

Report on the work of the Nominations Committee for Billerud Aktiebolag (publ) ahead of the 2009 Annual General Meeting and the Committee's statement regarding proposals for the Board etc.

Background

In accordance with the decision of the 2008 Annual General Meeting ("AGM") of shareholders in Billerud Aktiebolag (publ) ("Billerud") regarding procedures for the appointment of the Nominations Committee, the Chairman of the Board, Ingvar Petersson, contacted in the autumn of 2008 the largest shareholders in Billerud in terms of number of shares owned to prepare the establishment of a Nominations Committee. The composition of the Committee was announced on 23 October 2008 and information about the Committee has since then been made available on the company's website.

The Nominations Committee comprises the following members:

Michael M.F. Kaufmann, Frapag Beteiligungsholding AG,
Anders Oscarsson, SEB Fonder and SEB Trygg Liv, and
Fredrik Nordström, AMF Pension Fondförvaltning.

In accordance with the decision of the 2008 AGM, Michael M.F. Kaufmann was chosen as chairman of the Nominations Committee, whereas Michael M.F. Kaufmann has been the representative of the shareholder owning most shares in Billerud.

Ingvar Petersson, Chairman of Billerud, has been the secretary of the Nominations Committee.

Together, the three members of the Nominations Committee represent around 21,8 % of the votes in Billerud.

The Nominations Committee has held three meetings at which minutes were kept. Members have also been in contact via telephone and email. A section of Billerud's website entitled "Nominations Committee" on Billerud's website, under "Corporate governance", has given shareholders the opportunity to communicate with the Nominations Committee. No proposals from the shareholders have been submitted to the Nominations Committee.

The task of the Committee has been to make proposals regarding the following points that will be put to the vote at the 2009 AGM:

- a) proposal for chairman of the Meeting,
- b) proposals for number of Board members,
- c) proposal for nominations of Board members, 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 number of auditors,
- g) proposal for nominations of auditors,
- h) proposal for procedures for appointing the Nominations Committee.

Nominations Committee's unanimous proposals for vote and decision by the AGM

Chairman of the Meeting

It is proposed that the chairman of the Meeting be Ingvar Petersson.

Number of Board members, deputy Board members and auditors

The Nominations Committee proposes that the Board comprise seven elected Board members, including Chairman and Deputy Chairman of the Board.

Board members

The Nominations Committee has received a report from the Chairman of the Board concerning how the work of the Board as a whole and in committees is performed. The Nominations Committee has also considered an internal assessment of the work of the Board.

Against the above background the Nominations Committee has decided to propose the following for re-election to the Board: Ingvar Petersson, Gunilla Jönson, Michael M.F. Kaufmann, Per Lundberg, Ewald Nageler, Yngve Stade and Meg Tivéus.

Statement regarding the Nominations Committee's proposals for Board members

The Nominations Committee has taken what is stated in point 4.1 in the Swedish code of corporate governance into consideration. The Nominations Committee assess that the proposed composition of the Board covers the areas that are significant for Billerud and that the Board's composition should have a diversity and breadth of qualifications, experience and background that will benefit the continued development of the Billerud. The Nominations Committee strives in its work for equal gender distribution of the Board.

Chairman and Deputy Chairman of the Board

It is proposed that Ingvar Petersson be re-elected as Chairman of the Board and Michael M. F. Kaufmann be re-elected as Deputy Chairman.

Board fees

It is proposed that SEK 450,000 (unaltered) be paid to the Chairman of the Board, and SEK 225,000 (unaltered) be paid to ordinary Board members who are not employees of the Billerud Group. It is proposed that SEK 350,000 (unaltered) be paid to the Deputy Chairman.

Remuneration for committee work

It is proposed that the fee for committee work to the members of the Committee appointed by the Board shall 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 to SEK 40,000 to the chairman of the Compensations Committee and to SEK 15,000 to each of the other members of the Committee.

Auditors' fees

It is proposed that the fees to the auditors during the mandate period be paid by current account.

Auditors

The Nominations Committee proposes that a registered auditing firm is appointed auditors in the company. The Nominations Committee further proposes that the registered auditing firm Ernst & Young AB is elected as the company's auditors up to the end of the 2013 AGM.

Procedures for appointing the Nominations Committee

The Nominations Committee proposes that procedures for the appointment of the Nominations Committee for the 2010 AGM 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 AGM 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 AGM 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 AGM:

- 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 Billerud so that Billerud can meet the information requirements of the Swedish code of corporate governance.

Furthermore, the Nomination 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 Nomination 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.

Stockholm, March 2009

Michael M.F. Kaufmann
Chairman

Anders Oscarsson

Fredrik Nordström

Ingvar Petersson
Secretary