



## Annual General Meeting 2009 Billerud Aktiebolag (publ)

Shareholders of Billerud AB (publ) are hereby invited to attend the Annual General Meeting at 3 p.m. on Wednesday 6 May 2009 at Nalen, Regeringsgatan 74, Stockholm, Sweden.

The premises where the meeting will be held will be open from 2 p.m.

As a service to shareholders who cannot attend the meeting, the CEO's speech will be published in Swedish at the company's website, [www.billerud.com](http://www.billerud.com), after the end of the meeting.

### Participation

Shareholders wishing to take part in the Annual General Meeting must:

- Be registered in the Shareholders' Register held by Euroclear Sweden AB (formerly VPC AB) by Wednesday 29 April 2009,
- Notify the company of their intention to attend the Annual General Meeting not later than 4 p.m. on Wednesday 29 April 2009. Notification shall be made in writing by post to Billerud AB, Investor Relations, Box 703, SE-169 27 Solna, Sweden, by telephone to +46 8 553 335 40 or by telefax to +46 8 553 335 65. Notification can also be made via the company's website **[www.billerud.se/anmalan](http://www.billerud.se/anmalan)** or by e-mail to [arsstamma@billerud.com](mailto:arsstamma@billerud.com). In their notification shareholders should state their name, personal-/corporate identity number, address, daytime telephone number, number of shares held and, where applicable, number of representatives and assistants (maximum of two).

Representatives and representatives of legal entities are requested to submit in good time before the Meeting the original document of their authorisation, registration certificate and other relevant authorisation documents. A power of attorney can be downloaded from the company's website, [www.billerud.com](http://www.billerud.com).

To be able to participate at the Meeting, shareholders whose shares are registered in the name of a nominee must request that their own names be temporarily registered in the share register kept by Euroclear Sweden AB (formerly VPC AB). This procedure, so-called voting right registration, must be effected not later than on Wednesday 29 April 2009, which means that the shareholder must inform the nominee in good time before this date.

An entry card entitling participation in the meeting will be sent out before the Meeting. If the entry card has not arrived on time, shareholders providing proof of their identity can

obtain a new card at the information desk.

There are 53,343,043 shares in the company worth one vote each. Thus the total number of votes is 53,343,043. As of 31 December 2008 the company owned 1,851,473 of its own shares, which may not be represented at the Meeting. The total number of votes in the company as of 31 December 2008 was therefore 51,491,570.

## **Proposed Agenda**

1. Opening of the Meeting.
2. Election of chairman for the Meeting.
3. Drawing up and approval of voting list.
4. Election of one or two persons to verify the minutes.
5. Determination as to whether the Meeting has been duly convened.
6. Approval of the Agenda.
7. Presentation of the Annual Report and the Auditors' Report as well as the Consolidated Accounts and Consolidated Auditors' Report for the 2008 financial year.
8. Report on the work of the Board and Board Committees over the past year.
9. Presentation by the Chief Executive Officer.
10. Resolution on:
  - a) the adoption of the income statement and the balance sheet as well as the consolidated income statement and consolidated balance sheet for 2008,
  - b) the appropriation of the company's profit according to the adopted balance sheet for 2008, and
  - c) discharge from personal liability for Board Members and the CEO for their administration for the year 2008.
11. Report from the Nominations Committee and proposals for:
  - number of Board Members and deputy Board Members of the company's Board
  - number of auditors and deputy auditors
  - nominations for Board Members, Chairman and Deputy Chairman of the Board
  - nominations for auditor
  - fees for Board Members
  - remuneration for Committee work
  - fees for auditors
  - procedures for appointing the Nominations Committee
12. Resolution on number of Board Members, deputy Board Members, auditors and deputy auditors to be chosen by the Meeting.
13. Resolution on fees for Board Members and remuneration for Committee work and resolution on fees for auditors.
14. Election of Board Members and, if applicable, deputy Board Members, Chairman and Deputy Chairman of the Board.
15. Election of auditors, and if applicable, deputy auditors, or firm of auditors.

16. Resolution on procedures for appointment of the Nominations Committee for the 2010 Annual General Meeting.
17. The Board's proposal for guidelines for remuneration to senior executives.
18. The Board's proposal for a decision regarding transfer of shares under the Long Term Incentive Programme decided at the 2007 Annual General Meeting.
19. The Board's proposal for a decision regarding authorisation for the Board to transfer the company's own shares.
20. The Board's proposal for a decision concerning amendments of the articles of association.
21. Closing of the Meeting.

## **Motions**

### **Point 2**

The Nominations Committee proposes that Chairman of the Board, Ingvar Petersson, be elected chairman of the Meeting.

### **Point 10 b**

The Board of Directors proposes that no dividend be paid and that non-restricted equity amounting to SEK 1,480,342,578 (whereof SEK 1,365,079,773 constitutes profit for the year), be carried forward in a new account.

### **Point 12**

The Nominations Committee proposes that the Board shall consist of seven ordinary members, including the Chairman and Deputy Chairman, and that a registered firm of auditors be appointed auditors of the company.

### **Point 13**

The Nominations Committee proposes the following:

- that the annual fee to ordinary Board Members not employed by the Billerud Group amount to SEK 225,000 per Member (unaltered), SEK 450,000 to the Chairman (unaltered) and SEK 350,000 to the Deputy Chairman (unaltered),
- that the annual remuneration for work on Board Committees be paid to members appointed by the Board and amount to SEK 70,000 to the chairman of the Audit Committee and to SEK 30,000 to each of the other members of the Committee, and SEK 40,000 to the chairman of the Compensation Committee and SEK 15,000 to each of the other members of the Committee;
- that fees to the auditors during the mandate period be paid by current account.

### **Point 14**

The Nominations Committee proposes that Ingvar Petersson, Gunilla Jönson, Michael M.F. Kaufmann, Per Lundberg, Ewald Nageler, Yngve Stade and Meg Tivéus are re-elected

Board Members.

The Nominations Committee further proposes that the Annual General Meeting re-elects Ingvar Petersson as Chairman of the Board and Michael M.F. Kaufmann as Deputy Chairman.

### **Point 15**

The Nominations Committee proposes that the registered firm of auditors, Ernst & Young AB be elected as the company's auditors up to the end of the 2013 Annual General Meeting.

### **Point 16**

The Nominations Committee proposes that procedures for the appointment of the Nominations Committee for the 2010 Annual General Meeting be as follows:

The Nominations Committee shall comprise four members. The Chairman of the Board shall be the secretary of the Nominations Committee. During the autumn of 2009 the Chairman shall contact the major shareholders (judged by size of shareholding) regarding the formation of a Nominations Committee. The names of the members of the Nominations Committee, and the names of the shareholders they represent, shall be published six months at the latest prior to the 2010 Annual General Meeting and be based upon the known shareholding immediately prior to the announcement. Unless Committee members decide otherwise, the Chairman of the Nominations Committee shall be the member representing the largest shareholder (judged by size of shareholding). The Committee forms a quorum when more than half of its members are present.

If during the Committee's mandate period one or more shareholders represented on the Nominations Committee are no longer among the largest shareholders, then their representatives shall resign their positions and the shareholder or shareholders who have become among the largest shareholders shall have the right to appoint their representatives. Unless there is special cause, no changes shall be made to the composition of the Nominations Committee if only minor changes in shareholding have been made, or the changes take place later than two months prior to the Annual General Meeting that will decide on proposals made by the Committee.

Shareholders who appoint members to the Nominations Committee have the right to dismiss their representative and appoint a new one. Equally, the shareholder whose representative requests to leave the Committee before its work is completed has the right to replace such a representative. Changes to the composition of the Nominations Committee shall be published as soon as they take place.

The Nominations Committee shall produce proposals for the following items to be decided by the 2010 Annual General Meeting:

- (a) proposal for chairman of the Meeting,
- (b) proposals for Board Members,
- (c) proposal for Chairman and Deputy Chairman of the Board,
- (d) proposals for Board fees and distribution between Chairman and Deputy Chairman of the Board and other Members, and possible remuneration for Committee work,
- (e) proposal for fees to auditors,
- (f) proposal for procedures for appointing the Nominations Committee.

The Nominations Committee shall make available the requisite information to the company so that Billerud can meet the information requirements of the Swedish code of corporate governance.

Furthermore, the Nominations Committee shall in performing its duties meet the requirements set by the Swedish code of corporate governance for nominations committees, and Billerud shall at the request of the Nominations Committee provide staff resources, such as secretary of the Committee, in order to facilitate the Committee's work. If so required, Billerud shall also pay reasonable costs for external consultants and similar which are considered necessary by the Committee for it to perform its duties.

### **Point 17**

The Board proposes that the Meeting approve the following guidelines for remuneration to the executive officers. Executive officers are the CEO and other members of the senior management team.

Billerud shall set the remuneration levels and employment terms that are appropriate in order to recruit and keep a management team with a high level of competence and the capability to achieve established goals. Remuneration shall motivate executives to do their utmost to secure shareholders' interests. Remuneration may be in the form of fixed salary, variable salary, long-term incentive programme and other benefits such as pension or company car. Fixed and variable salary shall be set in relation to competence, area of responsibility and performance. Variable remuneration will be based on outcomes in relation to established targets and shall be a maximum of a fixed percentage of annual fixed salary and vary between 30% and 45%. However, variable remuneration shall only be paid on condition that the company's result is positive. Incentive programme within the company shall primarily be linked to financial requirements of performance and shall ensure long-term commitment to the development of the company and be implemented on market terms. For more information about the existing incentive programme adopted by the 2007 Annual General Meeting, see the company's annual report and website. Pension benefits shall either be defined-benefit or defined-contribution and normally give an entitlement to pension from age 65. In some cases the retirement age may be lower, although 62 is the lowest retirement age. Six to twelve months is the normal notification period for

termination of employment, and severance pay shall be a maximum of 12 months' salary in the event of dismissal by the company.

Remuneration and employment terms for the CEO are prepared by the Compensation Committee and decided by the Board. Remuneration and employment terms for members of the senior management team are decided by the CEO, after approval from the Compensation Committee.

The Board of Billerud has the right to deviate from these guidelines in individual cases if there is good reason.

### **Point 18**

The 2007 Annual General Meeting decided to introduce (i) an incentive programme for all employees featuring so-called share matching (the "Share Match Programme"), and (ii) a long-term incentive programme with so-called performance shares (the "Performance Share Programme"), comprising a maximum of 69 managers and key employees of the Billerud Group (the Share Match Programme and Performance Share Programme together are referred to as "LTIP 2007"). Participants in the LTIP 2007 are offered the opportunity to become shareholders by investing in Billerud shares. More information about LTIP 2007 is available on the company's website.

In order to implement the LTIP 2007, the Board proposes that the Meeting take a decision to authorise the Board to take a decision concerning the transfer of shares under the following principal terms. The Board proposes it be authorised to take a decision, prior to the next Annual General Meeting of Shareholders, to convey a maximum of 125,000 shares of the total possession of 1,851,473 shares, in order to cover certain costs, mainly social security costs. Transfer of the shares shall be effected on NASDAQ OMX Stockholm at a price within the price interval registered at each time for the share. The reasons for the deviation from shareholders' preferential rights are that it is an advantage for Billerud to transfer shares in accordance with the above proposal in order to meet the requirements of the approved incentive programmes.

### **Point 19**

The Board proposes that, in addition to the transfers of own shares as follows from point 18 on the agenda, the Meeting authorise the Board during the period up to the next Annual General Meeting, on one or more occasions and with deviation from preferential rights for shareholders, to reach a decision regarding the transfer of Billerud shares that the company holds at the time of the Board's decision, either to a third party as payment in connection with acquisition of companies, and/or as a transfer on the stock exchange in order to raise liquid funds for payment in connection with such acquisitions. Payment for transferred shares may be made in cash, and for a transaction other than via the stock exchange, through contribution of property or set-off of a receivable against the company. A transfer on NASDAQ OMX Stockholm may only be carried out at a price per share within the range

of share prices registered for the company at any given time. Any other transfer may take place at the market value, as a minimum, determined by the Board. The reason for enabling the Board to deviate from the principle of preferential rights for existing shareholders is to give the Board the required capacity to carry out the acquisition of all or parts of other companies and businesses.

## **Point 20**

The Board proposes that the Meeting resolves upon a decision concerning the following amendments of the articles of association.

I. To enable implementation as soon as practicable of the more cost-efficient rules for announcing the invitation to General Meeting, which are expected to come into effect in connection with the invitation to the 2010 Annual General Meeting, the Board proposes that the means for announcing the invitation in accordance with § 9 of the articles of association contain the following, amended formulation:

“Notices to attend the General Meeting shall be made through an announcement in Post-och Inrikes Tidningar (The Official Swedish Gazette) and on the company’s website. An announcement that the invitation has been published will be made in Svenska Dagbladet.”

II. To enable implementation as soon as practicable of the more cost-efficient rules for announcing the notices to attend the General Meeting, which are expected to come into effect in connection with the invitation to the 2010 Annual General Meeting, the Board proposes that § 9 of the articles of association, to the extent that they refer to the timetable for the announcement of the invitation to attend the General Meeting, i.e. those parts of the current § 9 text not referring to the method for announcing the invitation to the General Meeting, be deleted from the articles of association.

The Board proposes that the Meeting’s decision to change the articles of association according to alternative I or alternative II above shall be conditional on the proposed amendment in the Swedish Companies Act (SFS 2005:551) concerning the method and timetable for the invitation to attend the Annual General Meeting coming into effect, meaning that the proposed formulations of I and/or II above shall be in accordance with the Swedish Companies Act.

## **Other**

To be valid, the Meeting’s decision concerning point 18 must gain the support of shareholders representing at least nine-tenths of both the votes and shares held by shareholders attending the meeting. The Meeting’s decision concerning points 19-20 must gain the support of shareholders representing at least two-thirds of both the votes and shares held by shareholders attending the meeting.

## **Documentation**

The Nominations Committee's complete proposals for decisions for points 2 and 12-16 are as above. The company's Annual Report and the Auditors' Report for the 2008 financial year and the complete proposals for decisions concerning points 17-20 will not later than on 22 April 2009 be made available from the company at its office on Gustav III:s Boulevard 18, Solna, Sweden, and will be sent by post to shareholders who have notified their wish to receive the documents and have stated their postal address. The documents are also available via the company's website, [www.billerud.com](http://www.billerud.com).

Solna, March 2009

*The Board of Directors*

## **Non-Swedish speaking shareholders**

This notice to attend the annual General Meeting of Billerud AB (publ), to be held on Wednesday 6 May 2009 at 3 p.m. at Nalen, Regeringsgatan 74, Stockholm, Sweden is available on [www.billerud.com](http://www.billerud.com). For the convenience of non-Swedish speaking shareholders the proceedings of the Annual General Meeting will be simultaneously interpreted to English. This service may be requested when attendance to the Annual General Meeting is notified.