The guidelines do not apply to remuneration resolved by the general meeting.

#### **Principles for remuneration**

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit, motivate and retain qualified personnel through competitive remuneration in line with market levels. To this end, the total remuneration is to correspond to market practice and be competitive on the senior manager's field of profession, as well as be linked to the manager's responsibility, authority and performance. Remuneration may consist of fixed salary, variable remuneration, other benefits and pension, jointly referred to as total remuneration. The company's business strategy can be found in the company's annual and sustainability report.

## **Variable remuneration**

Variable remuneration shall aim at promoting the company's business strategy and long-term interests, including its sustainability. Variable remuneration shall be based on the outcome in relation to short-term and long-term goals, respectively, comprising financial goals, goals that contribute to such (including sustainability goals), or to the value development of the company's Class B share. It shall be linked to the fixed annual salary and be maximized. Variable remuneration is to be paid as cash remuneration and shall not qualify for pension benefits.

Short-term performance goals may include, for example, organic growth, profit, cash flow, capital efficiency, return, health-safety-environment, individual targets, or a combination thereof. Remuneration that may be paid under such short-term performance goals shall not exceed 100 percent of the fixed annual salary.

Long-term performance goals shall be linked to the value development of the company's Class B share and the company's increased climate benefits. Remuneration that may be paid under such long-term performance goals, including Performance period, maximum amount and other main conditions, shall therefore be approved by the general meeting.

Total variable remuneration related to short-term performance goals and long-term performance goals in accordance with the description above shall not exceed 100 percent of the fixed annual salary.

Additionally, variable remuneration in the form of project bonuses may be awarded in individual cases. The performance goals shall, in such case, be linked to the project (e.g. Capex or production volume) in order to promote the completion of the project. The satisfaction of goals may be measured, and bonus may be paid, after one or several years. Such project bonus shall not exceed 40 percent of the total fixed annual salary during the relevant period.

The company shall be able to refrain from paying variable remuneration when required and possible under applicable law, if there is special cause and withholding the payment is necessary to serve the company's long-term interests, including its sustainability. The company shall also have the possibility to, under applicable law, reclaim variable remuneration paid on incorrect grounds.

## **Pension and other benefits**

Pension benefits shall solely contain defined premium pension benefits, unless the manager is subject to defined benefit pension under applicable collective agreement provisions. The planned retirement age is 65 years. The defined premium pension shall total a maximum of 50 percent of the fixed annual salary.

Other benefits may include, for example, health insurance, company car and wellness allowance.

In the event of termination of employment, a notice period of two years shall typically apply if the termination is initiated by the company, or one year, if termination is initiated by the manager. Severance pay shall not occur.

### **Decision-making process and reporting**

Issues regarding remuneration to senior managers shall be dealt with by the Board of Directors' remuneration committee and, in case of the President, be decided by the Board of Directors. The remuneration committee's tasks shall also include preparing the Board of Directors' decision to propose guidelines for remuneration to senior managers, as well as monitoring and evaluating the application of these. The senior managers shall not participate in the Board of Directors' nor the remuneration committee's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

In the preparation of the remuneration guidelines, salary and employment conditions for the company's other employees in Sweden shall be taken into account, including information on the employees' total income, the components of the remuneration and increase and growth rate over time, as well as the company's equality policy.

The Board of Directors shall prepare a remuneration report.

### **Application of and derogation from the guidelines**

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability.

The guidelines do not take precedence over mandatory provisions under applicable employment regulation or collective agreements. They are also not applicable to agreements already signed.

Information about SCA's current guidelines for remuneration to senior executives, the application of the current guidelines and the company's costs for remuneration to senior executives is covered in note C3 of the company's annual report.

### **Description of significant changes compared to previous guidelines**

This guidelines have been updated following the Board of Director's proposal concerning the implementations of a new long-term cash-based incentive program.

### **Item 16 – Resolution on a long-term cash-based incentive program**

The Board of Directors of Svenska Cellulosa Aktiebolaget SCA ("SCA" or the "Company") proposes that the annual general meeting 2022 resolves to approve a long term cash-based incentive program which is directed to the members of the group management and key employees within the SCA group (the "Program").

## Background

In order to promote a common interest for the participants and the shareholders of long-term good return and to promote the Company's ability to recruit and retain key employees with business-critical competence, the Board of Directors considers that the company shall have long-term cash-based incentive programs. The Programs should be approved annually and have performance conditions related to the value development of SCA's Class B share and the Company's increased climate benefits, which is measured during a three-year period. The Board of Directors also considers that there should be a requirement for own investment in SCA shares of the entire net amount paid and that such shares should be held for a period of at least three years.

The Board of Directors of SCA has previously resolved on similar cash-based programs with three-year performance conditions, which are described in the Company's annual reports and in the remuneration report approved by the annual general meeting 2021. It is now proposed that the annual general meeting decide on this type of incentive program.

Against this background, the Board of Directors proposes that the annual general meeting 2022 approve that the Company implements a cash-based incentive program, as further described below.

## Principal terms and conditions of the Program

The Board of Directors proposes that the Program shall be based on the following principal terms and conditions:

- (a) The Program is proposed to be open to the group management and in addition not more than 20 key employees within the SCA group (the "**Participants**").
- (b) The Participants shall have the opportunity, depending on satisfaction of certain performance conditions in accordance with paragraph c) below, to obtain a cash remuneration (the "**Cash Remuneration**") after the end of the three-year Performance period for the performance conditions under the Program. The Cash Remuneration for each Participant may not exceed a certain percentage of the Participant's fixed annual salary (gross) for 2024, as follows: (i) for the President, a maximum of 50 percent, (ii) for the other members of the group management, a maximum of 40 percent and (iii) for other Participants, a maximum of 15 percent.
- (c) Payment of the Cash Remuneration shall depend on the degree of satisfaction of the performance conditions for the Program. The performance conditions shall be based on a financial target consisting of the total return ("**TSR**") on the Company's Class B share for the financial years 2022, 2023 and 2024<sup>1</sup> (the "**Performance Period**"), which shall be measured to 60 percent in relation to a benchmark group of other

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<sup>1</sup> The calculation of TSR is made as follows: weighted average price of the shares during the fourth quarter 2021 is compared with weighted average price of the shares during the fourth quarter 2024, including reinvested dividend.



companies<sup>2</sup> and to 40 percent in relation to the OMXS30 index (the “**TSR-condition**”), as well as a sustainability target related to increased climate benefit (million tonnes of CO<sub>2</sub> equivalents, as defined in the annual report, “**Climate Benefit**”) during the Performance period (the “**Sustainability Condition**”). The TSR-condition will be weighted 90 percent and the Sustainability Condition 10 percent when payment of the Cash Remuneration is decided. In connection with the expiration of the Performance period, the Board of Directors will publish information disclosing to what extent the TSR- and the Sustainability Condition, respectively, have been satisfied.

Payment of Cash Remuneration related to the *TSR-condition* shall be calculated in accordance with the following:

- A condition for payment is that the TSR of SCA’s Class B share is not lower than the weighted TSR outcome for the Benchmark Group and the OMXS30 index during the Performance period (the “**Minimum Level**”). If the Minimum Level is not reached, no payment of Cash Remuneration related to the TSR-condition will be made.
- For maximum payment, it is required that the TSR of SCA’s Class B share exceeds the weighted TSR outcome for the Benchmark Group and the OMXS30 index by at least 5 percentage points during the Performance period (the “**Maximum Level**”).
- Should the TSR of SCA’s Class B share be between the Minimum Level and the Maximum Level during the Performance period, a linear payment will be made.

Payment of Cash Remuneration related to the *Sustainability Condition* shall be calculated in accordance with the following:

- A condition for payment is that the average annual Climate Benefit increases during the Performance period, compared to the average annual Climate Benefit during the financial years 2019, 2020 and 2021 (the “**Minimum Level**”). If the Minimum Level is not reached, no payment of Cash Remuneration related to the Sustainability Condition will be made.
- For maximum payment, it is required that the average annual Climate Benefit increases with 1,5 million tonnes CO<sub>2</sub> equivalents during the Performance period, compared to the average annual Climate Benefit during the financial years 2019, 2020 and 2021 (“**Maximum Level**”).

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<sup>2</sup> When implementing the Program, the benchmark group comprises of Holmen, Stora Enso, UPM Kymmene and BillerudKorsnäs weighted equally, and may be adjusted by a Board resolution if deemed appropriate by the Board of Directors (the “**Benchmark Group**”).

- Should the Climate Benefit reach a level between the Minimum Level and the Maximum Level, a linear payment will be made.
- (d) Cash Remuneration will normally be paid after the expiration of the Performance period.
- (e) A prerequisite for a Participant to be able to receive full Cash Remuneration, is that he/she, with certain specific exceptions, has been permanently employed within the SCA group for the duration of the whole Performance period.
- (f) Participants shall undertake, for as long as the Participant is employed within the SCA group, to acquire SCA shares for the total paid net amount of the Cash Remuneration no later than 30 June 2025 (or as soon as possible thereafter if the Participant has been prevented from acquiring SCA shares at such time due to insider rules), and to retain such shares for a period of at least three years after the acquisition (with certain exemptions approved by the Board of Directors). If a Participant does not acquire or retain SCA shares in accordance with the above, the Participant's right to payment under other incentive programs to which the Participant has been invited to participate, shall lapse.
- (g) If extraordinary changes in the SCA group or in the market occur which, in the opinion of the Board of Directors, would result in a situation where the conditions for Cash Remuneration under the Program become unreasonable, the Board of Directors shall be entitled to make adjustments to the Program, including, among other things, be entitled to resolve on a reduced right to Cash Remuneration, or that no Cash Remuneration shall be paid at all.
- (h) The Board of Directors shall be authorised to establish the detailed terms and conditions for the Program. The Board of Directors may, in that regard, make necessary adjustments of these general terms and conditions to satisfy certain regulations or market conditions outside Sweden.
- (i) Participation in the Program presupposes that such participation is legally possible in the various jurisdictions concerned.

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***Costs for the Program, dilution, etc.***

The cost for the Program, including social security charges, is estimated to a maximum of SEK 30 million if satisfaction of the TSR- and the Sustainability Condition, respectively, is 100 percent. This cost can be related to SCA's total cost for salaries and remuneration, including social security charges, of SEK 2,603 million in 2021. The cost effect on key ratios and profit per share is marginal.

The Program is cash-based and does not entail any dilution for the Company's shareholders. No hedging arrangements are intended to be made with regard to the Program's financial exposure.

### ***Preparations of the proposal***

The proposed Program has been prepared by SCA's Remuneration Committee. The Remuneration Committee has presented documentation to the Board of Directors, where after the Board of Directors has resolved that the Program shall be referred to the Annual General Meeting 2022 for approval.

### **Majority requirements**

The Annual General Meeting's resolution on approval of the Program requires simple majority of the votes cast.

### **Previous incentive programs in SCA**

The Company's other incentive programs are described in more detail in note C3 in SCA's annual and sustainability report for the financial year 2021.

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### **Documents**

The financial statements, the auditor's report, the board of directors' report pursuant to Chapter 8, Section 53 as of the Swedish Companies Act on paid and outstanding remuneration that is covered by the guidelines for remuneration to senior executives, the auditor's statement pursuant to Chapter 8, section 54 of the Companies Act regarding these guidelines, and the board of directors' statement pursuant to Chapter 18, section 4 of the Companies Act are presented by being available at the company and on the company's website [www.sca.com](http://www.sca.com) no later than Thursday, March 10, 2022. The documents will also be distributed free of charge upon request and notification of address. Complete proposals are provided under the respective item in the notice. The general meeting share register will be available at the company's head office, Skepparplatsen 1, SE-851 88 Sundsvall, Sweden. Information about proposed members of the board of directors and about the proposed auditor as well as the nomination committee's statement etc. can be found on the company's website [www.sca.com](http://www.sca.com).

### **Shares and votes**

The total number of shares in the company amounts to 702,342,489 shares, of which 64,581,994 are Class A shares and 637,760,495 are Class B shares, representing a total of 1,283,580,435 votes. The Class A share carries ten votes and the series B share carries one vote. The information pertains to the circumstances as per the time of issuing this notice.

## **Processing of personal data**

For information on how your personal data is processed, please visit

<https://www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf>.

Sundsvall in February 2022  
Svenska Cellulosa Aktiebolaget SCA (publ)  
The board of directors