

# 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 30, 2023, at 1.00 p.m. in Sundsvall  
at Clarion Hotel Sundsvall  
(registration from 11.30 a.m.)*

The shareholders also have the opportunity to exercise their voting rights by postal voting prior to the Meeting.

## **Right to participate and notice of participation at the meeting venue**

Shareholders who wish to participate in the Annual General Meeting at the meeting venue in person or by proxy must

- be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on Wednesday, March 22, 2023; and
- give notice of their participation no later than Friday, March 24, 2023. Notification may be given via the company's website [www.sca.com](http://www.sca.com) or by telephone + 46 60 19 33 00, weekdays between 9 a.m. and 4 p.m. Notification may also be given in writing to Svenska Cellulosa Aktiebolaget SCA, "Annual General Meeting", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23, Stockholm, Sweden, or by email to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com). Notification must include name, personal or corporate identification number, address, telephone number and the number of any assistants (not more than two).

Shareholders represented by proxy shall issue a written, signed and dated power of attorney for the proxy. 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 one (1) year from its issue date or such longer time period as set out in the power of attorney, however not more than five (5) years. The representative of a legal person must provide a copy of a registration certificate or corresponding authorization document, not older than one (1) year, listing the authorized signatories. In order to facilitate the registration at the Meeting, the power of attorney in original, registration certificate and other authorization documents should be sent to the company at the address stated above well in advance of the Meeting and no later than Friday, March 24, 2023.

## **Right to participate and notice by postal voting**

Shareholders who wish to participate in the Annual General Meeting by postal voting must

- be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on Wednesday, March 22, 2023; and

- give notice of their participation by submitting their postal votes in accordance with the instructions below so that the postal vote is received by Euroclear Sweden AB no later than Friday, March 24, 2023.

A person who wishes to attend the meeting venue in person or by proxy must give notice in accordance with the instructions stated under the heading “Right to participate and notice of participation at the meeting venue” above. Hence, a notice of participation only through postal voting is not sufficient for a person who wishes to attend the meeting venue.

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) and 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 Friday, March 24, 2023, and sent by post to Svenska Cellulosa Aktiebolaget SCA, "Annual General Meeting", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden, or by email to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com). Shareholders may also cast their votes electronically through verification with BankID via Euroclear Sweden AB’s website <https://anmalan.vpc.se/EuroclearProxy/>. To be considered, such electronic votes must be submitted no later than Friday, March 24, 2023.

If the shareholder submits its postal vote by proxy, a written, signed and dated 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 one (1) year from its issue date or such longer time period as set out in the power of attorney, however not more than five (5) years. If the shareholder is a legal person, a registration certificate or corresponding authorization document, not older than one (1) year, must be attached to the form, listing the authorized signatories.

The shareholder may not provide specific 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.

### **Nominee registered shares**

In order to be entitled to participate in the Annual General Meeting in person, by proxy or by postal voting, 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, register its shares in its own name so that the shareholder is listed in the presentation of the share register as of Wednesday, March 22, 2023. 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 24, 2023, will be taken into account in the presentation of the share register.

## 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 of the consolidated financial statements and the auditor's report on the consolidated financial statements, as well as the auditor's statement regarding the application of guidelines for remuneration.
7. Speech 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 and record date for dividend,
  - c) discharge from personal liability of directors and President for 2022.
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 auditors.
12. Election of directors and deputy directors.  
Re-election of
  - i. Åsa Bergman,
  - ii. Pär Boman,
  - iii. Lennart Evrell,
  - iv. Annemarie Gardshol,
  - v. Carina Håkansson,
  - vi. Ulf Larsson,
  - vii. Martin Lindqvist,
  - viii. Anders Sundström,
  - ix. Barbara M. Thoralfsson,
  - x. Karl Åberg.
13. Election of Chairman of the Board of Directors.
14. Election of auditors and deputy auditors.
15. Resolution on approval of remuneration report.
16. Resolution on a long-term cash-based incentive program for 2023-2025.
17. Closing of the Meeting.

## **Item 1 – Election of Chairman of the Meeting**

The SCA Nomination Committee, consisting of Helena Stjernholm, AB Industrivärden (Chairman), Nikolai Schjold, 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 Meeting.

## **Item 2 – Preparation and approval of the voting list**

The voting list proposed for approval is the voting list drawn up by Euroclear Sweden AB on behalf of the company, based on the Annual General Meeting's register of shareholders, shareholders having given notice of participation and being present at the meeting venue, and postal votes received.

## **Item 8 b) – Dividend and record date**

The Board of Directors proposes a cash dividend for the financial year 2022 of SEK 2.50 per share and that the record date for the cash dividend is to be Monday, April 3, 2023. 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 6, 2023.

## **Items 9–14 – Proposals of the Nomination Committee**

The Nomination Committee proposes the following:

- **Item 9:** The number of directors shall be ten with no deputy directors.
- **Item 10:** The number of auditors shall be one with no deputy auditor.
- **Item 11:** The remuneration to each director elected by the Meeting and who is not employed by the company shall be SEK 695,000 and the Chairman of the Board of Directors is to receive SEK 2,085,000. 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 285,000 while the Chairman of the Audit Committee is to receive an additional remuneration of SEK 400,000. Remuneration to the auditor is to be paid according to approved invoice.
- **Item 12:** Re-election of the directors Pär Boman, Åsa Bergman, Lennart Evrell, Annemarie Gardshol, Carina Håkansson, Ulf Larsson, Martin Lindqvist, Anders Sundström, Barbara M. Thoralfsson and Karl Åberg.
- **Item 13:** Re-election of Pär Boman as Chairman of the Board of Directors.
- **Item 14:** Re-election of the registered accounting firm Ernst & Young AB, in accordance with the Audit Committee's recommendation, for the period until the end of the Annual General Meeting 2024.

## **Item 16 – Resolution on a long-term cash-based incentive program for 2023-2025**

The Board of Directors of Svenska Cellulosa Aktiebolaget SCA (“**SCA**” or the “**Company**”) proposes that the Annual General Meeting 2023 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 relative 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 Annual General Meeting 2022 resolved on a long-term cash-based incentive program with three-year performance conditions, which is described in the Company’s annual report, and in the remuneration report proposed by the Board of Directors, for the financial year 2022. The Board of Directors proposes that the Annual General Meeting 2023 approves a, in all material respects, equivalent cash-based incentive program for the Company, 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 18 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 2025, 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 2023, 2024 and 2025<sup>1</sup> (the “**Performance Period**”), which shall be measured to 60 percent in relation to a benchmark group of other companies<sup>2</sup> and to 40 percent in relation to the OMXS30GI 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 OMXS30GI 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 OMXS30GI 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 2020, 2021 and 2022 (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, an increase of the Climate Benefit corresponding to 1.5 million tonnes CO<sub>2</sub> equivalents during the Performance Period is required, measured as an average of the Climate Benefit during the three

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<sup>1</sup> The calculation of TSR is made as follows: The weighted average price of the shares during the fourth quarter 2022 is compared with the weighted average price of the shares during the fourth quarter 2025, including reinvested dividend.

<sup>2</sup> The benchmark group consists of Holmen, Stora Enso, UPM Kymmene and Billerud (weighted with equal parts) and may be adjusted by a Board resolution if deemed appropriate by the Board of Directors (the “**Benchmark Group**”).

years in the Performance Period compared to the average of the Climate Benefit during the years 2020, 2021, 2022 (the “**Maximum Level**”).

- Should the Climate Benefit reach a level between the Minimum Level and the Maximum Level during the Performance Period, 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 exemptions, 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 June 30, 2026 (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 40 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 2.6 billion in 2022. 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, whereafter the Board of Directors has resolved that the Program shall be referred to the Annual General Meeting 2023 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 2022.

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### **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 Class B share carries one vote. The information pertains to the circumstances as per the time of issuing this notice.

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

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, 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.

### **Documents**

The financial statements, the auditor's report, the Board of Directors' report pursuant to Chapter 8, Section 53 a 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 Swedish Companies Act regarding these guidelines, and the Board of Directors' statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act will be available at the company and on the company's website, [www.sca.com](http://www.sca.com),



no later than Thursday, March 9, 2023. The documents will also be distributed free of charge to shareholders who so request and state their address, and will be available at the Annual General Meeting. Complete proposals are provided under the respective item in the notice. 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).

### **Processing of personal data**

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

<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Sundsvall in February 2023  
Svenska Cellulosa Aktiebolaget SCA (publ)  
The Board of Directors