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Minutes from the Annual General Meeting of shareholders of
BillerudKorsnäs Aktiebolag, reg. no. 556025-5001, held
between 2 p.m. – 4.05 p.m. on Tuesday 5 May 2015 at Hotel
Rival, Stockholm

Shareholders attending (voting list): see [Appendix 1](#)

Others attendees: see [Appendix 2](#)

§ 1

Opening of the Meeting (item no. 1 on agenda)

The Chairman of the Board of Directors, Lennart Holm, declared the Meeting open.

§ 2

Election of Chairman for the Meeting (item no. 2 on agenda)

The Meeting resolved to appoint the lawyer Wilhelm Lüning as Chairman of the Annual General Meeting.

It was noted that the legal counsel of BillerudKorsnäs Andreas Mattsson had been asked to take the minutes at the Meeting.

The Chairman informed on the voting procedures with electronic voting devices to be used on item 18, according to the proposed agenda, and if voting were requested.

It was noted that guests from the media, employees of the company, consultants etc. listed in Appendix 2 were welcome to attend the Meeting.

§ 3

Drawing up and approval of voting list (item no. 3 on agenda)

The Meeting resolved to approve the list, of shareholders, representatives and advisors that had notified their intention to attend and were present at the meeting, appended to these minutes as Appendix 1, as the voting list for the Meeting.

The Chairman informed the Meeting that a number of foreign funds were represented at the Meeting that had submitted certain voting instructions in respect of certain agenda items. The Chairman informed the Meeting that these voting instructions will only be accounted for in the minutes if they would have any impact on the Meeting's decisions.

§ 4

Election of one or two persons to verify the minutes (item no. 4 on agenda)

The Meeting resolved that the minutes should be verified by the Chairman, by Patrik Marcellius, representing Frapag Beteiligungsholding AG, and by Svante Hezekielsson, representing Sveriges Aktiesparares Riksförbund.

§ 5

Determination whether the Meeting has been duly convened (item no. 5 on agenda)

It was noted that the convening notice to the Annual General Meeting had been published in accordance with the Articles of Association.

The Meeting resolved to approve the notice measures and declared the Meeting duly convened.

§ 6

Approval of the Agenda (item no. 6 on agenda)

The Meeting resolved to approve the proposed agenda as included in the notice and made available at the Meeting.

The Chairman informed the Meeting that the complete proposals from the Board of Directors and the Nomination Committee had been included in the convening notice. The statements by the Board of Director's concerning the proposal for appropriation of profit and other documents for the Annual General Meeting, which had been held available in accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance, were presented to the Meeting.

§ 7

Presentation of the Annual Report and the Auditors' Report as well as the Consolidated Accounts and Consolidated Auditors' Report for the 2014 financial year (item no. 7 on agenda)

The Annual Report and the Auditors' Report as well as the Consolidated Accounts and the Consolidated Auditors' Report for the 2014 financial year were presented to the Meeting.

The authorised public accountant Martin Brenner, Ernst & Young AB, presented the Auditors' Report and Consolidated Auditors' Report for the 2014 financial year.

§ 8

Report on the work of the Board of Directors and Board Committees over the past year (item no. 8 on agenda)

The Chairman of the Board of Directors reported on the work of the Board and the Board committees and the Board's continued agenda and priorities for sustainability and creating value for the shareholders.

§ 9

Presentation by the Chief Executive Officer (item no. 9 on agenda)

CEO Per Lindberg presented the group's integration work, development and results during 2014 and strategy and agenda for growth as well as the strategy platform for taking the group to the next level.

The chairman of the Board Lennart Holm and the CEO Per Lindberg answered questions regarding the group's sustainability work in connection with transports, how currency fluctuations, integration and transportation cost in

the Nordic effected the results during 2014 and the first quarter 2015, research and development of packaging material that will replace plastics, over capacity on the packaging market and wood supplies. Furthermore, questions were answered regarding the growth of the group, both organic and through expansion of the group's geographical footprint, the rules in the articles of association on convening general meetings, the group's policy regarding equality and ethnicity, employee satisfaction, health and work place related accidents and policies for the board's and the employee's shareholding

§ 10

Resolution on the adoption of the Income Statement and the Balance Sheet as well as the Consolidated Income Statement and Consolidated Balance Sheet for 2014 (item no. 10 a on agenda)

The Meeting resolved to adopt the Income Statement and the Balance Sheet for the parent company and the Consolidated Income Statement and Consolidated Balance Sheet for the consolidated group for the 2014 financial year.

§ 11

Resolution on the appropriation of the company's profit according to the adopted balance sheet for 2014 and determination of record date for dividend (item no. 10 b on agenda)

The Chairman presented the Board's proposal, as approved by the auditor, for the appropriation of the company's profit, such that of the total amount at the disposal of the Meeting, SEK 3.15 per share should be distributed to the shareholders, and that the remaining amount would be carried forward in a new account. Furthermore, it was proposed that 7 May 2015 should be record date for the dividend.

The Meeting resolved to adopt the Board's proposal regarding appropriation of profit and to adopt the record date.

§ 12

Resolution on discharge from personal liability for Board Members and the CEO for their administration for the year 2014 (item no. 10 c on agenda)

The Meeting resolved to grant discharge from personal liability for the Board Members and the CEO for their administration for the year 2014.

It was noted that all shareholders attending the Meetings supported the resolution and that the Board members registered on the voting list and the CEO did not participate in the resolution as regarded themselves.

§ 13

Report on the work of the Nomination Committee and proposals (item no. 11 on agenda)

Lennart Francke, representing Swedbank Robur funds, and member of the Nomination Committee, reported on the work of the Nomination Committee and its proposals.

§ 14

Resolution on number of Board Members to be elected by the Meeting (item no. 12 on agenda)

The Meeting resolved in accordance with the Nomination Committee's proposal that the number of Board members elected by the Meeting, including the Chairman and the Vice Chairman, should be eight (8).

§ 15

Resolution on fees for Board Members and remuneration for Committee work and resolution on fees for auditors (item no. 13 on agenda)

The Meeting resolved in accordance with the proposal of the Nomination Committee that the fees to Board Members and for work in the Committees of the Board, for the period until the close of the next Annual General Meeting, shall be unchanged which means:

- That the fee to Board Members, elected by the General Meeting and not employed by the BillerudKorsnäs Group shall be SEK 450,000 per Member, that the fee to the Chairman of the Board shall be SEK 1,100,000 and that the annual fee to the Vice Chairman of the Board shall be SEK 750,000;
- that the annual remuneration for work on Board Committees, paid to members appointed by the Board shall be SEK 150,000 to the chairman of the Audit Committee, SEK 75,000 to each of the other members of the Audit Committee, SEK 50,000 to the chairman of the Remuneration Committee and SEK 25,000 to each of the other members of the Remuneration Committee, and also SEK 50,000 to each of the members of the Integration and Transformation Committee; and
- that fees to the auditors during the mandate period shall be paid by current account.

§ 16

Election of Board Members and Chairman of the Board (item no. 14 on agenda)

The Chairman presented the assignments of Board members in other companies. The Meeting resolved in accordance with the proposal of the Nomination Committee to re-elect as Board members Bengt Hammar, Mikael Hellberg, Jan Homan, Lennart Holm, Gunilla Jönson, Michael M.F. Kaufmann and Kristina Schauman, and to elect Andrea Gisle Joosen as new Board member and to re-elect Lennart Holm as Chairman of the Board and Michael M.F. Kaufmann as vice Chairman of the Board.

§ 17

Election of auditor (item no 15 on agenda)

The Meeting resolved to elect the registered accounting firm KPMG AB as the company's auditor for the period until the close of the 2016 Annual General Meeting. It was noted that KPMG AB will appoint the authorised public accountant Ingrid Hornberg Román as auditor-in-charge.

§ 18

Resolution on procedures for appointment of the Nomination Committee for the 2016 Annual General Meeting (item no. 16 on agenda)

The Nomination Committee's proposal was presented, Appendix 3.

Thorwald Arvidsson proposed that the following should be added to the proposal from the Nomination Committee: "When fulfilling its assignment, the Nomination Committee should pay particular attention to issues connected to gender and ethnicity"

After the Nomination Committee's proposal was put against Thorwald Arvidsson's proposal, the Chairman declared that the Meeting resolved in accordance with the Nomination Committee's proposal.

It was recorded that Thorwald Arvidsson made a reservation against the resolution.

§19

The Board's proposal for guidelines for remuneration to senior executives (item no. 17 on agenda)

The Chairman presented the main elements of the Board's proposal in accordance with Appendix 4.

The Meeting resolved to approve the Board's proposal for guidelines for remuneration to senior executives.

§ 20

The Board's proposal for a decision regarding (a) introduction of LTIP 2015, (b) transfer of own treasury shares to the participants in LTIP 2015 and (c) equity swap agreement with third party (item no. 18 on agenda)

Lennart Holm, the Chairman of the Board and member in the Remuneration Committee, presented the background and the main features of the Board's proposal regarding the incentive programme LTIP 2015 in accordance with Appendix 5.

Lennart Holm, the Chairman of the Board, answered questions regarding the performance condition for the matching share, how currency fluctuations will effect the outcome of LTIP 2015 and participation categories.

The Chairman informed that valid resolutions on agenda items no. 18(a) and (c) require a simple majority by the Meeting and that a valid resolution on agenda item 18(b) requires support of shareholders representing at least nine-tenths of both the votes cast and shares held by shareholders represented at the Meeting.

The Meeting resolved, with 99.920 per cent of the votes cast, in accordance with the proposal under item 18(a) of the agenda to adopt the Board's proposal for LTIP 2015.

The Meeting resolved, with 99.530 per cent of the votes cast and with 99.399 per cent of the shares represented at the Meeting, in accordance with the proposal under item 18(b) of the agenda to transfer own shares to the participants in LTIP 2015.

The Meeting resolved, with 89.850 per cent of the votes cast, in accordance with the proposal under item 18(c) of the agenda regarding an equity swap agreement with a third party.

§ 21

Proposal from shareholder (item no. 19 on agenda)

Thorwald Arvidsson commented on his proposal that the Meeting resolve to instruct the Board to take appropriate actions in order to establish a shareholders' association in the company.

The Meetings resolved to dismiss the shareholder Thorwald Arvidsson's proposal.

It was recorded that Thorwald Arvidsson made a reservation against the resolution.

§ 22

Closing of the Meeting (item no. 20 on agenda)

On behalf of the Board, Lennart Holm, Chairman of the Board, thanked the employees in the BillerudKorsnäs group for the work carried out during 2014.

The Chairman declared the Meeting closed.

At the minutes:

Andreas Mattsson

Minutes checked by:

Wilhelm Luning

Patrik Marcelius

Svante Hezekielsson

Resolution on procedures for appointment of the Nomination Committee for the 2016 Annual General Meeting (item no. 16 on agenda)

The Nomination Committee proposes that the procedures for the appointment of the Nomination Committee for the 2016 Annual General Meeting shall be as follows:

The Nomination Committee shall comprise of four (4) members. During the autumn of 2015 the Chairman shall contact the largest shareholders (judged by size of shareholding) regarding the formation of a Nomination Committee. The names of the members of the Nomination Committee, and the names of the shareholders having appointed the members, shall be published no later than six months prior to the 2016 Annual General Meeting and be based upon the known shareholding as per 30 September 2015. The Nomination Committee is appointed for a term of office commencing at the time of the announcement of its composition and ending when a new Nomination Committee is formed. Unless the Committee members agree otherwise, the Chairman of the Nomination Committee shall be the member appointed by 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 Nomination Committee's term of office one or more of the shareholders that have appointed members to the Nomination Committee are no longer among the largest shareholders, then the members appointed by these shareholders shall resign their positions and the shareholder or shareholders who have become among the largest shareholders shall be offered the opportunity to appoint members to the Nomination Committee. Unless there is special cause, no changes shall be made to the composition of the Nomination Committee if only minor changes in shareholding have been made, or if the changes take place later than two months prior to the General Meeting that will decide on proposals made by the Nomination Committee.

Shareholders who appoint members to the Nomination Committee have the right to dismiss their member and appoint a new one. Equally, the shareholder whose member requests to leave the Committee before its work is completed has the right to replace such a member. Changes to the composition of the Nomination Committee shall be published as soon as they take place.

The Nomination Committee shall produce proposals for the following items to be decided by the 2016 Annual General Meeting:

- (a) proposal for Chairman of the Meeting;
- (b) proposal for number of Board Members;
- (c) proposal for nomination of Board Members, Chairman and Vice Chairman of the Board;
- (d) proposals for nomination of auditors;
- (e) proposals for Board fees and distribution between Chairman of the Board, Vice Chairman and other Members, and possible remuneration for Committee work;
- (f) proposal for fees to auditors; and
- (g) proposal for procedures for appointing the Nomination Committee.

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

The Board's proposal for guidelines for remuneration to senior executives (item no. 17 on agenda)

The Board proposes that the Meeting resolves to adopt the following guidelines for remuneration to the executive officers of the BillerudKorsnäs Group. Executive officers are the CEO, the Executive Vice President and the other members of the senior management team.

BillerudKorsnäs shall set the remuneration levels and employment terms that are in line with market practice in order to recruit and keep a management team with a high level of competence and the capability to achieve established goals. Remuneration shall motivate executives to do their utmost to secure shareholders' interests. Remuneration may be in the form of fixed salary, variable salary, long term incentive programs and other benefits such as a company car and pension. Fixed and variable salary shall be set in relation to competence, area of responsibility and performance. Variable remuneration will be based on outcomes in relation to established targets and shall be a maximum of a fixed percentage of annual fixed salary and vary between 30 per cent and 70 per cent. However, variable remuneration shall only be paid on condition that the company's operating result is positive. Long term incentive programs within the company shall primarily be linked to certain pre-determined financial and share price related performance criteria. The programs shall ensure long term commitment to the development of the company and shall be implemented on market terms. Long term incentive programs shall run for at least three years. For more information about the existing long term incentive programs, see the company's annual report and website. For further information regarding the proposed LTIP 2015, please see the Board's proposal according to item 18 on the agenda. Pension benefits shall either be defined-benefit or defined-contribution, and normally give an entitlement to pension from age 65. In some cases the retirement age may be lower, although 62 is the lowest retirement age. Six to twelve months is the normal notification period for termination of employment, and severance pay shall be a maximum of 12 months' salary in the event of dismissal by the company.

Remuneration and employment terms for the CEO are prepared by the Remuneration Committee and decided by the Board. Remuneration and employment terms for members of the senior management team are decided by the CEO, after approval from the Remuneration Committee.

The Board of BillerudKorsnäs has the right to deviate from these guidelines in individual cases if there is a good reason.

The Board's proposal for a decision regarding (a) introduction of LTIP 2015, (b) transfer of own treasury shares to the participants in LTIP 2015 and (c) equity swap agreement with third party (item no. 18 on agenda)

The Board of Directors proposes that the Meeting resolves to introduce a long term share based incentive program ("LTIP 2015") and transfer of own shares in relation to LTIP 2015 in accordance with items 18 a) and b).

a) Introduction of LTIP 2015

LTIP 2015 in brief

The Board of Directors' main objective with the proposal of LTIP 2015 is to strengthen BillerudKorsnäs' ability to attract, motivate and retain the best talent for key leadership positions. The aim is further that executive officers as well as other key personnell and talents within the BillerudKorsnäs group shall be given an incentive to increased efforts by aligning their interests and perspectives with those of the shareholders.

LTIP 2015 comprises up to 75 executive officers, other key personnell and talents within the BillerudKorsnäs group. A condition to participate in LTIP 2015 is that the participants must own BillerudKorsnäs shares. The shares could be previously held, provided that they are not already allocated to the long term share based incentive programs adopted 2013 or 2014, or purchased on the market. Notification of participation in LTIP 2015 shall occur after the AGM 2015. The participants will after a three year vesting period that ends in connection with the publication of BillerudKorsnäs' interim report for the period January – March 2018, be allotted BillerudKorsnäs shares, free of charge, provided that certain conditions are fulfilled.

LTIP 2015 has the same structure as previous years' long term incentive programs.

Participants in LTIP 2015

LTIP 2015 comprises up to 75 persons consisting of the CEO, the Executive Vice President and the other members of the Senior Management Team, other key personnell and talents within the BillerudKorsnäs group.

Personal investment and allotment of share rights

To participate in LTIP 2015, the participants must purchase BillerudKorsnäs shares at market price on Nasdaq Stockholm ("Saving Shares"). Previously held BillerudKorsnäs shares, which are not already allocated to the long term share based incentive programs 2013 or 2014, may be used as Saving Shares. Saving Shares shall be allocated to LTIP 2015 in connection with the notification to participate in the program. If the participant has insider information which prevents him/her from purchasing BillerudKorsnäs shares in connection with the notification to participate in LTIP 2015, the shares shall be purchased as soon as possible, but no later than before the next annual general meeting.

Participants in Category 1 (the CEO of BillerudKorsnäs), Category 2 (the Executive Vice President and the CFO of BillerudKorsnäs) and Category 3 (22 executive officers and other key personnell in BillerudKorsnäs) are offered to allocate Saving Shares to the LTIP 2015, not exceeding a number equal to 10 per cent of the participant's gross base salary as per year end 2014 divided by the closing price of the BillerudKorsnäs share per the last trading day of 2014 (SEK 112.50) (the "Closing Price"). Participants in Category 4 (50 key personnell and talents in BillerudKorsnäs) are offered to allocate no more than 500 Saving Shares to LTIP 2015. New personnell 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 2015, be offered to participate in the program, if the Board of Directors or the Remuneration Committee deems it to be in line with the purpose of the program.

For each Saving Share that the participant invests in and allocates to LTIP 2015, the participant is, free of charge, allotted 1 matching share right ("Matching Share Right") and 3 performance share rights ("Performance Share Right") (together referred to as "Share Rights"). However, the CEO (Category 1) will be allotted 1 Matching Share Right and 5 Performance Share Rights for each Saving Share allocated to LTIP 2015 and the Executive Vice President and the CFO (Category 2) will be allotted 1 Matching Share Right and 4 Performance Share Rights for each Saving Share allocated to LTIP 2015. Provided that the conditions set out below are fulfilled, the Share Rights entitle to allotment of BillerudKorsnäs shares as described below. Allotment of shares in BillerudKorsnäs will be made, free of charge, after the release of the interim report for the period January – March 2018.

Matching Share Rights

For each Saving Share that the participant invests in and allocates to LTIP 2015, the participant is, free of charge, allotted 1 Matching Share Right, which entitles the participant to, free of charge, receive 1 BillerudKorsnäs share. 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 for the period January – March 2018.

For half (50%) of the Matching Share Rights allotted to the participant, another condition for allotment of BillerudKorsnäs shares is that the total shareholder return (TSR) on the BillerudKorsnäs share during the financial years 2015-2017 exceeds zero (0) per cent.

Performance Share Rights

For each Saving Share that the participant invests in and allocates to LTIP 2015, the participant is, free of charge, allotted 3 Performance Share Rights. However, the CEO (Category 1) will be allotted 5 Performance Share Rights for each Saving Share allocated to LTIP 2015 and the Executive Vice President and the CFO (Category 2) will be allotted 4 Performance Share Rights for each Saving Share allocated to LTIP 2015.

The Performance Share Rights are divided into three series, series A-C. For all participants, except the CEO (Category 1) and the Executive Vice President and the CFO (Category 2), each Saving Share entitles to 1 Performance Share Right of each series. For the CEO (Category 1) each Saving Share entitles to 2 Performance Share Rights of series A, 1 Performance Share Right of series B and 2 Performance Share Rights of series C. For the Executive Vice President and the CFO (Category 2) each Saving Share entitles to 1.5 Performance Share Rights of series A, 1 Performance Share Right of series B and 1.5 Performance Share Rights of series C.

The allotment of BillerudKorsnäs shares due to Performance Share Rights of Series A-C requires that the conditions for the Matching Share Rights regarding continued employment and retained holding of Saving Shares are fulfilled. In addition, allotment of BillerudKorsnäs shares due to Performance Share Rights requires fulfillment of certain performance conditions. The performance conditions vary for the respective series and are based on financial goals during the financial years 2015-2017. The Board of Directors intends to present whether the conditions have been fulfilled in the annual report of 2017.

Series A The performance condition for the Performance Share Rights of series A relate to BillerudKorsnäs' average adjusted operating margin for the period 2015-2017 ("EBIT Margin"). The maximum level of allotment under the performance conditions is an EBIT Margin of 11.5 per cent and the minimum level of allotment is an EBIT Margin exceeding 8.5 per cent. If the EBIT Margin amounts to the maximum level of 11.5 per cent or more, maximum allotment of 1 BillerudKorsnäs share per Performance Share Rights of series A shall be made. If the EBIT Margin should be lower than 11,5 per cent, but exceeding the minimum level of 8.5 per cent, the allotment will be made on a linear basis on intermediate values. If the EBIT Margin amounts to 8.5 per cent or less, the Performance Share Rights of series A shall not entitle to allotment of BillerudKorsnäs shares.

Series B The performance condition for the Performance Share Rights of series B relate to BillerudKorsnäs' adjusted EBITDA margin in comparison with the average EBITDA margin for the period 2015-2017 for a peer group of certain selected companies ("Comparing EBITDA-margin"). The peer group consists of companies and their business areas with businesses including production and sale of pulp, paper and board as well as packaging materials and packaging solutions made thereof, that the Board of Directors has considered to be comparable to BillerudKorsnäs. The Board of Directors or the Remuneration Committee shall be authorized, in particular situations, to adjust the peer group's composition. The peer group is composed by Klabin, Nine Dragon Paper, Mead Westvaco's segment Food & Beverage and Home, Metsä Board's segment Paperboard, Mondis segment Europe and International Packaging Paper, Smurfit Kappa Group and Stora Enso's Segment Consumer Board and Packaging Solutions. If BillerudKorsnäs' EBITDA-margin exceeds Comparing EBITDA-margin, maximum allotment of 1 BillerudKorsnäs share per Performance Share Rights of series B shall be made. If BillerudKorsnäs' EBITDA-margin is the same or lower than Comparing EBITDA-margin, the Performance Share Rights of series B shall not entitle to allotment of BillerudKorsnäs shares.

Series C The performance condition for the Performance Share Rights of series C relate to BillerudKorsnäs' total shareholder return for the period 2015-2017 ("TSR") in comparison with the total shareholder return for the period 2015-2017 for a comparative index ("Comparing TSR Index") based

- to 30 per cent on SIX Return Index based on total shareholder return on companies listed on Nasdaq Stockholm, and
- to 70 per cent on an index over total shareholder return for a peer group of certain selected listed Nordic companies with businesses including production and sale of pulp, paper and board as well as packaging materials and packaging solutions made thereof (consisting in equal parts of Ahlstrom, Holmen, Metsä Board, Munksjö, SCA, Stora Enso and UPM). The lowest and highest quotation of total shareholder return in the peer group shall be excluded in the calculation. The Board of Directors or the Remuneration Committee shall be authorized, in particular situations, to adjust the peer group's composition.

The maximum level of allotment under this performance condition is that TSR exceeds Comparing TSR Index by 10 percentage points or more and the minimum level is that TSR exceeds Comparing TSR Index. If BillerudKorsnäs' TSR exceeds Comparing TSR Index by 10 percentage points or more, maximum allotment of 1 BillerudKorsnäs share per Performance Share Rights of series C shall be made. If BillerudKorsnäs' TSR exceeds Comparing TSR Index, however with less than 10 percentage points, the allotment will be made on a linear basis on intermediate values. If BillerudKorsnäs' TSR amounts to, or is less than Comparing TSR Index, the Performance Share Rights of series C shall not entitle to allotment of BillerudKorsnäs shares.

Terms and conditions for the Share Rights

In addition to what has been stated above, the following terms and conditions apply for both the Matching Share Rights and the Performance Share Rights:

- The Share Rights are allotted, free of charge, after the Annual General Meeting 2015.
- 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 2018.
- BillerudKorsnäs will make no compensations to the participants of LTIP 2015 due to dividend regarding the shares that the respective Share Right qualifies for.
- The maximum profit per participant is limited to SEK 400 per Share Right, equal to a maximum of approximately 26 monthly salaries for Category 1, approximately 21 monthly salaries in average for Category 2 and approximately 17 monthly salaries in average for Category 3 and 4. In the event that the profit, when calculating the allotment according to LTIP 2015, should exceed the limit of SEK 400 per Share Right, adjustment shall be made by consequently decreasing the number of BillerudKorsnäs shares that the participant is entitled to receive.

Detailed terms and administration

The Board of Directors, or the Remuneration Committee, shall be responsible for determining the detailed terms and administration of LTIP 2015 to be applicable between BillerudKorsnäs and the participant, however within the scope of herein given frames and directions. The Board of Directors or the Remuneration Committee shall be authorised to make adjustments to fulfil certain rules or market prerequisites in other jurisdictions. If delivery of shares cannot be accomplished at reasonable costs and with reasonable administrative efforts to persons outside Sweden, the Board of Directors 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 2015 no longer fulfils the main objectives.

Scope

In total, LTIP 2015 comprises a maximum of 76,467 Saving Shares, which can lead to allotment of in total a maximum of 328,356 BillerudKorsnäs shares (a maximum of 76,467 due to the Matching Share Rights and a maximum of 251,889 due to the Performance Share Rights), which correspond to approximately 0.2 per cent of the number of outstanding shares and votes in BillerudKorsnäs.

The number of shares included in the LTIP 2015 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 carried out by BillerudKorsnäs according to accepted practice for similar incentive programs.

In total, LTIP 2015 comprises a maximum of 328,356 BillerudKorsnäs shares. On 31 December 2014, the previously adopted long term incentive programs, LTIP 2012, LTIP 2013 and LTIP 2014, comprised a maximum of 822,476 BillerudKorsnäs shares. LTIP 2015 together with LTIP 2012, LTIP 2013 and LTIP 2014 would entail a dilution of shares of approximately 0.6 per cent of the number of outstanding shares and votes in BillerudKorsnäs.

Hedging

In order to secure delivery of BillerudKorsnäs shares under LTIP 2015, the Board of Directors proposes that the Board of Directors shall have the right to decide on alternative methods for transfer of BillerudKorsnäs shares under LTIP 2015.

The Board of Directors therefore proposes that the Annual General Meeting decides to transfer own treasury BillerudKorsnäs shares to the participants or to enter into so-called equity swap agreements with a third party in order to meet the requirements under LTIP 2015. The Board of Directors considers the first alternative to be the most cost efficient and flexible arrangement for the transfer of BillerudKorsnäs shares to the participants.

Estimated costs and values of the LTIP 2015

The Board of Directors has estimated the average value of each Share Right to SEK 94.10. The estimation is based on generally accepted valuation models using the closing price for the BillerudKorsnäs share on 10 March 2015, statistics on the share price development as well as projected dividends. The aggregate estimated value of the 76,467 Matching Share Rights and 251,889 Performance Share Rights, based on a approximately 50 per cent fulfillment of the performance conditions and estimations on turnover of personnel, is approximately MSEK 18.6. The value is equivalent to approximately 0.07 per cent of the market capitalisation for BillerudKorsnäs as of 10 March 2015. The costs are treated as a staff cost in the profit and loss accounts and it is expensed over the first 36 months in accordance with IFRS 2 on 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 2015 including social security costs is approximately MSEK 27.7, which on a yearly basis equals to approximately 0.3 per cent of BillerudKorsnäs' total staff costs for the financial year 2014. The maximum cost for LTIP 2015, based on these assumptions, is estimated to be approximately MSEK 72.2, whereof MSEK 41.3 in social security costs.

Effects on key ratios

In the event of full participation in LTIP 2015, BillerudKorsnäs' staff costs are expected to increase with approximately MSEK 9.1 annually. On a proforma basis for 2014, these costs equals a marginal negative effect on BillerudKorsnäs' operating margin earnings per share.

Nevertheless, the Board of Directors considers that the positive effects on the result, which are expected to arise from the increase of the shareholding by executive officers and key employees and which, in addition, may further be expanded by the shareholding in LTIP 2015, exceed the costs.

The preparation of the proposal

LTIP 2015, which is based on the previous years long term incentive programs, has been initiated and prepared by the BillerudKorsnäs' Remuneration Committee and Board of Directors together with external advisors.

Other incentive programs in BillerudKorsnäs

Please refer to BillerudKorsnäs' annual report or the company website www.billerudkorsnas.com for a description of all other share based incentive programs in BillerudKorsnäs. BillerudKorsnäs has no other share-based incentive programs than those described there.

b) Transfer of own treasury shares to the participants in LTIP 2015

The Board of Directors proposes that the Annual General Meeting resolves on transfer of a maximum of 328,356 BillerudKorsnäs shares held in treasury to the participants in LTIP 2015 (or the higher number of shares that may result from recalculation under the terms of the LTIP 2015). Transfer of shares to the participants shall be made free of charge in accordance with the terms of LTIP 2015.

c) Equity swap agreement with third party

The Board of Directors proposes that the Annual General Meeting resolves that the expected financial exposure of LTIP 2015 may as an alternative be hedged by BillerudKorsnäs entering into an equity swap agreement with a third party on terms and conditions in accordance with market practice, whereby the third party in its own name may acquire and transfer BillerudKorsnäs shares to the participants in LTIP 2015.

Specific majority requirements and conditions for the Board's proposals under item 18

To be valid, the Meeting's decision concerning items 18 a) and c) must gain the support of shareholders representing at least half of the votes cast by shareholders attending the Meeting and to be valid, the Meeting's decision concerning item 18 b) must gain the support of shareholders representing at least nine-tenths of both the votes cast and the shares represented at the Meeting.

The Board of Directors' proposal pursuant to item 18 a) is conditional on that the Meeting resolves in accordance with the Board of Directors' proposal under item 18 b) or 18 c).