

Nomination Committee of the AGM 2006

Decision to appoint a nomination committee

The 2005 Annual General Meeting decided that the nomination committee for the 2006 Meeting would consist of representatives of the five largest shareholders and the Chairman of the Board, who is also the convener of the Meeting. If desired, the nomination committee may co-opt one additional member. The committee shall be chaired by the member representing the largest shareholder. If the member representing the largest shareholder would rather not, or cannot, serve as chair, the nomination committee shall instead appoint a chairperson from its membership. If a member resigns from the nomination committee before it has completed its duties, a replacement may, if it is considered necessary, be appointed from the same shareholder or, if that shareholder no longer belongs to the five largest shareholders, from the shareholder that is next in line in terms of the size of its holding.

Composition

The composition of the Nomination Committee in advance of the 2006 Annual General Meeting was announced on 5 October 2005. The Nomination Committee comprises:

- Carl-Olof By, AB Industrivärden, also Chairman of the Nomination Committee
- Curt Källströmer, Handelsbanken funds and foundations, etc.
- Björn Lind, SEB Fonder
- Björn Franzon, Fjärde AP-fonden (national pension fund)
- Caroline af Ugglas, Skandia Liv
- Sverker Martin-Löf, Board Chairman of SCA

The Nomination Committee shall present proposals on the following matters to the 2006 Annual General Meeting for decision:

- proposal for Meeting Chairman,
- proposal for members of the Board of Directors,
- proposal for Board Chairman,
- proposal for Board fees and distribution between the Chairman and other members of the Board and remuneration for committee work and
- proposal for fees to the company's auditors.

Shareholders have been able to present proposals to the Nomination Committee.

Nomination committee's proposals

Election of Chairman of the Meeting

The Nomination Committee proposes Sven Unger, attorney at law, as Chairman of the Meeting.

Determination of the number of Directors and Deputy Directors

The number of Directors shall be eight with no Deputy Directors.

Determination of remuneration to be paid to the Directors and the Auditors.

The total amount of remuneration to the Board of Directors amounts to SEK 3,820,000. Each Director elected by the Meeting and who is not employed by the Company is to receive SEK 380,000. The Chairman of the Board of Directors is to receive SEK 1,140,000. Member of the Remuneration Committee is to receive additional remuneration of SEK 50,000 and member of the Audit Committee is to receive additional remuneration of SEK 75,000. The Chairman of the Audit Committee is to receive additional remuneration of SEK 100,000. Remuneration to the Auditor is to be paid as charged.

Election of Directors and Chairman of the Board of Directors

Re-election of the Directors Rolf Börjesson, Sören Gyll, Tom Hedelius, Sverker Martin-Löf, Anders Nyrén and Jan Åström and new election of Leif Johansson and Barbara Milian Thoralfsson, whereby Sverker Martin-Löf is proposed to be elected as Chairman of the Board of Directors.

Leif Johansson is 54 years and has a Master of Engineering. He is the President and CEO and Director of AB Volvo. Leif Johansson is also Director of Bristol-Myers Squibb Company, USA. Leif Johansson is independant of the company, its management and major shareholders. Leif Johansson holds 550 shares class B in the company.

Barbara Milian Thoralfsson is 47 years and has a MBA and a BA. She is Director of Fleming Invest A/S, Electrolux AB and Rieber & Søn ASA and member of the representative assembly of Storebrand ASA. Barbara Milian Thoralfsson is independant of the company, its management and major shareholders. Barbara Milian Thoralfsson holds 500 shares class B in the company.

Shareholders representing more than 50 percent of the number of votes of the total number of shares in the Company have announced that they intend to vote in favour of the Nomination Committee's proposals.

Report on the work conducted by the Nomination Committee

In accordance with the mandate received from the Annual General Meeting of Shareholders 2005, the Chairman of SCA's Board, Sverker Martin-Löf, has invited five shareholders with the greatest number of voting rights to each nominate a member to form with him the Nomination Committee prior to the Annual General Meeting of Shareholders 2006. In a press release dated October 5, 2005, the company announced the composition of the Nomination Committee and identified which shareholders the members represented. At the same time, information was made available on the company's website, including details about how shareholders could submit their own suggestions to the Nomination Committee. To date, no individual shareholder suggestions have been received.

The Nomination Committee held its first meeting on October 18, 2005. Plans for the continued work of the Nomination Committee were discussed at this meeting. The Board Chairman reported on the systematic and structured process applied within SCA in regard to the annual evaluations made of the Board and its members. At the following meeting of the Nomination Committee, the Board Chairman reported on the outcome of the evaluation, and on the evaluation made of the company president. The Chairman of the Nomination Committee informed the Committee in regard to the evaluation made of the Board Chairman.

The Nomination Committee discussed and established a requirement profile for Board members, including requirements for independent Board members. The issue of a more even representation between genders was given particular attention.

The Nomination Committee was provided with access to an external consultant to assist in work to identify and evaluate potential Board members.

During one of its meetings, the Nomination Committee met with the company's President, who informed the Committee about the company's strategy etc. During another meeting, the company's auditor was present and provided his views on the company's control functions.

The Nomination Committee has held five meetings during the year. All decisions made within the Committee were unanimous.

The Nomination Committee's proposals to the Annual Shareholders' Meeting are contained in the Notice to attend the Annual Shareholder's Meeting. However, in regard to the new Board, the proposal has also been published in a press release dated February 23, 2006.