

## **Annual General Meeting 2004 Billerud AB (publ)**

Shareholders of Billerud AB (publ) are hereby invited to attend the Annual General Meeting at 4 p.m. on Wednesday 5 May 2004 at Aula Magna, Stockholm University, Frescati, Stockholm, Sweden.

Travel directions from the centre of Stockholm: **By underground** – take the red line towards Mörby Centrum and get off at Universitetet. **By bus** – Buses numbered 40, 540 and 670 all stop at Universitetet. **By car** – there is parking at Södra huset. **Taxi rank** – (Stockholms Universitet nr 6) at the entrance to Aula Magna on level 2. Address: Frescativägen 6.

The premises where the meeting will be held will be open from 2.30 p.m.

### **Notification**

Shareholders wishing to take part in the AGM must:

- Be registered in the Shareholders' Register held by VPC AB (the Swedish Central Securities Depository) by Sunday 25 April 2004 (shareholders are reminded that 25 April is a Sunday, see below);
- Notify the company of their intention to attend the AGM not later than 4 p.m. on Wednesday 28 April. Notification shall be made in writing to Billerud AB, Investor Relations, Box 703, SE-169 27 Solna, Sweden, by telephone to +46 8 553 335 40 or by telefax to +46 8 553 335 65. Notification can also be made via [www.billerud.com/anmalan](http://www.billerud.com/anmalan). Upon notification shareholders should state their social security number, name, address, telephone number and number of assistants (maximum of two).

Representatives and representatives of legal entities are requested to submit in good time before the meeting the original copy of their authorisation, registration certificate and other relevant authorisation documents. An authorisation form can be downloaded from the company's website.

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*Billerud manufactures and sells packaging paper, in the form of kraft paper and containerboard, as well as market pulp. Production is carried out at the Group's integrated pulp and paper mills in Gruvön, Karlsborg, Skärblacka in Sweden and the papermill in Beetham, UK. Billerud has a world-leading position within several well-defined product segments. The main customer base is Europe but also includes the rest of the world.*

*Billerud has annual sales of approximately SEK 7 billion and 2,600 employees.*

To be able to participate at the meeting, shareholders whose shares are registered in the name of a nominee must request that their own names are temporarily registered in the share register kept by VPC AB. This procedure, so-called voting right registration, must be effected not later than 25 April 2004, which means that the shareholder must inform the nominee in good time before this date. Shareholders are reminded that 25 April is a Sunday and that registration must therefore be executed by Friday 23 April 2004.

## **Proposed agenda**

1. Opening of the Meeting.
2. Election of Chairman for the Meeting.
3. Drawing up and approval of voting list.
4. Election of one or two persons to verify the minutes.
5. Determination whether the Meeting has been duly convened.
6. Approval of the Agenda.
7. Presentation of the Annual Report and Auditors' Report for the 2003 financial year and the Consolidated Accounts and Consolidated Auditors' Report for the 2003 financial year.
8. Presentation by the CEO of Billerud.
9. Resolution on:
  - a) the adoption of the Income Statement and Balance Sheet as well as the Consolidated Income Statement and Consolidated Balance Sheet
  - b) the appropriation of the Company's profit according to the adopted Balance Sheet
  - c) discharge from personal liability for Board Members and the CEO for their administration for the year 2003.
10. Resolution on number of Board Members and Deputies.
11. Determination of remuneration for Board Members and the Auditors.
12. Election of Board Members.
13. The Board's proposal to change § 3 of the articles of association.
14. The Board's proposal to write down the share capital through the withdrawal of shares.
15. The Board's proposal for a decision regarding authorisation for the Board to buy back the company's own shares.
16. The Board's proposal for a decision regarding authorisation for the Board to transfer the company's own shares.
17. The Board's proposal to write down the share premium reserve.
18. A report on consulting and other fees paid to Billerud's auditing company, KPMG, as requested by the First AP Fund.
19. The proposal from Sveriges Aktiesparares Riksförbund, the Swedish Shareholders' Association, for a decision regarding the nominations committee, etc.
20. Closing of the Meeting.

## **Nominations committee ahead of 2004 AGM**

On 21 October 2003 an announcement was made that the nominations committee had been established ahead of the 2004 Annual General Meeting. The committee consists of Lars Öhrstedt, AFA (Chairman), Björn Lind, SEB Fonder and SEB Trygg

Liv, and Caroline af Ugglas, Skandia Fonder and Skandia Liv. Ingvar Petersson, Chairman of Billerud AB, is secretary and convenor.

## **Motions**

### **Point 9 b**

The Board of Directors proposes a dividend of SEK 6.50 per share and 10 May 2004 as record day for the dividend. If the meeting approves the Board's proposal, payment via VPC is expected to be sent on 13 May 2004.

### **Point 10**

The Nominations Committee proposes that the Board consists of seven members elected by the meeting and no deputies.

### **Point 11**

The Nominations Committee proposes that the annual remuneration to Board members amount to SEK 200,000 per member (last year SEK 150,000) and SEK 400,000 to the person within the Board that is appointed to be Chairman (last year SEK 300,000). No remuneration will be paid to Board members who are Billerud employees. The annual remuneration is thus suggested to be SEK 1,400,000 (1,050,000). It is proposed that remuneration to auditors be paid by current account.

### **Point 12**

It is proposed that Ingvar Petersson, Björn Björnsson, Gunilla Jönson, Per Lundberg, Mats Pousette, Meg Tivéus and Bert Östlund be re-elected to the Board.

### **Point 13**

The Board proposes that the Meeting changes the limits for the lowest and highest amount of share capital so that the lowest limit is SEK 500,000,000 and the highest is SEK 2,000,000,000.

The proposal is related to the Board's proposal to write down the share capital according to point 14 below.

### **Point 14**

The company has authorisation from the 2003 Annual General Meeting to buy back a total of 4,657,000 of the company's own shares, which represents around 8% of all the shares in the company.

The Board proposes that the Meeting decides that the company's share capital be written down by SEK 58,212,500 through the withdrawal without repayment of 4,657,000 shares that the company has bought back. The purpose of the write down is to transfer the written-down amount to a fund to be disposed according to decision by the general meeting.

### **Point 15**

It is proposed that the meeting authorises the Board during the period up to the next Annual General Meeting, on one or more occasions, to make a decision for the acquisition of Billerud shares on stock markets where they are listed. The amount of shares acquired shall not result in the company's holding of its own shares exceeding

one tenth of the total number of shares in the company. The purpose of the acquisition is to enable, during the period up to the next Annual General Meeting, an adjustment of the company's capital structure and in this way contribute to more effective use of the company's resources.

#### **Point 16**

It is proposed that the Meeting authorise the Board during the period up to the next Annual General Meeting, on one or more occasions and with deviation from preferential rights for shareholders, to reach a decision regarding the transfer of Billerud shares to a third party as payment in connection with a company acquisition, and as a transaction on the stock exchange in order to raise liquid funds for payment in connection with a company acquisition. Payment for transferred shares may be made paid in cash, and for a transaction other than via the stock exchange, through contribution of property or set-off, or otherwise under additional conditions.

#### **Point 17**

The company's share premium reserve amounted to SEK 605,737,525 on 31 December 2003. This reserve was established in connection with the formation of the company in 2001.

The Board proposes that the Meeting decides to write down the share premium reserve by SEK 530,000,000. The purpose of the write down is to transfer the written down amount to non-restricted equity.

#### **Point 19**

Aktiespararna, the Swedish Shareholders' Association, has proposed that a nominations committee be appointed by the Meeting. The committee shall comprise members who are independent of the company and they shall represent the company's shareholders at the Meeting. It is proposed that a representative of smaller shareholders be included on the committee.

A number of larger shareholders, representing together around 20% of the votes in the company, have announced that they recommend rejection of the Swedish Shareholders' Association's proposal and instead will propose that the Meeting should decide that the nominations process should be as follows:

The role of the nominations committee will be to make proposals to the Annual General Meeting about the composition of the Board and the fees to be paid to the Board. The nominations committee shall have three members who are representatives of three of the larger shareholders at the end of the third quarter. At the end of the third quarter the Chairman of the Board shall contact three of the larger shareholders, who will then appoint one member each. The nominations committee members will then appoint a Chairman from among themselves. The names of the members of the nominations committee will be announced in connection with the interim report for the third quarter. The Chairman of the Board shall assist the nominations committee.

It is recommended that the nominations committee have the right to charge the company for reasonable costs for employing recruitment consultants or similar as necessary. The nominations committee shall report on its activities to the Annual General Meeting, where its proposals will be addressed.

The Swedish Shareholders' Association has also proposed that a remuneration committee and audit committee be appointed.

The Board has appointed a compensation committee whose role is, among other things, to propose compensation to senior executives. The compensation committee comprises Ingvar Petersson, Chairman of the Board, Board members Björn Björnsson and Per Lundberg, and the company's head of human resources and information, Anna-Lena Nyberg.

The full Board currently carries out the functions that the Swedish Shareholders' Association proposes should be carried out by an audit committee. Shareholders representing 20% of the voting rights for all shares have stated that they do not believe there is good cause to change the current arrangements.

### **Other**

Shareholders representing around 20% of all shares and voting rights have informed the company that they support the proposals outlined in points 10-12 and point 19.

At the 2001 Annual General Meeting Caj Nackstad and Owe Wallinder, authorised public accounts, were elected as auditors for the period up and until the end of the Annual General Meeting of 2005. At the 2003 Annual General Meeting Thomas Nilsson and Hans Åkervall, authorised public accounts, were elected as deputy auditors for the period up to the Annual General Meeting of 2005.

The meeting's decision concerning points 13-16 must gain the support of at least two-thirds of the votes and shares held by shareholders attending the meeting.

### **Documentation**

The company's Annual Report and the Auditors' Report for the 2003 financial year will be made available from the company at its office on Gustav III:s boulevard 18, Solna, Stockholm, Sweden, from 5 April 2004.

The complete proposals of the Board concerning points 13-17 above will also be made available from the company at the above address from 5 April 2002. Shareholders wishing to receive the documents by post should notify the company by stating their address. The documents will also be available via the company's website, [www.billerud.com](http://www.billerud.com)

Solna, April 2004

The Board of Directors

For further information, please contact  
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