

## **Nomination Committee prior to 2008 Annual General Meeting**

### **Decision regarding appointments**

The 2007 Annual General Meeting decided that the Nomination Committee prior to the 2008 Annual General Meeting would consist of representatives for at least the four and at most the six largest (in terms of voting rights) registered shareholders listed in VPC's printout of the share register at August 31, 2007, together with the Chairman of the Board, who will also convene the first meeting of the Nomination Committee. If on the basis of subsequently occurring changes in ownership it should become expedient, the Nomination Committee is entitled, should the number of committee members fall below six, to call in an additional one or two members from among the shareholders based on voting rights, so that the number of committee members totals at most six. The representative for the largest shareholder, in terms of voting rights, shall be appointed Chairman of the Nomination Committee. In the event that a member resigned from the Nomination Committee before its work is complete and the Nomination Committee finds it desirable to appoint a replacement, said replacement shall be provided by the same shareholder or, if said shareholder no longer qualifies as one of the largest shareholders, in terms of voting rights, from the next-largest shareholder in line. Any change in the composition of the Nomination Committee shall be published immediately. The composition of the Nomination Committee prior to the 2008 Annual General Meeting shall be published not later than six months before the 1 Meeting. No remuneration shall be paid to members of the Nomination Committee. Any expenses in connection with the work of the Nomination Committee shall be borne by the company. The mandate period of the Nomination Committee shall be until the publication of the composition of the next Nomination Committee.

### **Composition**

The composition of the Nomination Committee prior to the 2008 Annual General Meeting was announced on October 8, 2007. The Nomination Committee comprises:

- Carl-Olof By, AB Industrivärden, Chairman of the Nomination Committee
- Curt Källströmer, Handelsbanken's pension foundations, among others
- Anders Oscarsson, SEB Funds
- Hans Sterte, Skandia Liv (life insurance)
- Magnus Landare, Alecta (pension insurance)
- Sverker Martin-Löf, Chairman of the Board of SCA

The Nomination Committee shall submit proposals concerning the matters listed below for presentation to the 2008 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 auditors
- proposed fees for company's auditors
- proposed members of the Nomination Committee prior to the 2009 Annual General Meeting

Shareholders who desired to present proposals to the Nomination Committee have had the opportunity to do so.

#### **Nomination Committee's proposals**

The Nomination Committee has presented the following proposals prior to the Annual General Meeting 2008.

#### **Meeting Chairman**

The Nomination Committee proposes Attorney Sven Unger be appointed Chairman to lead the Meeting.

#### **Number of Board members**

The Nomination Committee proposes that the number of Board members shall be eight, with no deputies appointed.

#### **Number of auditors**

The Nomination Committee proposes that the number of auditors shall be one, with no deputy.

#### **Board of Directors and auditor fees**

The Nomination Committee proposes that the total Board fee shall amount to SEK 4,600,000, under the assumption that the Board's committees will have the same number of members as in the preceding year. The fee shall be distributed with SEK 450,000 to each of the members elected by the Meeting who are not employed by the company and SEK 1,350,000 to the Board Chairman. Members of the Remuneration Committee receive an additional fee of SEK 75,000 and members of the Audit Committee shall receive an additional fee of SEK 100,000, while the Chairman of the Audit Committee shall receive an additional fee of SEK 125,000. Fees to the auditor shall be as invoiced.

### **Proposal for Board of Directors and Board Chairman**

The Nomination Committee proposes the reelection of Board members Rolf Börjesson, Sören Gyll, Tom Hedelius, Leif Johansson, Anders Nyrén, Sverker Martin-Löf and Barbara M. Thoralfsson and the new election of Jan Johansson. Moreover, it is proposed that Sverker Martin-Löf be reelected Board Chairman. The Nomination Committee has determined that of the proposed Board members Rolf Börjesson, Sören Gyll, Leif Johansson, Anders Nyrén and Barbara M. Thoralfsson are to be considered independent in relation to the company and company management. Of these, Rolf Börjesson, Sören Gyll, Leif Johansson and Barbara M. Thoralfsson are in addition independent of the company's major owners. All proposed Board members have experience of the demands placed on an exchange-listed company. Only one member, Jan Johansson, is active in the company's management.

### **Proposed auditor**

The Nomination Committee proposes reelection of the registered auditing firm of PricewaterhouseCoopers AB, for the period until the close of the Annual General Meeting in 2012.

### **Proposals for Nomination committee prior to the Annual General Meeting in 2009**

The Nomination Committee proposes that the Annual General Meeting resolve that the Nomination Committee prior to the Annual General Meeting in 2009 shall consist of representatives for at least four and at most six of the largest registered shareholders in terms of votes in the VPC's printout of the share register on 31 August 2008 and the Chairman of the Board, who shall also convene the Nomination Committee to its first meeting. The representative of the largest shareholder based on votes shall be appointed Chairman of the Nomination Committee. If, due to subsequent ownership changes, the number of Board members falls below seven, the Nomination Committee is entitled to call in one or two additional members from among the shareholders who are next in line, in terms of votes, so that the total number of members shall amount to at most seven. In instances in which a member must leave the Nomination Committee prior to completion of its work, and the Nomination Committee finds it desirable to name a replacement, such a replacement shall be taken from the same shareholder or, if this shareholder is no longer among the largest shareholders in terms of votes, from the shareholder that is next in line in terms of size. Changes in the composition of the Nomination Committee shall be immediately made public. The composition of the Nomination Committee in advance of the 2009 Annual General Meeting shall be announced publicly not later than six months prior to the Meeting. Remuneration is not paid to members in the Nomination Committee. The company shall cover any expenses related to the work of the Nomination Committee. The mandate period for the Nomination Committee extends until the composition of the next Nomination Committee is announced publicly. The Nomination Committee shall provide proposals regarding the Annual General Meeting Chairman, the Board of Directors, Board Chairman, Board fees with distribution among the Chairman and the other members of the Board and remuneration for committee work, fees to the company's auditor and a proposal for the Nomination Committee prior to the Annual General Meeting in 2010.

### **Report on the work of the Nomination Committee**

In accordance with the mandate granted by the 2007 Annual General Meeting, the Chairman of the Board of Directors invited five representatives for the five largest shareholders in terms of votes to join him in comprising the Nomination Committee in preparation for the 2008 Annual General Meeting. In a press release issued on 8 October 2007, the company announced the composition of the Nomination Committee and which shareholders the members represented. At the same time, this information was made available on the company's website, together with a description of how shareholders could submit proposals to the Nomination Committee. No proposals were received. The Nomination Committee held its first meeting on 22 October 2007, at which the Committee's continued work was also planned. Information provided by the Chairman of the Board of Directors at the meeting included a description of the process applied within SCA in the annual evaluation of the Board of Directors and its members. At the next meeting, the Chairman of the Board also reported the outcome of the evaluation. The Chairman of the Nomination Committee has informed the Nomination Committee regarding the outcome of the evaluation of the Chairman of the Board of Directors. The Nomination Committee has discussed and agreed on the main requirements that should be placed on Board members, including the requirement for independent Board members. Special attention was devoted to the issue of a more equal gender distribution. With regard to the fee issue, the Nomination Committee took into account the trend in Board fees in other comparable companies, among other factors. The Nomination Committee has had an external consultant at its disposal in its work to identify and evaluate potential new Board members. Against the background that the 2008 Annual General Meeting shall elect auditors of the coming four-year period, the Nomination Committee met with the company's current auditors, evaluated alternatives and developed a proposal for resolution. The Nomination Committee has held three meetings. All decisions taken by the Nomination Committee were unanimous. The Nomination Committee's proposals for decision by the Annual General Meeting are presented in the Notice of the Annual General Meeting. As regards the proposal for the Board of Directors, however, it was published as a separate press release on 21 February 2008.