

## Report on the work of the Nominations Committee of Billerud Aktiebolag (publ) ahead of the 2007 Annual General Meeting, including the Committee's proposals for nominations to the Board, etc.

### Background

In accordance with the decision at the 2006 Annual General Meeting of Billerud AB (publ) ("Billerud") regarding the procedures for appointing the Nominations Committee, the Chairman of the Board, Ingvar Petersson, in the autumn of 2006 contacted the major shareholders (judged by size of shareholding) in Billerud in order to set up a Nominations Committee. The composition of this Committee was announced on 26 October 2006. Information about the Nominations Committee has been available on the company's website since this date.

The Nominations Committee comprises the following members:

Michael M.F. Kaufmann, Frapag Vermögensverwaltung,  
Cecilia Lager, SEB Fonder and SEB Trygg Liv and  
Jan Andersson, Swedbank Robur Fonder.

In accordance with the decision at the 2006 Annual General Meeting, the Nominations Committee has appointed among its members the member representing the largest shareholder (judged by size of shareholding) as Chairman of the Nominations Committee. Michael M.F. Kaufmann has accordingly been the Chairman of the Nominations Committee.

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

Together, the three owner representatives represent approximately 23 % of the votes in Billerud.

The Nominations Committee has held three meetings for which minutes were kept, and communication has also taken place via telephone and email. Shareholders can communicate with the Nominations Committee via the company's website, where there is a special section, "Nominations Committee" under the heading "Corporate Governance". The committee has however not yet received any proposals or opinions from other shareholders.

The Nominations Committee has had the task of producing proposals for the following items to be decided by the 2007 Annual General Meeting:

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

## **Proposals made unanimously by the Nominations Committee for decision and election by the AGM**

### *Chairman of the meeting*

It is proposed that Ingvar Petersson be elected chairman of the 2007 AGM.

### *Number of Board members*

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

### *Board members*

The Nominations Committee has received a report from the Chairman of the Board describing the work of the Board as a whole and in the committees. The Nominations Committee has considered an internal assessment of Board members and of the work of the Board. Additionally, an external assessment of the Board and of the work of the Board has been carried out. The result thereof has been reported to the Nominations Committee and to the Board.

With consideration to the above, the Nominations Committee has decided to propose re-election of the following ordinary Board members: Ingvar Petersson, Gunilla Jönson, Michael M.F. Kaufmann, Per Lundberg, Ewald Nageler, Yngve Ståde and Meg Tivéus.

The Nominations Committee considers that the proposed composition of the Board covers the key areas for Billerud and that, together, the Board should have the necessary experience and background that will benefit the development of the company.

### *Chairman and Vice-Chairman of the Board*

It is proposed that Ingvar Petersson be re-elected as Chairman. It is proposed that Michael M.F. Kaufmann be re-elected as Vice-Chairman.

### *Board fees*

It is proposed that SEK 400,000 (unchanged) be paid to the Chairman, and that SEK 200,000 (unchanged) be paid to ordinary Board members who are not employees of the Billerud Group. It is proposed that SEK 300,000 (unchanged) be paid to the Vice-Chairman.

### *Remuneration for committee work*

It is proposed that a total of SEK 200,000 (unchanged) be divided as decided by the Board to members of committees formed by the Board.

### *Auditor fees*

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

### *Procedures for appointing the Nominations Committee*

The Nominations Committee proposes that procedures for the appointment of the Nominations Committee for the 2008 AGM shall be unchanged and hence be as follows:

The Nominations Committee shall comprise three members. The Chairman of the Board shall be the secretary of the Nominations Committee. During the autumn of 2007 the Chairman of the Board 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 before the 2008 Annual General Meeting and be based upon the known shareholding immediately before 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 good reason, no changes shall be made to the composition of the Nominations Committee if only marginal changes in shareholding have been made, or the changes take place later than two months before 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 2008 Annual General Meeting:

- (a) proposal for chairman of the Meeting,
- (b) proposals for Board members,
- (c) proposal for Chairman and Vice-Chairman of the Board,
- (d) proposals for Board fees and distribution between Chairman of the Board, Vice-Chairman 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 to Billerud the information described in points 1.4.1, 2.1.3, 2.3.2, 2.3.3, 5.1.4 and 5.3.1 of the Swedish code of corporate governance, so that Billerud can meet the requirements of the code.

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 human resources, such as secretary of the Committee, in order to facilitate the Committee's work. As necessary Billerud shall also pay reasonable costs for external consultants and similar which are considered necessary by the Committee for it to perform its duties.

March 2007, Stockholm

Michael M.F. Kaufmann  
Chairman

Cecilia Lager

Jan Andersson

Ingvar Petersson  
Secretary