

Work instructions for the Compensations committee

Purpose

The Compensations committee shall support the Board of Directors by making proposals for compensation in accordance with the following specification.

Members

The Compensations committee shall be appointed by the Board of Directors and shall comprise three members, including the Chairman of the Board. The Board shall also appoint a Chairman of the Compensations committee. The members shall be chosen annually at the first official Board meeting to be held after the Annual General Meeting.

Billerud's Human Resources director shall be a co-opted member of the committee. Billerud's President and Human Resources director shall make presentations to the committee.

Meetings

The committee shall meet at least twice a year and as necessary. Billerud's Human Resources director shall act as secretary. Minutes shall be made for each meeting.

Areas of responsibility

The committee shall:

- make proposals for overall policy concerning salaries, compensations and other employment terms for Billerud's senior management team and the management teams at each mill. Overall policy refers to short-term and long-term bonus and reward schemes, policy for pensions and policy for basic salaries and other employment terms;
- make proposals about the salary and other remuneration to the President of the company;
- on the recommendation of the President, make decisions on individual salaries and other compensation for managers who report directly to the President. In special cases, decisions about these salaries and other compensation can be made by the chairman of the Compensations committee alone.

Reporting

When a decision has been made it shall be reported to the Board at the next Board meeting.