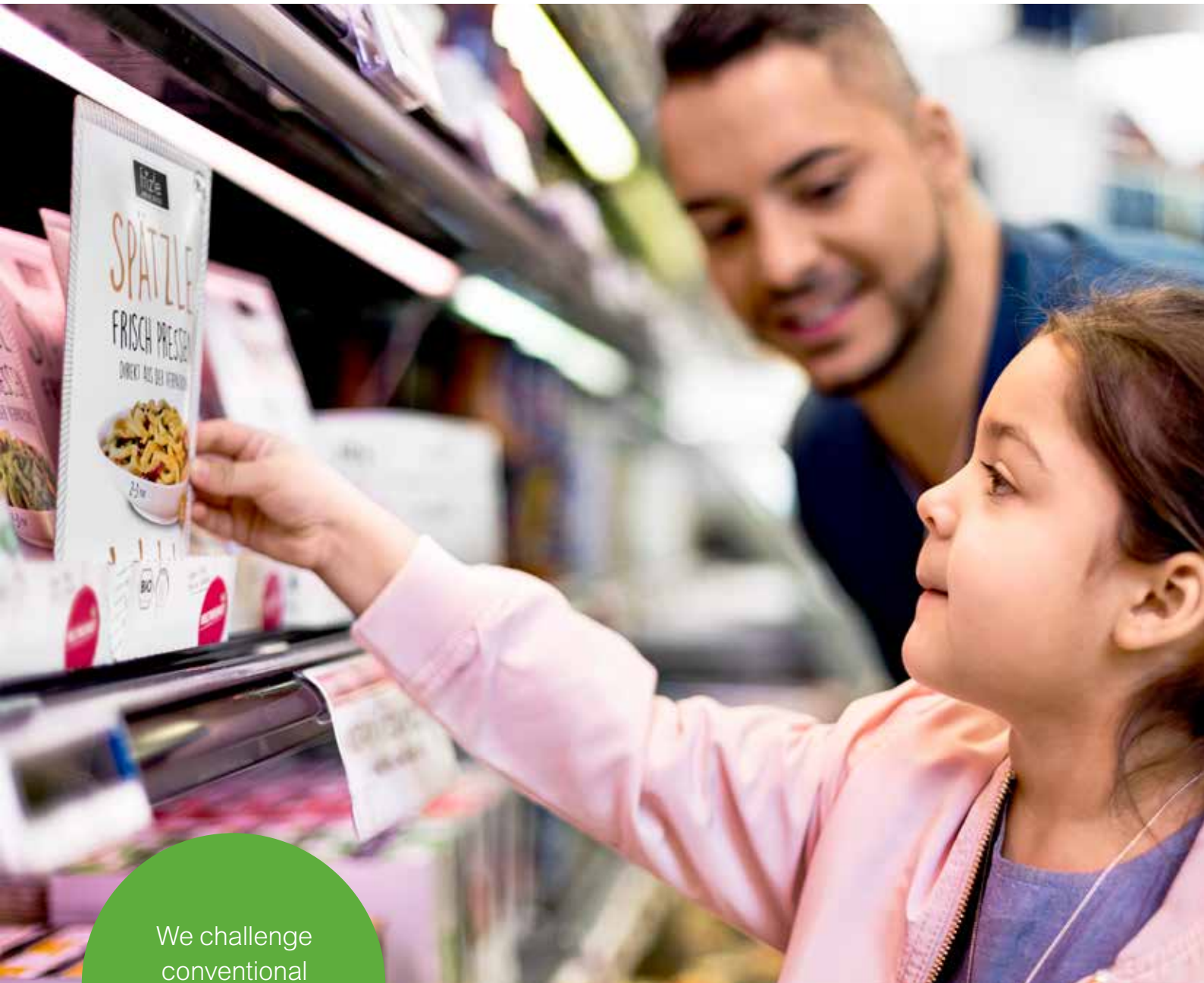




BILLERUDKORSNÄS

BillerudKorsnäs Annual General Meeting 2020



We challenge
conventional
packaging for a
sustainable future



BillerudKorsnäs annual general meeting 2020

Notice and documentation to the meeting

The shareholders of BillerudKorsnäs AB (publ) are hereby invited to attend the annual general meeting, to be held on **Tuesday 5 May 2020 at 15.00 at Norra Latin** – Stockholm City Conference Center, the auditorium, at Norra Bantorget (arriving with car the address is Barnhusgatan 7A, and arriving by foot the address is Drottninggatan 71) in Stockholm, Sweden. The premises for the meeting will be open for registration at 14.30. No coffee, food or other refreshments will be served to the participants of the meeting.

Notice of attendance to the meeting shall be given no later than Tuesday 28 April 2020, see next page in this document for further information on how you notify your intention to attend. **In light of the authorities' regulations, and for the shareholders feeling worried about the spread of infection due to the corona virus, BillerudKorsnäs encourages all shareholders to seriously consider the possibility to, instead of personally attending the 2020 annual general meeting, attending by the help of a proxy holder. More information regarding proxy services can be found on BillerudKorsnäs website at www.billerudkorsnas.com/about-us/corporate-governance/general-meetings/agm-2020.**

PRECAUTIONARY MEASURES IN VIEW OF THE SPREAD OF THE CORONA VIRUS

The continued spread of the corona virus (COVID-19) remains difficult to assess with any certainty. BillerudKorsnäs is carefully monitoring developments. At the time of this notice, there is a prohibition against public gatherings of more than 50 persons. BillerudKorsnäs cares about the health and well-being of its shareholders and about the work to reduce the spread of the virus, and will of course observe the restrictions and limitations for gatherings in force at each given time. As of currently, BillerudKorsnäs intends to conduct the annual general meeting as planned, but in a situation where there is a risk that the number of persons present at the general meeting exceeds the applicable restrictions for gatherings, BillerudKorsnäs intends to cancel the meeting and call a new meeting at a later point in time. As a precautionary and risk-minimising measure for its shareholders, BillerudKorsnäs has decided – in consultation with experts and in response to feedback from concerned shareholders – to implement special arrangements at the 2020 annual general meeting. Such arrangements include, among other things, that BillerudKorsnäs' acting president & CEO will not give the customary CEO presentation to the annual general meeting. Instead, a shorter speech will be given to the meeting that also will be available on the company's website. Further, the presence of the members of the board, the Executive Leadership Team ("ELT") and employees will also be limited, and BillerudKorsnäs also intends to offer a webcast of the annual general meeting.

BillerudKorsnäs is closely monitoring the impact of the corona outbreak in Sweden, and in case of updated government instructions or recommendations from relevant authorities, BillerudKorsnäs may decide on additional precautionary measures in connection with the meeting.

Information, updates on the special arrangements in view of the spread of the corona virus as well as the link to the webcast can be found on BillerudKorsnäs website at www.billerudkorsnas.com/about-us/corporate-governance/general-meetings/agm-2020.

THE AGENDA ITEMS IN BRIEF

The board's proposed agenda for the annual general meeting, and the complete proposals are stated in this document.

The proposed resolutions are, in brief, the following:

Annual report, dividend and discharge of liability

- The meeting shall adopt the annual report for 2019. The annual report is available on the company's website www.billerudkorsnas.com/investors/financial-reports.
- The meeting shall resolve upon the disposition of the year's result. The board proposes a dividend of SEK 4.30 per share. The dividend is estimated to be paid out to the shareholders on 12 May 2020. As announced by BillerudKorsnäs, the board has, against the background of the increased uncertainty due to the Covid-19 pandemic, decided to withdraw the previously communicated extraordinary dividend.
- The meeting shall resolve whether or not to discharge the board and CEO of liability for 2019.

Election of board and auditor, as well as remuneration to the board and auditor

- The meeting shall elect the company's board. The nomination committee proposes re-election of all current board members except Lennart Holm that during 2019 made the transition into a role as acting president and CEO, and that Jan Svensson is elected as a new member of the board. Furthermore, the nomination committee proposes the election of Jan Åström as chairman of the board and Michael M.F. Kaufmann as vice chairman of the board.

- The meeting shall resolve on remuneration to the board and auditor. The nomination committee proposes no change in the level of remuneration for board work and that the auditor's fee shall be paid in accordance with approved invoices.
- The meeting shall elect auditor. The nomination committee proposes that KPMG is re-elected as auditor for one more year. Ingrid Hornberg Román will continue as auditor-in-charge.

Guidelines for remuneration to senior executives and a long-term share based incentive program

- The meeting shall adopt new guidelines for remuneration to the company's senior executives that in substance are the same as in 2019. However, in order to meet new legal requirements, the proposed guidelines for remuneration are more detailed than the previous guidelines.
- The meeting shall resolve on the board's proposal to introduce a long-term share based incentive program for the group's ELT, as well as other key personnel and talents. The program has the same basic structure as the previous years' share based incentive programs, but has been modernised with new performance criteria and more challenging performance levels.

Other matters

- The meeting shall authorise the board to resolve on repurchase of own shares.
- The meeting shall resolve on amendments of the articles of association.
- The meeting shall resolve on proposals from a shareholder.

Solna in April 2020
The Board of Directors



Information on notification to the meeting etc.

NOTIFICATION

Shareholders who wish to attend the annual general meeting must give notice of their attendance to the company no later than Tuesday 28 April 2020 and be recorded in the share register (maintained by Euroclear Sweden) on Tuesday 28 April 2020 (the so called "Record Date"). Notice may be submitted:

- by mail to BillerudKorsnäs AB (publ), "AGM", c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden; or
- by telephone to +46 8402 90 62; or
- on www.billerudkorsnas.com/register/.

The notification shall state the name and should in addition thereto state the personal/company registration number, address, telephone number and the number of any advisors (not more than two). Entrance cards, which shall be presented at the entrance to the meeting venue, will be sent out from Wednesday 29 April 2020.

PROCESSING OF PERSONAL DATA

For information on how your personal data is processed, please visit www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf.

NOMINEE-REGISTERED SHARES

Shareholders whose shares are nominee registered must – in addition to giving notice – temporarily reregister the shares in their own name at Euroclear Sweden. Such reregistration should be requested at the nominee well before the Record Date (i.e. well before Tuesday 28 April 2020).

IMPORTANT INFORMATION REGARDING PARTICIPATION BY PROXY

In light of the authorities' regulations, and for the shareholders feeling worried about the spread of infection due to the corona virus, BillerudKorsnäs encourages all shareholders to seriously consider the possibility to, instead of personally attending the annual general meeting, attend by the help of a proxy holder.

A template proxy form as well as information regarding special proxy services for this year's meeting, can be found on the company's website www.billerudkorsnas.com/about-us/corporate-governance/general-meetings/agm-2020.

Shareholders attending by a proxy or a representative should send documents of authorisation to the company at the following address: BillerudKorsnäs AB (publ), "AGM", c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden.

DOCUMENTATION

All documentation that serve as a basis for the resolutions at the annual general meeting, except for the annual report, is included in this document.

The annual report will be available as of 8 April 2020, and will be available on the company's website www.billerudkorsnas.com/investors/financial-reports. The documentation is also available at the company's office on Frösundaleden 2 B, Solna, Sweden. Shareholders that wish to have the documentation sent by mail may contact the company by telephone +46 8402 90 62 and state their address.

NUMBER OF SHARES

At the time of the issuance of this notice there were in total 208,219,834 shares in the company representing one vote each, and accordingly the total number of votes was 208,219,834. The company owned 1,430,062 of its own shares, which may not be represented at the meeting. The total number of votes in the company at the time of the issuance of this notice was therefore 206,789,772.

INFORMATION ON THE SHAREHOLDERS' RIGHT TO REQUEST INFORMATION

Upon request by any shareholder and where the board deems it possible without causing significant harm to the company, the board and the CEO shall, at the meeting, provide information in respect of any circumstances which may affect the assessment of a matter on the agenda and any circumstances which may affect the assessment of the company's financial position. This obligation to provide information shall also apply to the company's relationship to other group companies, group accounts and such circumstances regarding subsidiaries as specified in the previous sentence.

INFORMATION TO NON-SWEDISH SPEAKING SHAREHOLDERS

This is an English translation of the original Swedish notice. In the event of any discrepancies between this translation and the original Swedish notice, the original Swedish version shall prevail.



Proposed agenda for the annual general meeting 2020

1. Opening of the meeting.
2. Election of chairman of the meeting.
3. Drawing up and approval of the 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 2019 financial year.
8. Resolution on
 - (a) the adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet for 2019,
 - (b) the disposition of the company's profits based on the adopted balance sheet for 2019 and the record date for the dividend, and
 - (c) discharge from personal liability for board members and the CEO for their administration for the year 2019.
9. Resolution on number of board members to be elected by the meeting.
10. Resolution on remuneration for board members and committee work and on fees for auditors.
11. Election of board members:
 - (a) Tobias Auchli (re-election, proposed by the nomination committee),
 - (b) Andrea Gisle Joosen (re-election, proposed by the nomination committee),
 - (c) Bengt Hammar (re-election, proposed by the nomination committee),
 - (d) Michael M.F. Kaufmann (re-election, proposed by the nomination committee),
 - (e) Kristina Schauman (re-election, proposed by the nomination committee),
 - (f) Victoria Van Camp (re-election, proposed by the nomination committee),
 - (g) Jan Åström (re-election, proposed by the nomination committee), and
 - (h) Jan Svensson (new election, proposed by the nomination committee).
12. Election of chairman of the board and vice chairman of the board.
13. Election of auditor.
14. The board's proposal regarding guidelines for remuneration for the senior executives.
15. The board's proposal regarding (a) long-term share based incentive program for 2020, and (b) transfer of own shares to the participants in the program.
16. The board's proposal regarding an authorisation for the board to resolve on repurchase of own shares.
17. The board's proposal regarding amendment of the articles of association.
18. Shareholder's proposals (a) and (b).
19. Closing of the meeting.

Complete proposals

The nomination committee's proposals and motivated statement

COMPOSITION OF THE NOMINATION COMMITTEE 2019/20

The nomination committee in BillerudKorsnäs consists of members appointed by the company's four largest shareholders, and jointly represents more than 35 per cent of the votes in the company:

- Michael M.F. Kaufmann, appointed by Frapag Beteiligungsholding AG
- Tomas Risbecker, appointed by AMF Insurance & Funds
- Lennart Francke, appointed by Swedbank Robur Funds
- Thomas Wuolikainen, appointed by Fourth Swedish National Pension Fund.

Michael M.F. Kaufmann, who has been appointed by the company's largest shareholder, Frapag Beteiligungsholding AG, is the chairman of the nomination committee.

The instruction for the nomination committee is available at the company's website www.billerudkorsnas.se/en/About-Us/Corporate-Governance/ under the heading "Nomination Committee".

THE NOMINATION COMMITTEE'S MOTIVATED STATEMENT REGARDING ITS PROPOSALS TO THE ANNUAL GENERAL MEETING

In accordance with rule 2.6 of the Swedish Corporate Governance Code, the nomination committee gives the following statement regarding its proposals to the annual general meeting, including an account of the nomination committee's work and a description of its diversity policy.

The nomination committee was convened during the fall of 2019 and has since then prepared its proposals for election of chairman of the meeting, election of the board, election of auditor and remuneration to the board and the auditor etc. The nomination committee has held physical meetings and contacts by phone and email.

As the basis for its work and decisions, the members of the nomination committee, that are not also members of the board, have conducted individual interviews with board members. The nomination committee has also received a report on the outcome of the board's own

evaluation of its work. The nomination committee has through this concluded that the board's work during the past year has worked well, with a high level of commitment and attendance. An assessment has also been made in respect of each member's ability to devote the board assignment sufficient time and commitment.

Having been informed by Lennart Holm that he had decided not to seek re-election as chairman, or member, of the board following his transition into the role of acting president and CEO of BillerudKorsnäs during 2019, the nomination committee resolved to propose the election of Jan Åström as new chairman of the board. The nomination committee is of the opinion that Jan Åström, who has been acting chairman of the board since Lennart Holm left the board during 2019, and an active member of the board for the last two years, with his experience across the packaging, pulp and paper industries is a very suitable chairman of BillerudKorsnäs. Further, his CEO background brings a valuable perspective to the operational work of BillerudKorsnäs.

In its efforts to further develop the mix of skill-sets and experiences present at board level to increasingly match the priorities of BillerudKorsnäs, the nomination committee managed to identify and attract Jan Svensson to the BillerudKorsnäs board.

Jan Svensson is the former CEO of Latour (2003–2019), a Swedish mixed investment company listed on Nasdaq Stockholm. He is currently chairman of the board of Alimak Group, Tomra Systems, Troax and Fagerhult, as well as board member of Herenco, Assa Abloy, Loomis, Stena Metall and Climeon. Prior to assuming the role as CEO of Latour, Jan was the CEO of Sigfrid Stenbergs, a family owned machining and tool company, for more than 15 years.

The nomination committee's work has primarily focused on ensuring continuity in the board and the board's committees and an orderly succession planning. The nomination committee is of the opinion that the current board represents competence and experience within the operational and financial fields, marketing, academic work as well as research and development. The board has a broad knowledge of the conditions characterising the international markets where BillerudKorsnäs operates,



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and jointly the board has the relevant knowledge and experience to drive the development of BillerudKorsnäs. The nomination committee also considers the composition and the size of the current board appropriate for BillerudKorsnäs' future direction. Against this background, the nomination committee has decided to propose the reelection of all current board members except Lennart Holm. The addition of Jan Svensson will provide the board a best-in-class industrial experience as well as an excellent strategic and leadership skill-set, drawing on Jan's distinguished career in the Nordic market spanning from investing in and building companies in multiple industries with a proven track record to deliver shareholder value. The nomination committee is also pleased that the board will benefit from his extensive experience as a public and private company board member as well as his entrepreneurial and industrial roots that will bring value to BillerudKorsnäs both through business leadership, customer orientation and financial insights.

In its work in preparing the proposal for the board, the nomination committee has applied Rule 4.1 of the Swedish Corporate Governance Code as diversity policy. Accordingly, the nomination committee has in particular considered the need for diversity and breadth within the board with respect to competence, experience and background and strived for an equal gender balance. The nomination committee has also considered the board's ability to secure that BillerudKorsnäs will continue to run its business in a sustainable way. The nomination committee considers that the composition of the proposed board reflects a wide range of backgrounds, and a mix of men and women with relevant experience and expertise to match the future positioning of BillerudKorsnäs. Three of the eight proposed board members are women, which is in line with the target set by the Swedish Corporate Governance Board for 2020 (which is that approximately 40 per cent of the boards in listed companies shall consist of the least represented gender). The nomination committee is of the view that diversity and gender balance are important issues, and that it is vital that also coming nomination committees continue to work actively with these questions.

The proposed board complies with relevant requirements for independence. Detailed information about the proposed members of the board of BillerudKorsnäs, including the nomination committee's assessment of each member's independence, can be found further back in this document, and on the company's website www.billerudkorsnas.com/about-us/corporate-governance/board-of-directors.

The nomination committee has discussed the level and structure of the board fees. Given the situation caused by the outbreak of the corona virus, the nomination committee has decided not to propose that the 2020 annual general meeting resolves on an increase of the remuneration per member level but to keep the board fees unchanged. Further increases are likely to be proposed in the coming years, subject to that the market conditions stabilises, in order to maintain board fees on market level.

The nomination committee has been presented with the audit committee's recommendation that KPMG should be reelected as auditor, until the close of the next annual general meeting.

The nomination committee has also reviewed the current instruction for the nomination committee, which was resolved by the annual general meeting 2016, and has decided that no changes will be proposed.

In light of the above, the nomination committee proposes the following.

THE NOMINATION COMMITTEE'S PROPOSAL OF CHAIRMAN OF THE MEETING (ITEM 2 ON THE AGENDA)

The nomination committee proposes that Wilhelm Lüning is elected to be the chairman of the annual general meeting. Wilhelm Lüning is a lawyer at Cederquist in Stockholm.

THE NOMINATION COMMITTEE'S PROPOSAL FOR ELECTION OF THE BOARD (ITEMS 9, 11 (A)-(H) AND 12 ON THE AGENDA)

The nomination committee proposes the following.

- The board shall, until the close of the next annual general meeting, consist of eight members (item 9 on the agenda).
- Reelection of Tobias Auchli, Andrea Gisle Joosen, Bengt Hammar, Michael M.F. Kaufmann, Kristina Schauman, Victoria Van Camp and Jan Åström as board members and the election of Jan Svensson as new board member, until the close of the next annual general meeting, (item 11 (a)–(h) on the agenda).
- Election of Jan Åström as chairman of the board and Michael M.F. Kaufmann as vice chairman of the board (item 12 on the agenda).



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THE NOMINATION COMMITTEE'S PROPOSAL ON FEES FOR BOARD AND COMMITTEE WORK AND FEES FOR AUDITORS (ITEM 10 ON THE AGENDA)

The nomination committee proposes, for the period until the close of the next annual general meeting, the following fees, that are unchanged from 2019, to the board members and members of the board committees:

- SEK 1,350,000 to the chairman of the board,
- SEK 880,000 to the vice chairman of the board,
- SEK 520,000 to each of the other board members,
- SEK 155,000 to the chairman of the board's audit committee,
- SEK 75,000 to each of the other members of the board's audit committee,
- SEK 50,000 to the chairman of the board's remuneration committee,
- SEK 25,000 to each of the other members of the board's remuneration committee, and
- SEK 50,000 to each member of the board's investment committee.

The nomination committee proposes that the auditor's fee shall be paid in accordance with approved invoices.

THE NOMINATION COMMITTEE'S PROPOSAL REGARDING ELECTION OF AUDITOR (ITEM 13 ON THE AGENDA)

In accordance with the recommendation of the audit committee, the nomination committee proposes that the company shall have one registered accounting firm as auditor, and that the registered accounting firm KPMG shall be elected as auditor until the close of the 2021 annual general meeting. KPMG has informed the nomination committee that the authorised public accountant Ingrid Hornberg Román will continue as auditor in charge, if KPMG is elected as auditor.



The board's proposals, statements and reports

THE BOARD'S PROPOSAL REGARDING DIVIDEND (ITEM 8 (B) ON THE AGENDA) AND BUY BACK AUTHORISATION FOR THE BOARD (ITEM 16 ON THE AGENDA), AS WELL AS MOTIVATED STATEMENT IN ACCORDANCE WITH CHAPTER 18 SECTION 4 AND CHAPTER 19 SECTION 22 OF THE SWEDISH COMPANIES ACT.

Items 8(b) and 16 on the proposed agenda concern the board's proposals for dividend and repurchase of own shares.

DIVIDEND (ITEM 8 (B))

The board proposes a dividend of SEK 4.30 per share. The record date for the dividend shall be Thursday 7 May 2020.

The last trading day in the BillerudKorsnäs share including the right to receive the dividend will be Tuesday 5 May 2020, and the first trading day in the BillerudKorsnäs share not including a right to receive the dividend will be Wednesday 6 May 2020.

If the annual general meeting resolves in accordance with the proposal, the dividend is estimated to be paid out to the shareholders on Tuesday 12 May 2020.

AUTHORISATION FOR THE BOARD TO RESOLVE ON REPURCHASES OF OWN SHARES (ITEM 16)

As announced in connection with the 2019 year-end report, the board proposes that the board is authorised to resolve on repurchases of BillerudKorsnäs' own shares, for cancellation of shares through a reduction of the share capital, but also in order to deliver shares to the participants in the long-term incentive programs, in accordance with the following conditions:

- The repurchase of shares shall take place on Nasdaq Stockholm, on one or more occasions during the period up until the next annual general meeting.
- So many shares may, at the most, be repurchased so that BillerudKorsnäs' holding does not at any time exceed 10 per cent of the total number of shares in BillerudKorsnäs.
- The repurchase of shares on Nasdaq Stockholm may occur at a price per share within the at each time registered share price interval, by which is meant the difference between the highest buying price and the lowest selling price.
- Payment for the shares shall be made in cash.

On the back of the successful Bergvik Skog Öst transaction, the board propose the buy-back authorisation to give the board more options for returning excess capital to the shareholders and to optimise the capital structure of BillerudKorsnäs in its efforts to deliver long-term shareholder value, as well as to provide a method to secure delivery of shares to the participants under BillerudKorsnäs' long-term incentive programs. Such transfers of own shares may only be made in accordance with the resolutions to transfer own shares to participants in the incentive programs.

In order for a resolution regarding authorisation for the board to resolve on repurchases of own shares in accordance with item 16 to be valid, the board's proposal must be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the meeting.

MOTIVATED STATEMENT IN ACCORDANCE WITH CHAPTER 18 SECTION 4 AND CHAPTER 19 SECTION 22 OF THE SWEDISH COMPANIES ACT

The board reasons for the proposed dividend and authorisation for the board to repurchase own shares being in accordance with the provisions of Chapter 17, Section 3 paragraphs 2 and 3 of the Swedish Companies Act are as follows;

BillerudKorsnäs' non-restricted shareholders' equity (in the parent company) totalled to MSEK 6,851 as at 31 December 2019.

According to BillerudKorsnäs' financial targets, the dividend shall amount to 50 per cent of the net profit per share, and the interest bearing net debt in relation to EBITDA shall be lower than a ratio of 2.5. At the end of 2019 BillerudKorsnäs' interest bearing net debt in relation to EBITDA was 1.9 which achieves the target. The board of BillerudKorsnäs proposes that of the year's profit of SEK 32.50 per share, a dividend of SEK 4.30 per share, amounting to a total dividend of approximately MSEK 890 (calculated excluding the company's holding of own shares), and corresponding to 13 per cent of the net profit per share) shall be paid to the shareholders and that the remaining amount shall be carried forward in a new account. The costs in relation to repurchase of own shares depends on to which extent, if at all, the board makes use of the annual general meeting's authorisation to repurchase own shares. E.g. should the board resolve

to repurchase 1 per cent of the outstanding shares in BillerudKorsnäs, this would amount to approximately MSEK 217 (using the closing price for BillerudKorsnäs' share on 18 March 2020 (SEK 104.40)).

The proposed dividend and authorisation to repurchase BillerudKorsnäs' own shares do not endanger the continuation of planned investments, and BillerudKorsnäs' financial position is such that BillerudKorsnäs can continue its business and is expected to fulfil all of its obligations on both a short and long-term basis.

The board of BillerudKorsnäs is of the opinion that the proposed dividend and authorisation to repurchase own shares are justified taking into consideration;

- the requirements that the nature of the business (the company's and the group's), its scope and risks place on the size of the shareholders' equity, and
- the company's and the group's respective consolidation needs, liquidity and position in general.

INFORMATION IN PREPARATION OF THE ANNUAL GENERAL MEETING'S RESOLUTION ON GUIDELINES FOR REMUNERATION TO MEMBERS OF THE EXECUTIVE LEADERSHIP TEAM AND LONG-TERM SHARE BASED INCENTIVE PROGRAM

Under items 14 and 15 on the agenda, the board makes proposals regarding remuneration. Item 14 refers to the adoption of guidelines for remuneration to members of the ELT and item 15 refers to the proposed long-term share based incentive program.

BillerudKorsnäs strives to attract, retain and develop the best talent by means of competitive remuneration. The group's short and long-term incentive programs are closely linked to the company's strategic and financial targets and are designed to deliver sustainable value for shareholders and support the achievement of the company's strategy. Please refer to BillerudKorsnäs' annual report for 2019 or the company website www.billerudkorsnas.com/about-us/corporate-governance under the headings "Long-term incentive programs" and "Remuneration" for a description of the current remuneration conditions, outstanding long-term share based incentive programs and other remunerations in BillerudKorsnäs. In addition to the programs described, there are no other share or shareprice related incentive programs in BillerudKorsnäs.

MONITORING AND EVALUATION OF REMUNERATION STRUCTURES ETC.

The following is the board's report of the results of the remuneration committee's monitoring and evaluation of the current remuneration structure and levels of remuneration in the company in accordance with Rule 9.1 of

the Swedish Corporate Governance Code. The remuneration committee also monitors and evaluates ongoing, and during the year completed, programs concerning variable remuneration and the application of the guidelines approved at the annual general meeting concerning remuneration to the CEO and ELT members.

The short term cash based variable remuneration models run for one financial year at the time and are based on predetermined, measurable financial and individual goals considering competence, area of responsibility and historical performance. An evaluation of the executives' individual performances in relation to the predetermined goals is made at the end of each year and the variable cash based remuneration is set. The variable cash based remuneration is paid only if the company's operating result is positive and shall be a maximum of a fixed percentage of the annual fixed salary and were, in accordance with the applicable guidelines 2019, capped at levels between 30–70 per cent of the ELT members annual fixed cash salary.

As regards the short term cash based variable remuneration in 2019 for the CEO and other ELT members, the remuneration committee has evaluated the performance criteria and target areas of 2019, and the outcome thereon. The outcome of the short term variable cash based remuneration was 29 per cent of the annual base salary for the company's former CEO and 26 per cent of the annual fixed cash salary on average for the other ELT members.

Since 2010, BillerudKorsnäs has offered ELT members and other key individuals participation in long-term share based incentive programs, which have been approved by the annual general meetings of shareholders. The programs have a vesting period of three years and are based on the condition of continued employment, an own investment in BillerudKorsnäs' shares and the fulfilment of certain predetermined financial and share price related performance criteria. Provided these conditions are met, participants may at the end of the vesting period be allotted shares in BillerudKorsnäs free of charge, in proportion to their own initial investment in BillerudKorsnäs shares.

Performance under these programs is continuously monitored. The remuneration committee considers that the current structure of the long-term share based incentive program fulfils most of the reasons for having a share based incentive for the employees. That said, the matching share-component that was introduced in 2010, is considered as unmodern, and therefore the board have proposed to replace the matching share with a performance share linked to a certain sustainability goal. And so, the board proposes that the 2020 annual



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general meeting shall resolve on a program with a similar basic structure as existing program, with the matching shares removed and replaced, and also by introducing a new performance criteria measuring BillerudKorsnäs' sustainability and with certain adjustments on other performance criteria.

The application of the guidelines for remuneration to ELT members, as adopted by the annual general meeting, is evaluated continuously. In order to carry out the evaluation regarding the application of the guidelines, the remuneration committee collects information from the CEO, from the HR director and from external consultants. Information from external consultants is gathered to ensure that remunerations in BillerudKorsnäs are in line with market conditions and are competitive. In addition, BillerudKorsnäs' auditor reviews and gives a statement to the annual general meeting regarding the application of the guidelines. Ahead of the 2020 annual general meeting, the guidelines have been updated and revised in the light of the new legislative framework for remuneration guidelines for senior executives set out in the EU Shareholders Rights Directive II, the Swedish Companies Act and the Swedish Corporate Governance Code.

Both the remuneration committee's evaluation and the auditor's review have concluded that the guidelines for remuneration to ELT members, as adopted by the annual general meeting, have been applied in accordance with their terms during 2019.

The auditor's statement is included further back in this document.

The board assesses that the monitoring and evaluation that the remuneration committee has made, and that the proposals that the board put to the 2020 annual general meeting under items 14 and 15 are a wellbalanced composition of fixed and variable salary, long-term share based incentive programs and other benefits and pension.

THE BOARD'S PROPOSAL FOR ADOPTION OF GUIDELINES FOR REMUNERATION FOR SENIOR EXECUTIVES (ITEM 14 OF THE AGENDA)

The board proposes that the annual general meeting resolves to adopt the following guidelines for remuneration for the CEO and the other members of the group's ELT. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2020. The guidelines do not apply to any remuneration approved by the general meeting, for example ordinary board remuneration and BillerudKorsnäs' long-term share-related incentive programs.

The guidelines' promotion of BillerudKorsnäs' business strategy, long-term interests and sustainability

BillerudKorsnäs is challenging conventional packaging for a sustainable future and this mission describes the purpose of BillerudKorsnäs' business operations. Profitable growth is essential when challenging less sustainable packaging materials and solutions over time. In order to deliver profitable growth, a goal-oriented and intensive work is being undertaken. BillerudKorsnäs' employees are the people that with a customer focus, are driving the change that is needed to realise the strategy and achieve our ultimate purpose – a sustainable future.

For further information on BillerudKorsnäs' business strategy, see the company's website www.billerudkorsnas.com/about-us/strategy-platform.

A prerequisite for the successful implementation of the BillerudKorsnäs' business strategy and safeguarding of BillerudKorsnäs' long-term interests, including its sustainability, is that BillerudKorsnäs is able to recruit and retain qualified employees with high competence and capacity to achieve set goals. BillerudKorsnäs shall together with its employees challenge conventional packaging for a sustainable future. To achieve this, it is necessary that BillerudKorsnäs offers competitive total remuneration which creates incentives for senior executives to think new, feel responsibility, cooperate and create value. The goal is to create incentives to promote BillerudKorsnäs' business strategy and long-term interests, deliver exceptional results and to link incentives for key persons within BillerudKorsnäs with the shareholders' interests. These guidelines enable this objective and that senior executives can be offered a competitive total remuneration.

Types of remuneration, etc.

BillerudKorsnäs shall be on market terms as regards compensation levels and terms of employment. The remuneration shall consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Furthermore, the general meeting may resolve on, among other things, long-term share and share price-related remuneration.

The variable cash remuneration to the CEO and ELT members is paid based on outcomes in relation to clearly stated goals and shall amount to a maximum between 30 and 70 per cent of their respective annual fixed cash salary. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual basis, either for the purpose of recruiting or retaining senior executives, or as remuneration for

extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100 per cent of the annual fixed cash salary. Any resolution on such remuneration shall be made by the board based on a proposal from the remuneration committee.

Decisions on long-term share and share price-related remuneration are made by the general meeting – irrespective of these guidelines. Long-term share and share price-related remuneration shall be designed to ensure long-term commitment to BillerudKorsnäs' development and in order for the CEO and ELT members to have a significant, long-term shareholding in BillerudKorsnäs. The outcome of the long-term share- and share price-related remuneration shall be linked to certain predetermined performance criteria based on BillerudKorsnäs' share price and results. For more information about these programs, including the criteria for the outcome, see the company's website www.billerudkorsnas.com/about-us/corporate-governance under the headings "Long-term incentive programs" and "Remuneration".

Pension benefits shall be defined contribution. The pension premiums for defined contribution pension shall amount to a maximum of 30 per cent of the annual fixed cash salary. Variable cash remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions.

Other benefits may include, for example, life insurance, medical insurance (*Sw: sjukvårdsförsäkring*) and company car. Premiums and other costs related to such benefits may amount to not more than 40 per cent of the annual fixed cash salary.

The decision-making process to determine, review and implement the guidelines

The board has established a remuneration committee. The committee's tasks include preparing the board's decision to propose guidelines for executive remuneration. The board shall prepare a proposal for new guidelines at least every fourth year and submit it to the annual general meeting.

The guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in BillerudKorsnäs. The members of the remuneration committee are independent of the company and its executive management. The CEO and ELT members do not participate in the board's processing of and resolutions regarding remuneration-related matters if they are affected by such matters.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may also be individualised, quantitative or qualitative objectives. The objectives for the group for variable cash remuneration are, currently to 40 per cent based on the performance measure EBITDA, 30 per cent based on net sales, 20 per cent based on capital employed and 10 per cent based on certain sustainability goals. The weighting of these group-wide goals may change from year to year depending on the group's focus areas and strategic decisions.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee is responsible for the evaluation so far as it concerns variable cash remuneration to the CEO. For variable cash remuneration to other ELT members, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by BillerudKorsnäs.

Variable cash remuneration shall only be paid provided that BillerudKorsnäs' operating profit is positive, and the remuneration committee shall only use its discretion to decide on variable remuneration in accordance with the goals set out above in a way that implies that there is a link between such compensation and BillerudKorsnäs' result.

Salary and employment conditions for employees

In the preparation of the board's proposal for these remuneration guidelines, salary and employment conditions for employees of BillerudKorsnäs have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to executives and remuneration to other employees will be disclosed in the remuneration report.

Termination of employment

In the event of termination of an employment, a notice period of six to twelve months is normally applied and a right to severance pay corresponding to the fixed cash



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salary for one year if the employment is terminated by BillerudKorsnäs. When termination is made by an ELT member, the notice period may not exceed six months, without any right to severance pay.

Remuneration to board members elected by general meetings

Board members elected by general meetings in BillerudKorsnäs shall in special cases be able to be remunerated for services within their respective areas of expertise, which do not constitute board work in BillerudKorsnäs AB. For these services, a market-based fee shall be paid, which must be approved by the board.

Derogation from the guidelines

The board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve BillerudKorsnäs' long-term interests, including its sustainability, or to ensure BillerudKorsnäs' financial viability. As set out above, the remuneration committee's tasks include preparing the board's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

THE BOARD'S PROPOSAL REGARDING A LONG-TERM SHARE BASED INCENTIVE PROGRAM FOR 2020 (ITEM 15 (A) ON THE AGENDA)

The board proposes that the meeting resolves to introduce a long-term share based incentive program ("LTIP 2020") as follows.

In order for a resolution regarding LTIP 2020 to be valid, the board's proposal in item 15 (a) must be supported by more than one-half of the votes cast.

LTIP 2020 in brief

The board's main objective with the proposal of LTIP 2020 is to strengthen BillerudKorsnäs' ability to attract, motivate and retain the best individuals for key leadership positions. The aim is further that the ELT, as well as other key personnel and talents within the BillerudKorsnäs group shall be stimulated to increased efforts by aligning their incentives with the shareholders' interests.

LTIP 2020 comprises a maximum of 100 employees, being ELT members, other key personnel and talents within the BillerudKorsnäs group. A condition for participation in LTIP 2020 is that the participants must own BillerudKorsnäs shares. Notification of participation in LTIP 2020 shall occur after the 2020 annual general meeting. The participants will after a three year vesting period that ends in connection with the release

of BillerudKorsnäs' interim report for the period January – March 2023, be allotted BillerudKorsnäs shares, free of charge, provided that the program's conditions are fulfilled, and to the extent that the relevant performance conditions have been achieved during the financial years 2020–2022 (the "Measurement Period").

Participants in LTIP 2020

LTIP 2020 comprises up to 100 persons consisting of the CEO and the other ELT members, other key personnel and talents within the BillerudKorsnäs group, divided in three participation categories as follows:

- Category 1* the CEO of BillerudKorsnäs;
- Category 2* ELT members and certain nominated members of the leadership teams of BillerudKorsnäs' divisions and mill managers, approximately 20 persons; and
- Category 3* certain nominated key personnel and talents in BillerudKorsnäs, approximately 80 persons.

Personal investment and allotment of share rights

To participate in LTIP 2020, the participants must purchase BillerudKorsnäs shares at market price on Nasdaq Stockholm and allocate them to LTIP 2020 ("Saving Shares"). Previously held BillerudKorsnäs shares (which are not already allocated to the long-term share based incentive programs 2018 or 2019) may be used as Saving Shares. Saving Shares shall be allocated to LTIP 2020 in connection with the notification to participate in the program. If the participant has inside information which prevents him/her from purchasing BillerudKorsnäs shares in connection with the notification to participate in LTIP 2020, the shares shall be purchased as soon as possible, but no later than before the next annual general meeting.

Participants in Category 1–2 are offered to allocate Saving Shares to the LTIP 2020, up to a number equal to 10 per cent of the participant's gross base salary as per year end 2019 divided by the closing price of the BillerudKorsnäs share per the last trading day of 2019 (SEK 110.65). Participants in Category 3 are offered to allocate up to 500 Saving Shares to LTIP 2020. New personnel that have not yet commenced their employment at the time when notification to participate in the program at the latest shall be given, may, upon the condition that the employment commences during 2020, be offered to participate in LTIP 2020, if the board or the remuneration committee deems it to be in line with the purpose of the program.

Allocation and allotment

Category 1 will be allotted 6 share rights for each Saving Share allocated to LTIP 2020, Category 2 will be allotted 5 share rights for each Saving Share allocated to LTIP 2020, and Category 3 will be allotted 4 share rights for each Saving Share allocated to LTIP 2020.

For Category 1, each Saving Share entitles to 1 share right of series A, 2 share rights of series B and 3 share rights of series C. For Category 2 each Saving Share entitles to 1 share rights of series A, 1.5 share rights of series B and 2.5 share rights of series C. For Category 3 each Saving Share entitles to 1 share right of series A, 1 share right of series B and 2 share rights of series C.

Terms and conditions for the share rights

The following *general* terms and conditions apply for the share rights:

- The share rights are allotted, free of charge, after the 2020 annual general meeting.
- The participants are not entitled to transfer, pledge or dispose the share rights or perform any shareholder's rights regarding the share rights.
- Allotment, free of charge, of BillerudKorsnäs shares, on the basis of the share rights, will take place after the release of the interim report for the period January – March 2023. Allotment of BillerudKorsnäs shares requires, with certain exceptions, that the participant is still employed by the BillerudKorsnäs group and has retained the Saving Shares at the release of the interim report.
- BillerudKorsnäs will make no compensations to the participants of LTIP 2020 due to dividends regarding the shares that the respective share right entitles to.
- The maximum profit per participant is limited to SEK 410 per share right, equal to a maximum of approximately 27 monthly salaries for Category 1, approximately 22 monthly salaries in average for Category 2, and approximately 10 monthly salaries in average for Category 3. In the event that the profit, when calculating the allotment according to LTIP 2020, should exceed the limit of SEK 410 per share right, adjustment shall be made by consequently decreasing the number of BillerudKorsnäs shares that the participant is entitled to receive.

The share rights are divided into three series, series A, B and C, with *three different conditions to measure performance*:

Series A Sustainability performance: measured by BillerudKorsnäs' performance in Dow Jones Sustainability Indices (DJSI) during the

Measurement Period, where allotment will be granted as follows;

- Maximum allotment of 1 BillerudKorsnäs share per share right of series A if BillerudKorsnäs is ranked as Industry Leader in DJSI three out of three years.
- 0.75 BillerudKorsnäs shares allotment per share right of series A if BillerudKorsnäs is ranked as Industry Leader in DJSI two out of three years.
- 0.5 BillerudKorsnäs shares allotment per share right of series A if BillerudKorsnäs is ranked as Industry Leader in DJSI one out of three years.
- No allotment of BillerudKorsnäs shares if BillerudKorsnäs is not ranked as Industry Leader in DJSI any of the three years.

Series B Growth performance: measured by BillerudKorsnäs' organic net sales growth (net sales growth compared to previous year adjusted for currency and (if any) M&A activities, and calculated as a three year average) during the Measurement Period. The maximum level of allotment pursuant to this performance condition is an average organic net sales growth of 6 per cent and the minimum level is an average organic net sales growth exceeding 2 per cent. If the average organic net sales growth amounts to the maximum level of 6 per cent, maximum allotment of 1 BillerudKorsnäs share per performance share right of series B shall be made. If the average organic net sales growth should be lower than 6 per cent per year, but exceeding the minimum level of 2 per cent per year, the allotment will be made on a linear basis. If the average organic growth amounts to 2 per cent or less, the performance share rights of series B shall not entitle to allotment of BillerudKorsnäs shares.

Series C Profitability performance: measured by BillerudKorsnäs' average *adjusted EBITDA* margin (based on net sales deducted for cost of goods sold and fixed cost per each full year, adjusted for items impacting comparability, and calculated as a three year average) during the Measurement Period. The maximum level of allotment under the performance condition is an average adjusted EBITDA margin of 18 per cent and the minimum level of allotment is an average adjusted EBITDA



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margin exceeding 13 per cent. If the average adjusted EBITDA margin amounts to the maximum level of 18 per cent or more, maximum allotment of 1 BillerudKorsnäs share per performance share rights of series C shall be made. If the average adjusted EBITDA margin should be lower than 18 per cent, but exceeding the minimum level of 13 per cent, the allotment will be made on a linear basis. If the average adjusted EBITDA margin amounts to 13 per cent or less, the performance share rights of series C shall not entitle to allotment of BillerudKorsnäs shares.

If BillerudKorsnäs delivers total shareholder return (TSR), that exceeds zero (0) per cent during the Measurement Period all vested share rights entitles to BillerudKorsnäs shares, but if the TSR during the Measurement Period is zero, or below, only 50 per cent of the vested share rights will entitle to BillerudKorsnäs shares.

If the number of shares that the share rights entitle to is not a whole number of shares, the number of shares that are to be transferred to the participant shall be rounded down to the nearest whole number of shares.

The board intends to present whether the conditions have been fulfilled in the annual report of 2022.

Detailed terms and administration

The board, or the remuneration committee, shall be responsible for determining the detailed terms and administration of LTIP 2020 to be applicable between BillerudKorsnäs and the participant, however within the framework of the scope and guidance given in this resolution. The board or the remuneration committee shall be authorised to make adjustments to fulfil certain rules or market conditions in other jurisdictions. If delivery of shares cannot be accomplished at reasonable costs and with reasonable administrative efforts to persons outside Sweden, the board or the remuneration committee shall be entitled to decide that the participating person may instead be offered a cash based settlement. The board may also make other adjustments, including e.g. a right to resolve on a reduced allotment of shares, if material changes would occur within the BillerudKorsnäs group or on the market that, according to the board's assessment, would lead to that the resolved terms and conditions for allotment of shares under LTIP 2020 no longer fulfils the main objectives.

Scope

In total, LTIP 2020 comprises a maximum of 81,565 Saving Shares, which can lead to allotment of in total a maximum of 374,825 BillerudKorsnäs shares which correspond to approximately 0.18 per cent of the number of outstanding shares and votes in BillerudKorsnäs.

The number of shares included in LTIP 2020 which can be transferred to the participants shall be subject to recalculation due to bonus issues, consolidation or share split, new issue of shares or similar measures in BillerudKorsnäs, according to accepted practice for similar incentive programs.

In total, LTIP 2020 comprises a maximum of 374,825 BillerudKorsnäs shares. On 31 December 2019, the previously adopted long-term incentive programs in BillerudKorsnäs comprised a maximum of 554,032 BillerudKorsnäs shares, LTIP 2020 and the other adopted long-term incentive programs would entail a maximum total dilution of shares of approximately 0.50 per cent of the number of outstanding shares and votes in BillerudKorsnäs.

Delivery of shares to the participants in LTIP 2020

The board has considered two alternative hedging methods for delivering BillerudKorsnäs shares to the participants, subject to the terms and conditions of LTIP 2020; either that BillerudKorsnäs (i) transfers shares held by the company itself to participants, free of charge, according to the board's proposal in item 15 (b) or (ii) enters into an agreement with a bank that will be able to, in its own name, acquire and transfer BillerudKorsnäs shares. The board considers the first alternative as its preferred option. However, should the annual general meeting not approve the proposed transfer of own shares in accordance with the proposal in item 15 (b), the board may enter into a hedging arrangement with a third party to hedge the obligations of BillerudKorsnäs to deliver shares under LTIP 2020 as set out above.

BillerudKorsnäs has own shares held in treasury that covers the obligation to deliver shares to the participants in the resolved ongoing, and proposed, LTIP.

Estimated costs and the value of LTIP 2020

The board has estimated the average value of each share right to SEK 83.40. The estimation is based on generally accepted valuation models using the closing price for the BillerudKorsnäs share on 18 March 2020 (SEK 104.40), statistics on the BillerudKorsnäs' share price development as well as projected dividends. The aggregate estimated value of the 374,825 share rights, based

on the assumption that the outcome is right between minimum and maximum performance, and estimations on turnover of personnel about 10 per cent each year, is approximately MSEK 17.8. The value is equivalent to approximately 0.1 per cent of the market capitalisation for BillerudKorsnäs as of 18 March 2020. The costs are treated as a staff cost in the profit and loss accounts and it is expensed over 36 months in accordance with IFRS 2, Share based payments.

In the profit and loss accounts, social security costs will accrue in accordance with UFR 7 during the vesting period. The size of these costs will be calculated on the BillerudKorsnäs share price development during the vesting period and allotment of the shares. Based on a theoretical assumption of a yearly increase of 10 per cent of the share price and a vesting period of three years, the cost for LTIP 2020 including social security costs is approximately MSEK 8.4, which on a yearly basis equals approximately 0.2 per cent of BillerudKorsnäs' total staff costs for the financial year 2019. The maximum cost for LTIP 2020, based on these assumptions, is estimated to be approximately MSEK 79.6, whereof MSEK 48.3 in social security costs.

Effects on key ratios

In the event of full participation in LTIP 2020, BillerudKorsnäs' staff cost is expected to increase annually with approximately MSEK 8.8. On a pro forma basis for 2020, this cost equals a marginal negative effect on BillerudKorsnäs' operating margin and earnings per share.

The board considers that the positive effects on the result, which are expected to arise from the increase of the shareholding by senior executives and key employees and which, in addition, may be further increased by the shareholding in LTIP 2020, exceeds the costs.

The preparation of the proposal

LTIP 2020, which is based on the previous year's long-term share based incentive programs, has been initiated and prepared by BillerudKorsnäs' remuneration committee and board.

THE BOARD'S PROPOSAL FOR RESOLUTION ON TRANSFER OF OWN SHARES TO THE PARTICIPANTS IN THE PROGRAM (ITEM 15 (B) ON THE AGENDA)

The board proposes that the annual general meeting resolves upon a transfer of a maximum of 374,825 BillerudKorsnäs shares held in treasury to the participants in LTIP 2020 (or the higher number of shares that may result from a recalculation under the terms of the LTIP 2020). Transfer of shares to the participants shall be made free of charge in accordance with the terms of LTIP 2020. The reasons for deviating from the shareholders' preferential right are the same as the reasons motivating adoption of LTIP 2020.

In order for a resolution regarding transfer of own shares to the participants in LTIP 2020 in accordance with item 15 (b) to be valid, the board's proposal must be supported by shareholders representing at least nine-tenths of both the votes cast and the shares represented at the meeting.



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THE BOARD'S PROPOSAL REGARDING AMENDMENT OF THE ARTICLES OF ASSOCIATION (ITEM 17 ON THE AGENDA)

The board proposes that the articles of association are amended. A new section is proposed to be inserted in the articles of association allowing the board to collect powers of attorney in accordance with the procedure described in Chapter 7, section 4, paragraph 2 of the Companies Act (2005:551) and allowing the board to decide that shareholders shall have the right to provide their votes before a general meeting. Further, amendments are proposed to reflect changes in legislation.

Current wording

§ 1 Name of the Company

The name of the company (Sw. *firma*) shall be Billerud-Korsnäs Aktiebolag (publ).

§ 9 Notice, second paragraph

Shareholders who wish to participate in negotiations at the general meeting must *be included in the printout or other presentation of the full share register as per 5 days prior to the Meeting and must* notify the company of their intention to participate at the latest on the day indicated in the announcement of the meeting. The latter date shall not be a Sunday, holiday, Saturday, midsummer eve, Christmas eve, New Year's eve and shall not be earlier than five working days before the meeting.

Proposed wording

§ 1 The Company's business name

The company's business name (Sw. *företagsnamn*) shall be BillerudKorsnäs Aktiebolag (publ).

§ 9 Notice, second paragraph

Shareholders who wish to participate in negotiations at the general meeting must notify the company of their intention to participate at the latest on the day indicated in the announcement of the meeting. The latter date shall not be a Sunday, holiday, Saturday, midsummer eve, Christmas eve, New Year's eve and shall not be earlier than five working days before the meeting.

§ 10 Collection of powers of attorney and voting by post

The Board may collect powers of attorney in accordance with the procedure described in Chapter 7, section 4, second paragraph of the Companies Act (2005:551).

The Board has the right before a general meeting to decide that shareholders shall be able to exercise their right to vote by post before the general meeting.

As a consequence of the insertion of a new section 10 a renumbering of the following sections is proposed, whereby the old § 10 becomes § 11 and the old § 11 becomes § 12.

The board's complete proposal for the new articles of association is set out on pages 25–26 in this document.

In order for a resolution regarding amendments of the articles of association in accordance with item 17 to be valid, the board's proposal must be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the meeting.

Shareholder's proposals

PROPOSALS FROM A SHAREHOLDER (ITEM 18 (A) AND (B) ON THE AGENDA)

Shareholder Thorwald Arvidsson proposes that the annual general meeting resolves to instruct the board as follows:

- (a) to work for that differentiated voting powers no longer will be possible according to the Swedish Companies Act, firstly by addressing this issue with the Swedish government, and
- (b) to have a proposal prepared for representation in the board as well as in the nomination committee for the small and medium sized shareholders to be presented at the next shareholders' meeting. The instruction to the board also include to work for that a similar change is implemented in Swedish legislation and/or rules, firstly by addressing this issue with the Swedish government.



Jan Åström



Michael M.F. Kaufmann



Tobias Auchli



Andrea Gisle Joosen



Bengt Hammar



Kristina Schauman



Victoria van Camp



Jan Svensson



Nicklas Johansson



Gunnevi Lehtinen Johansson



Ulrika Gustafsson



Bo Knöös

Information about the proposed board members

1. JAN ÅSTRÖM

Chairman of the Board

Education: MSc in Chemical Engineering, Royal Institute of Technology, Stockholm.

Year born: 1956

Other assignments: Chairman of the Board of Bergvik Skog Öst AB. Member of the Board of ECO Development AB and Frill Holding AB (publ). Chairman of the foundation Central Fund for Employees in Forestry and the Forest Industry, as well as chairman of the Swedish Wrestling Federation.

Background: President and CEO of Ahlstrom Munksjö Oyj, SCA AB, Modo Paper AB. Head of Business Group for SCA Fine Paper and Head of SCA Packaging Munksund.

Elected: 2018

Committee assignments: Chairman of the Remuneration Committee, Member of the Investment Committee.

Shareholding¹: IIII

Independent/Not independent: Independent of the Company and management, independent of the Company's major shareholders.

2. MICHAEL M.F. KAUFMANN

Vice Chairman of the Board

Education: MBA, Universities of Stuttgart and Erlangen-Nürnberg.

Year born: 1948

Other assignments: Chairman of Frapag Beteiligungsholding AG, Frapag America,

Inc., By Out Europe II, Frapag Slovakia and Grimming Holding Romania. CEO of Hartmann Liegenschaftsverwaltung GmbH, Kleinsölk Forstwirtschaftsverwaltung GmbH, MIKA Classic Cars GmbH and MIKA Privatstiftung

Background: Formerly held various managerial positions in Frantschach/Mondi, Vienna, Austria.

Elected: 2005

Committee assignments: Member of the Remuneration Committee.

Shareholding¹: 22 250

Independent/Not independent: Independent of the Company and management, not independent of the Company's major shareholders.

3. TOBIAS AUCHLI

Board member

Education: MA HSG, University of St Gallen

Year born: 1972

Other assignments: Chairman of the Board and CEO of Verlumenda SA

Background: Head Innovation and R&D, Global Ice Cream Division, Nestlé SA, Director Corp. Marketing & Innovation Acceleration, Nestlé SA and General Manager Liquid & Dairy Culinary Milks, Nestlé Greater China Region

Elected: 2018

Committee assignments: Member of the Audit Committee and the Investment Committee.

Shareholding¹: –

Independent/Not independent: Independent of the Company and management, independent of the Company's major shareholders.



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4. ANDREA GISLE JOOSEN

Board member

Education: MSc International Business, Copenhagen Business School.

Year born: 1964

Other assignments: Chairman of Acast AB, Board member of Dixons Carphone PLC, ICA Gruppen AB, James Hardie Industries PLC, Qred AB and Logent AB.

Background: CEO of Boxer TV Access AB, Nordic Managing Director of Panasonic, Chantelle and Twentieth Century Fox Home Entertainment. Previously held management positions at Johnson & Johnson and Procter & Gamble. Chairman of the Board of Teknikmagasinet AB, Member of the Board of Mr Green & Co AB.

Elected: 2015

Committee assignments: Member of the Audit Committee. Member of the Remuneration Committee from November 2019.

Shareholding¹: 2 350

Independent/Not independent: Independent of the Company and management, independent of the Company's major shareholders.

5. BENGT HAMMAR

Board member

Education: BA and MA in International

Economics and Politics, Princeton University, New Jersey, United States

Year born: 1951

Other assignments: Senior Adviser, Pöyry Capital Ltd.

Background: Founder and CEO of Pöyry Capital Ltd.; Managing Director, Head of Global Forest Products & Packaging, Barclays De Zoete Wedd Ltd.; Executive Director, Head

of European Forest Products & Packaging, Morgan Stanley & Co. Int.

Elected: 2014

Committee assignments: Chairman of the Investment Committee.

Shareholding¹: 2 000

Independent/Not independent: Independent of the Company and management, independent of the Company's major shareholders.

6. KRISTINA SCHAUMAN

Board member

Education: MSc in Economics and Business, Stockholm School of Economics.

Year born: 1965

Other assignments: Member of the Boards of ÅF Pöyry AB, Orexo AB, Coor Service Management AB, BEWiSynbra Group AB, Nordic Entertainment Group AB and Diaverum AB.

Background: Various financial managerial positions in Stora Enso, ABB and Investor and executive management positions in OMX AB, Carnegie Investment bank and Apoteket AB

Elected: 2014

Committee assignments: Chairman of the Audit Committee.

Shareholding¹: 4 000

Independent/Not independent: Independent of the Company and management, independent of the Company's major shareholders.

7. VICTORIA VAN CAMP

Board member

Education: MSc in mechanical engineering and doctorate in machine elements, Luleå University of Technology.

Year born: 1966

Other assignments: CTO and President, Innovation and Business Development at AB SKF.

Background: Board member of VBG Group AB and PREERA. Director of Industrial Market Technology & Solutions, Director of Product Innovation Lubrication BU and several other positions in SKF Group.

Elected: 2017

Committee assignments: Member of the Investment Committee.

Shareholding¹: 600

Independent/Not independent: Independent of the Company and management, independent of the Company's major shareholders.

8. JAN SVENSSON

Proposed new member of the Board.

Education: MSc in Business Administration & Economics, Stockholm School of Economics

Year born: 1956

Other assignments: Chairman of the Board of

AB Fagerhult, Tomra Systems ASA, Troax Group AB (publ) and Alimak Group AB (publ). Board member in Loomis AB, Assa Abloy AB, Herenco Holding AB, Stena Metall AB and Climeon AB (publ).

Background: CEO of Investment AB Latour, CEO AB Sigfrid Stenberg.

Shareholding¹: 5,000

Independent/Not independent: Independent of the Company and management, independent of the Company's major shareholders.

9. NICKLAS JOHANSSON

Board member, employee representative

Year born: 1968

Other assignments: Chair, Swedish Paper Workers Union local branch 165.

Background: –

Elected: 2017

Committee assignments: Co-opted member of the Investment Committee.

Shareholding¹: –

10. GUNNEVI LEHTINEN JOHANSSON

Board member, employee representative

Education: Chemistry studies at Åbo Akademi University, Turku.

Year born: 1969

Other assignments: Production controller in Billerud-Korsnäs.

Background: –

Elected: 2016

Committee assignments: Co-opted member of the Audit Committee.

Shareholding¹: 750

11. ULRIKA GUSTAFSSON

Deputy employee representative

Education: Upper secondary school qualification in engineering, Chemistry, various tertiary-level courses

Year born: 1967

Other assignments: Chair of Unionen branch Billerud-Korsnäs Gävle. Various assignments for Unionen at regional and central level. Board member of Korsnäs Social Fund

Foundation.

Background: –

Elected: 2016

Shareholding¹: 1 000

12. BO KNÖÖS

Deputy employee representative,

Year born: 1964

Other assignments: Chair, Swedish Paper Workers Union local branch 96. Member of the working committee in The Industry Council of Värmland.

Background: –

Elected: 2017

Shareholding¹: –

¹ Own and related parties' shares.



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AUDITOR'S OPINION UNDER CHAPTER 8 SECTION 54 OF THE SWEDISH COMPANIES ACT (2005:551) AS TO WHETHER THE GUIDELINES OF THE ANNUAL GENERAL MEETING ON THE REMUNERATION FOR SENIOR EXECUTIVES HAVE BEEN FOLLOWED

To the annual general meeting of BillerudKorsnäs (publ.), Corporate identity No 556025-5001

Introduction

We have audited whether the Board of Directors and the Chief Executive Officer of BillerudKorsnäs (publ.) during the year 2019 have followed the guidelines on remuneration of senior executives adopted at the annual general meeting on 18 May 2018 and the annual general meeting on 9 May 2019.

Responsibility of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the guidelines being followed and for the internal control that the Board of Directors and the Chief Executive Officer deem necessary to ensure that the guidelines are followed.

Responsibility of the auditor

Our responsibility is to issue an opinion, based on our audit, to the annual general meeting as to whether the guidelines have been followed. We have conducted the audit in accordance with FAR recommendation RevR 8 *Audit of remuneration of senior executives of listed companies*. This recommendation requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the guidelines adopted by the annual general meeting are followed in all material aspects. The audit firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of BillerudKorsnäs accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The audit has covered the company's organization for and documentation of remuneration issues for senior executives, the new decisions on remuneration that have been taken and a selection of the payments made during the financial year to the senior executives. The auditor chooses what procedures are to be performed, in part by assessing the risk of the guidelines not being followed in all material aspects. In making those risk assessments, the auditor considers internal control relevant to compliance with the guidelines in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

We believe that our audit provides a reasonable basis for our opinion set out below.

Opinion

We consider that the Board of Directors and Chief Executive Officer of BillerudKorsnäs (publ.) during 2019 have followed the guidelines on remuneration of senior executives adopted at the annual general meeting on 18 May 2018 and the annual general meeting on 9 May 2019.

Stockholm 2 April 2020
KPMG AB

Ingrid Hornberg Román
Authorized Public Accountant

PROPOSED WORDING OF THE NEW ARTICLES OF ASSOCIATION

This is an in-house translation of the Company's Articles of Association. In case of any discrepancies between the Swedish original Articles of Association and this translation, the Swedish original shall prevail.

**Articles of Association of BillerudKorsnäs Aktiebolag (publ) (556025-5001)
Adopted at the Annual General Meeting 5 May 2020**

§ 1 Name of the Company

The company's business name (Sw. företagsnamn) shall be BillerudKorsnäs Aktiebolag (publ).

§ 2 Object of operations

The object of the company's operations is to, directly and indirectly, carry on forest industry operations, which includes producing and selling pulp, paper and board as well as packaging materials and packaging solutions made thereof, own, manage, acquire, transfer and lease real property within forestry, carry on production of forestry and sell products derived from these assets, carry on production of electric power and energy generation as well as to carry on other activities associated therewith.

§ 3 Share Capital

The company's share capital shall be at least SEK 750,000,000 and at most SEK 3,000,000,000.

§ 4 Number of shares

The number of shares shall be at least 100,000,000 and at most 400,000,000.

§ 5 Registered office

The registered office of the Board of Directors is in Stockholm, Sweden.

§ 6 Board of directors

The Board of Directors shall be composed of at least six members and at most ten members, with at most six deputies.

§ 7 Auditors

One or two auditors and at most two deputy auditors, or a registered firm of auditors, shall be appointed. The assignment as auditor shall remain until the end of the annual general meeting held during the first, second, third or fourth financial year following the year the auditor was appointed.

§ 8 Annual General Meeting

An Annual General Meeting shall be held each year within six months of the end of the financial year.

The following items of business shall be addressed at the Annual General Meeting:

1. Election of a Chairman of the Meeting;
2. Preparation and approval of a list of voters;
3. Approval of the agenda;
4. Election of one or two persons to check the Minutes;
5. Examination as to whether the Meeting has been duly convened;
6. Presentation of the Annual Report and the Auditors' report, and as necessary, of the Consolidated Annual Report and the Consolidated Auditors' Report;
7. Resolutions on
 - a) adoption of the Income Statement and Balance Sheet, and as necessary, of the Consolidated Income Statement and Consolidated Balance Sheet,
 - b) distribution of the Company's profit or loss in accordance with the adopted Balance Sheet,
 - c) discharge from liability for the members of the Board and the Managing Director;
8. Determination of the number of Board members and deputies to be elected by the Meeting and, as necessary, determination of the number of auditors and deputy auditors to be elected by the Meeting, or alternatively, determination of whether a registered firm of auditors shall be elected;
9. Determination of fees payable to the Board of Directors and, as necessary, to the auditors;
10. Election of members of the Board and deputies, and as necessary, election of auditors and deputy auditors or registered firm of Auditors;
11. Any other business to be on the agenda of the Meeting pursuant to the Swedish Companies Act (2005:551) or Articles of Association.



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§ 9 Notice

Notice of a general meeting of shareholders shall be made in the form of an announcement in an advertisement in the Official Gazette (Post och Inrikes Tidningar) and on the company's website. Confirmation that notice has been given shall be given in an advertisement in Svenska Dagbladet.

Shareholders who wish to participate in negotiations at the general meeting must notify the company of their intention to participate at the latest on the day indicated in the announcement of the meeting. The latter date shall not be a Sunday, holiday, Saturday, midsummer eve, Christmas eve, New Year's eve and shall not be earlier than five working days before the meeting.

Shareholders may be accompanied by one or two assistants at the meeting provided that the shareholder has notified the company in accordance with the above paragraph.

§ 10 Collection of powers of attorney and voting by post

The Board may collect powers of attorney in accordance with the procedure described in Chapter 7, section 4, second paragraph of the Companies Act (2005:551).

The Board has the right before a General Meeting to decide that shareholders shall be able to exercise their right to vote by post before the General Meeting.

§ 11 Financial year

The calendar year will be the financial year of the company.

§ 12 Record day provision

The company's shares shall be recorded on a control register in accordance with the Swedish Central Securities Depositories and Financial Instruments (Accounts) Act (1998:1479).

The shareholder or shareholder's representative entered on the established record day in the share register and the control register in accordance with chapter 4 of the Swedish Central Securities Depositories and Financial Instruments (Accounts) Act (1998:1479), or the person listed in the control account in accordance with chapter 4 § 18, first paragraph, lines 6-8, of the aforementioned law, shall be considered authorised to exercise the rights expressed in chapter 4 § 39 of the Swedish Companies Act (2005:551).

This is BillerudKorsnäs

BillerudKorsnäs' mission is to **challenge conventional packaging for a sustainable future**. As one of the world's leading suppliers of innovative packaging solutions and high-quality packaging material based on renewable raw material, sustainability forms the foundation for continued profitable growth. Our wood raw material comes from sustainable managed forests and manufacturing takes place at resource-efficient, integrated production units.

Our customers are packaging manufacturers, brand owners and large retail and supermarket chains. Through close collaboration with customers and partners all over the world, we are able to offer a customised and broad product portfolio that features a high degree of innovation and a clear sustainability focus.

Demand is driven by global megatrends, particularly a significantly greater awareness of sustainability, rising urbanisation and changing consumption patterns. Consumer segments, primarily food and beverages, account for more than three-quarters of sales. While Europe is the core market, BillerudKorsnäs is gradually strengthening its presence in the leading growth markets of Asia, as well as in the Americas.

Innovative packaging solutions and renewable packaging materials from BillerudKorsnäs reduce the impact on the climate, cut the use of resources along the whole value chain and contribute to a sustainable future.

BUSINESS MODEL

Our business model is based on high-performance materials from forests in the north, advice, service and the collective knowledge held by a global network of machine suppliers, packaging manufacturers, researchers and design agencies. Innovative and sustainable packaging solutions are developed in close collaboration with customers all over the world that demand the highest standards of quality, performance and sustainability.

STRATEGIC FOCUS

BillerudKorsnäs' overall objective is sustainable and profitable growth. Our strategy is based on four priorities: Drive performance, Drive profitable growth by creating customer value, Accelerate speed in innovation and Expand in the value chain. In addition we view our employees as our most important resource in terms of driving change and realising our strategy and vision.

VALUE DRIVERS

- Smarter packaging solutions that optimise our customers' offering.
- High-performance materials based on renewable raw material from responsibly managed forests.
- Leading position in the growing global packaging market.
- A sustainability-focused holistic approach to the entire packaging value chain, from raw material all the way to the end-customer and recycling.

Find out more at billerudkorsnas.com



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