

Report on the work of the Nominations Committee for Billerud Aktiebolag (publ) ahead of the 2008 Annual General Meeting and the Committee's proposals concerning the Board etc.

Background

In accordance with the decision of the 2007 Annual General Meeting ("AGM") of shareholders in Billerud Aktiebolag (publ) ("Billerud") regarding procedures for the appointment of the Nominations Committee, the Chairman of the Board, Ingvar Petersson, contacted in the autumn of 2007 the largest shareholders in Billerud in terms of number of shares owned to prepare the establishment of a Nominations Committee. The composition of the Committee was announced on 19 October 2007 and information about the Committee has since then been made available on the company's website.

The Nominations Committee comprises the following members:

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

On 23 November 2007 Fredrik Nordström was replaced by PO Nilsson, Prior & Nilsson Fond och Kapitalförvaltning, due to changes in shareholdings in Billerud AB.

In accordance with the decision of the 2007 AGM, the Nominations Committee has chosen as Committee chairman the representative of the shareholder owning most shares. Consequently, Michael M.F. Kaufmann was chosen as chairman of the Nominations Committee.

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

Together, the three members of the Nominations Committee represent around 22% of the votes in Billerud.

The Nominations Committee has held two meetings at which minutes were kept. Members have also been in contact via telephone and email. A section of Billerud's website entitled "Nominations Committee" on Billerud's website, under "Corporate governance", has given shareholders the opportunity to communicate with the Nominations Committee.

The task of the Committee has been to make proposals regarding the following points that will be put to the vote at the 2008 AGM:

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

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

Chairman of the meeting

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

Number of Board members

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

Board members

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

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

The Nominations Committee considers that the proposed composition of the Board covers the areas that are significant for Billerud and that the Board as a unit has the experience and background that will benefit the continued development of the company.

Chairman and Deputy Chairman of the Board

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

Board fees

It is proposed that SEK 450,000 (400,000 last year) be paid to the Chairman of the Board, and SEK 225,000 (200,000) be paid to ordinary Board members who are not employees of the Billerud Group. It is proposed that SEK 350,000 (300,000) be paid to the Deputy Chairman.

Remuneration for committee work

It is proposed that the fee for committee work amount in total to SEK 230,000 (200,000), of which SEK 70,000 per year to the chairman of the Audit Committee, and SEK 35,000 per year to each of the other members of the Committee, and SEK 45,000 per year to the chairman of the Compensations Committee and SEK 22,500 per year to each of the other members of the Committee.

Auditors' fees

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

Procedures for appointing the Nominations Committee

The Nominations Committee proposes that procedures for the appointment of the Nominations Committee for the 2009 AGM be unchanged 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 2008 the Chairman shall contact the major shareholders (judged by size of shareholding) regarding the formation of a Nominations Committee. The names of the members of the Nominations Committee, and the names of the shareholders they represent,

shall be published six months at the latest prior to the 2009 Annual General Meeting and be based upon the known shareholding immediately prior to the announcement. Unless Committee members decide otherwise, the Chairman of the Nominations Committee shall be the member representing the largest shareholder (judged by size of shareholding). The Committee forms a quorum when more than half of its members are present.

If during the Committee's mandate period one or more shareholders represented on the Nominations Committee are no longer among the largest shareholders, then their representatives shall resign their positions and the shareholder or shareholders who have become among the largest shareholders shall have the right to appoint their representatives. Unless there is special cause, no changes shall be made to the composition of the Nominations Committee if only minor changes in shareholding have been made, or the changes take place later than two months prior to the 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 2009 Annual General Meeting:

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

The Nominations Committee shall make available to Billerud the information stated 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 information requirements of the code.

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

Stockholm, March 2008

Michael M.F. Kaufmann
Chairman

Anders Oscarsson

Fredrik Nordström

Ingvar Petersson
Secretary