



Press release

March 31, 2014, Solna

Annual General Meeting 2014

BillerudKorsnäs AB (publ)

The shareholders of BillerudKorsnäs AB (publ) are hereby invited to attend the Annual General Meeting at 2.00 p.m. on Tuesday 6 May 2014 at Hotel Rival, Mariatorget 3, Stockholm, Sweden.

The premises for the Meeting will be open for registration at 1.00 p.m. when coffee will be served.

Participation

Shareholders wishing to take part in the Annual General Meeting shall:

- be registered in the Shareholders' Register kept by Euroclear Sweden AB by Tuesday 29 April 2014, and
- notify the company of their intention to attend the Annual General Meeting not later than 4.00 p.m. on Tuesday 29 April 2014. Notification shall be made in writing by post to BillerudKorsnäs AB (publ), "AGM", P.O. Box 7841, SE-103 98 Stockholm, Sweden, or by telephone to +46 8 402 90 62. Notification can also be made via the company's website www.billerudkorsnas.se/anmalan. In their notification shareholders shall state their name, personal-/corporate identity number, address, daytime telephone number and, where applicable, number of representatives and advisors (maximum of two).

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 Euroclear Sweden AB. This procedure, so-called voting right registration, must be effected not later than on Tuesday 29 April 2014, which means that the shareholder must inform the nominee well in time before this date.

If participation is to be made through a proxy or representatives of legal entities, the original document of their authorisation, registration certificate and other relevant authorisation documents should be submitted well in time before the Meeting. A template proxy form can be downloaded from the company's website, www.billerudkorsnas.se/anmalan.

An entry card entitling to participation at the Meeting will be sent out prior to the Meeting. If a shareholder has not received an entry card prior to the Meeting, he/she can obtain a new entry card at the information desk by providing proof of identity.

Proposed Agenda

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 2013 financial year.
8. Report on the work of the Board and Board Committees over the past year.
9. Presentation by the Chief Executive Officer.



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10. Resolution on:
 - a) the adoption of the income statement and the balance sheet as well as the consolidated income statement and consolidated balance sheet for 2013,
 - b) the appropriation of the company's profit according to the adopted balance sheet for 2013 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 2013.
11. Account of the Nomination Committee's work and proposals.
12. Resolution on number of Board Members to be elected by the Meeting.
13. Resolution on fees for Board Members and remuneration for Committee work and resolution on fees for auditors.
14. Election of Board Members and Chairman of the Board.
15. Election of auditor.
16. Resolution on procedures for appointment of the Nomination Committee for the 2015 Annual General Meeting.
17. The Board's proposal regarding guidelines for remuneration to senior executives.
18. The Board's proposals regarding resolutions on:
 - (a) introduction of LTIP 2014;
 - (b) transfer of own treasury shares to the participants in LTIP 2014;
 - (c) equity swap agreement with third party; and
 - (d) transfer of own treasury shares to cover costs as a result of resolved incentive programs.
19. Closing of the Meeting.

Motions

Item 2

The Nomination Committee proposes that the lawyer Wilhelm Lünig is elected to be Chairman of the Meeting.

Item 10 (b)

The Board of Directors proposes a dividend of SEK 2,25 per share. The record date for the dividend is proposed to be on Friday 9 May 2014. If the Meeting resolves in accordance with the Board's proposal, the dividend is estimated to be paid out by Euroclear Sweden AB on Wednesday 14 May 2014.

A reasoned statement from the Board of Directors, pursuant to Ch 18 Sec 4 of the Companies Act (2005:551), with respect to the proposed dividend will be available not later than on Tuesday 15 April 2014 on the company's website at www.billerudkorsnas.com, at the company's office at Frösundaleden 2 B, Solna, Sweden, and will be sent by post to those shareholders who so request and state their postal address.

Item 12

The Nomination Committee proposes that the Board shall consist of seven members elected by the general meeting (currently eight), including the Chairman and the Vice Chairman.

Item 13

The Nomination Committee proposes the following:

- that the annual fee to Board Members not employed by the BillerudKorsnäs Group shall be SEK



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450,000 (2013: 400,000) per Member, that the annual fee to the Chairman shall be SEK 1,100,000 (2013: 1,000,000) and that the annual fee to the Vice Chairman shall be SEK 750,000,

- that the annual remuneration for work on Board Committees be paid to members appointed by the Board and shall be SEK 150,000 (unaltered) to the chairman of the Audit Committee, SEK 75,000 (unaltered) to each of the other members of the Audit Committee, SEK 50,000 (unaltered) to the chairman of the Remuneration Committee and SEK 25,000 (unaltered) to each of the other members of the Remuneration Committee, and also SEK 50,000 (unaltered) to each of the members of the Integration and Transformation Committee (former Integration Committee);
- that fees to the auditors during the mandate period be paid by current account.

Item 14

The Nomination Committee proposes that Jan Homan, Lennart Holm, Gunilla Jönson and Michael M.F. Kaufmann are re-elected as Board Members.

The Nomination Committee proposes that Bengt Hammar, Mikael Hellberg and Kristina Schauman are elected as new Board Members.

Bengt Hammar is currently President & CEO of Pöyry Capital Ltd. Bengt Hammar has a background within investment banking and management consulting focusing on global Forest Products and Packaging Industries. Previous positions include Managing Director, Head of Global Forest Products & Packaging at Barclays De Zoete Wedd Ltd and Executive Director, Head of European Forest Products & Packaging at Morgan Stanley & Co. Int. Bengt Hammar was born in 1951 and has a BA and MPA from Princeton University, NJ, USA.

Mikael Hellberg is the former CEO of Wasabröd AB, Pripps Bryggerier/Carlsberg Sverige AB and Alcro-Beckers AB, as well as General Manager of Procter & Gamble HABC Nordic. Mikael Hellberg is currently Chairman of the Board of Delicato Bakverk AB, Berntson Brands AB and Wallvision AB. He is a board member of Cederroth International AB, Lomond Industrier AB and Fresk Försäljning AB. He is the Chairman of Stiftelsen Einar Belvén and Vice Chairman of Stiftelsen Hildur Ströms Minne and board member of SSE Business Lab. Mikael Hellberg also has a background as Chairman of e.g. AB Annas Pepparkakor, Björnkläder AB, NCS Colour AB, Anticimex AB, Mobeon AB and Spring Mobile AB. He was also a member of the Board of Billerud AB before the combination with Korsnäs AB was completed. He has served as advisor to Ericsson's Systems Business Unit. Mikael Hellberg was born in 1954 and has a Bsc, in Business Administration from University of Minnesota and has conducted studies at Stockholm School of Economics.

Kristina Schauman is a board member of ÅF AB, Livförsäkringsbolaget Skandia, Orexo AB and Apoteket AB. She is also a member of the Advisory Board of Rädta Barnen (Save the Children Sweden). Kristina Schauman has a background as CFO at OMX AB, Carnegie, Apoteket AB, and as CEO at Apoteket AB and Group Treasurer at Investor AB. Kristina Schauman was formerly a board member of Vasakronan AB and Apoteket Pension Trust. Kristina Schauman was born in 1965 and has a BSc from Stockholm School of Economics.

The Nomination Committee further proposes that Lennart Holm is elected as Chairman of the Board and that Michael M.F. Kaufmann is elected as Vice Chairman of the Board.

The Nomination Committee's motivated statement explaining its proposals regarding the Board of Directors and additional information about the proposed directors of the Board are available on the company's website at www.billerudkorsnas.com.

Item 15

The Nomination Committee proposes that the Annual General Meeting shall re-elect the registered accounting firm Ernst & Young AB as the company's auditor for the period until the close of the 2015 Annual General Meeting. Ernst & Young AB will appoint the authorised public accountant Lars Träff as auditor-in-charge.

Item 16

The Nomination Committee proposes that the procedures for the appointment of the Nomination



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Committee for the 2015 Annual General Meeting shall be as follows:

The Nomination Committee shall comprise of four (4) members. During the autumn of 2014 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 2015 Annual General Meeting and be based upon the known shareholding as per 30 September 2014. 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 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 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 2015 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 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 Committee for it to perform its duties.

Item 17

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 2014, 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 auditor's statement according to Ch 8 Sec 54 of the Companies Act (2005:551) and the Board of Directors' report of the result of the Remuneration Committee's evaluation according to the Swedish corporate governance code and information regarding deviations from the guidelines, and the reason for this, according to Ch 8 Sec 51 of the Companies Act (2005:551) will be made available not later than on Tuesday 15 April 2014 on the company's website at www.billerudkorsnas.com, at the company's office at Frösundaleden 2 B, Solna, Sweden, and will be sent by post to those shareholders who so request and state their postal address.

Item 18

The Board of Directors proposes that the Meeting resolves to introduce a long-term share based incentive program ("LTIP 2014") and transfer of own shares in relation to LTIP 2014 in accordance with items 18 a) and b).

a) Introduction of LTIP 2014

LTIP 2014 in brief

The Board of Director's main objective with the proposal of LTIP 2014 is to strengthen BillerudKorsnäs' capability to attract, motivate and retain the best talent for key leadership positions. The aim is further that executive officers and other key employees and talents within the BillerudKorsnäs group shall be stimulated to increased efforts by aligning their interests and perspectives with those of the shareholders.

LTIP 2014 comprises up to 75 executive officers, other key employees and talents within the BillerudKorsnäs group. To participate in LTIP 2014, the participants must own BillerudKorsnäs shares. Such shares could be previously held, provided that they are not already allocated to the long term incentive programs adopted 2012 or 2013, or purchased on the market. Notification of participation in LTIP 2014 occurs after the AGM 2014. Thereafter, the participants will be allotted BillerudKorsnäs shares, free of charge, after the vesting period of three years, commencing after the 2014 Annual General Meeting and ending in conjunction with the publication of BillerudKorsnäs' first quarter report for the year 2017, provided that certain conditions are fulfilled.

LTIP 2014 has the same structure as earlier long-term incentive programs (2010-2013), but the number of participants has been increased from 25 members in the long-term incentive program for 2013 to 75 participants in LTIP 2014.



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Participants in LTIP 2014

LTIP 2014 comprises up to 75 persons consisting of the CEO, the Executive Vice President and the other members of the Senior Management Team, other key employees and talents within the BillerudKorsnäs group.

Personal investment and allotment of share rights

To participate in LTIP 2014, the participants must purchase BillerudKorsnäs shares at market price on NASDAQ OMX Stockholm ("Saving Shares"). Previously held BillerudKorsnäs shares, which are not already allocated to the long term incentive programs 2012 or 2013, may also be allocated as Saving Shares.

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 employees in BillerudKorsnäs) are offered to allocate Saving Shares not exceeding a number equal to 10 per cent of the participant's gross base salary as per year end 2013 divided by the closing price of the BillerudKorsnäs share per the last trading day of 2013, i.e. 31 December 2013 (SEK 81.25) (the "Closing Price"). Participants in Category 4 (50 key employees and talents in BillerudKorsnäs) are offered to allocate no more than 500 Saving Shares to LTIP 2014.

Saving Shares shall be purchased or allocated to the program in connection with the notification to participate in LTIP 2014. If the participant has insider information which prevents him/her from purchasing BillerudKorsnäs shares in connection with the notification to participate in LTIP 2014 the shares shall be purchased as soon as possible, but prior to the next Annual General Meeting.

New employees 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 2014, 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 LTIP 2014.

For each Saving Share that the participant invests in and allocates to LTIP 2014, the participant is, free of charge, allotted 1 matching share right ("Matching Share Right") 3 performance share rights ("Performance Share Right") (together referred to as "Share Rights"). However, the CEO (Category 1) will be allotted 1 Matching Share and 5 Performance Share Rights for each Saving Share allocated to LTIP 2014 and the Executive Vice President and the CFO (Category 2) will be allotted 1 Matching Share and 4 Performance Share Rights for each Saving Share allocated to LTIP 2014. 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 2017.

Matching Share Right

For each Saving Share that the participant invests in and allocates to LTIP 2014, the participant is, free of charge, allotted 1 Matching Share Right, which entitles the participant to, free of charge, receive 1 BillerudKorsnäs share. Allotment 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 2017.

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 2014-2016 exceeds zero (0) per cent.

Performance Share Right

For each Saving Share that the participant invests in and allocates to LTIP 2014, 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 2014 and the Executive Vice President and the CFO (Category 2) will be allotted 4 Performance Share Rights for each Saving Share allocated to LTIP 2014. The Performance Share Rights are divided into three series, series A-C. For all participants, except the CEO (Category 1), the Executive Vice President and the CFO (Category 2), each Saving Share entitles to 1 Performance Share Right of each series. For the CEO



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(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 2014-2016. The Board of Directors intends to present whether the conditions have been fulfilled in the annual report of 2016.

Series A The performance condition for the Performance Share Rights of series A relate to BillerudKorsnäs' average operating margin for the period 2014-2016 ("EBIT Margin") (for the purposes of determining the level of fulfillment of the performance targets, EBIT Margin for BillerudKorsnäs will be adjusted so to be unaffected if the average currency exchange rates during 2014-2016 deviates more than five per cent compared to year-end 2013). 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, a linear reduction of the allotment of BillerudKorsnäs shares shall be made. 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' EBITDA margin in comparison with the average EBITDA margin for the period 2014-2016 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 Mondi's segment Europe and International Packaging Paper, Smurfit Kappa Group, Stora Enso's segment Renewable Packaging, Mead Westvaco's segment Food & Beverage and Home, Health & Beauty, Klabin, Metsä Board's segment Paperboard and Nine Dragon Paper. 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 2014-2016 ("TSR") in comparison with the total shareholder return for the period 2014-2016 for a comparative index ("Comparing TSR Index") based

- (i) 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, M-real, Munksjö, SCA, Stora Enso and UPM). The lowest and highest quotation of total shareholder return in the peer group shall be excluded in the



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calculation. The Board of Directors or the Remuneration Committee shall be authorized, in particular situations, to adjust the peer group's composition.

- (ii) to 30 per cent on SIX Return Index based on total shareholder return on companies listed on NASDAQ OMX Stockholm.

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, a linear reduction of the allotment of BillerudKorsnäs shares shall be made. 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 2014.
- 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 publication of BillerudKorsnäs' first quarter report for the year 2017.
- BillerudKorsnäs will make no adjustments or compensations to the participants of LTIP 2014 due to dividend regarding the shares that the respective Share Right qualifies for.
- The maximum profit per participant is limited to an amount of SEK 300 per Share Right, equal to a maximum of approximately 27 monthly salaries for Category 1, approximately 22 monthly salaries in average for Category 2, approximately 18 monthly salaries in average for Category 3 and approximately 13 monthly salaries in average for Category 4. The calculation for participants in Category 1 – Category 3 shall be done based on the salary on which the calculation of the number of Saving Shares that the participant has a right to purchase has been done (see *Personal investment and allotment of share rights* above). In the event that the profit, when calculating the allotment according to LTIP 2014, should exceed this maximum limit of SEK 300 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 2014 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 2014 no longer fulfils the main objectives.

Scope



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In total, LTIP 2014 comprises a maximum of 84,069 Saving Shares, which can lead to allotment of in total a maximum of 364,705 BillerudKorsnäs shares (a maximum of 84,069 due to the Matching Share Rights and a maximum of 280,636 due to the Performance Share Rights). An additional 90,000 BillerudKorsnäs shares are assigned for shares that can be transferred by BillerudKorsnäs in order to hedge certain costs, mainly social security costs. The maximum number of BillerudKorsnäs shares which are included in the LTIP 2014 are thus 454,705, 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 2014 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 2014 comprises a maximum of 454,705 BillerudKorsnäs shares. On 31 December 2013, the previously adopted long-term incentive programs, LTIP 2011, LTIP 2012 and LTIP 2013, comprised a maximum of 765,201 BillerudKorsnäs shares, including shares which are assigned for shares to be transferred by BillerudKorsnäs in order to hedge certain costs, mainly social security costs. LTIP 2014 together with LTIP 2011, LTIP 2012 and LTIP 2013 would entail a dilution of shares of approximately 0.4 per cent of the number of outstanding shares and votes in BillerudKorsnäs.

Hedging

In order to secure delivery of BillerudKorsnäs shares under LTIP 2014, 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 2014. 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 2014. 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.

Also, the Board of Directors proposes that the Company shall have the right to transfer own treasury shares at NASDAQ OMX Stockholm in order to cover certain costs, mainly social security costs as a result of resolved incentive programs 2011-2014.

Estimated costs and values of the LTIP 2014

The Board of Directors has estimated the average value of each Share Right to SEK 59.60. The estimation is based on generally accepted valuation models using the closing price for the BillerudKorsnäs share on 17 March 2014, statistics on the share price development as well as projected dividends. The aggregate estimated value of the 84,069 Matching Share Rights and 280,636 Performance Share Rights, based on a 50 per cent fulfillment of the performance conditions and estimations on turnover of personnel, is approximately MSEK 13.0. The value is equivalent to approximately 0.1 per cent of the market capitalisation for BillerudKorsnäs as of 17 March 2014. 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 2014 including social security costs is approximately MSEK 19.5, which on a yearly basis equals to approximately 0.2 per cent of BillerudKorsnäs' total staff costs for the financial year 2013. The maximum cost for LTIP 2014, based on the above assumptions, is estimated to be approximately MSEK 56.1, including MSEK 34.4 in social security costs.

Effects on key ratios

In the event of full participation in LTIP 2014, BillerudKorsnäs' staff costs are expected to increase with approximately MSEK 6.5 annually. On a proforma basis for 2013, 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



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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 2014, exceed the costs related to LTIP 2014.

The preparation of the proposal

LTIP 2014, which is based on the previous 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 2014

The Board of Directors proposes that the Annual General Meeting resolves on transfer of a maximum of 364,705 BillerudKorsnäs shares held in treasury to the participants in LTIP 2014 (or the higher number of shares that may result from recalculation under the terms of the LTIP 2014).

Transfer of shares to the participants shall be made free of charge in accordance with the terms of LTIP 2014.

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 2014 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 2014.

d) Transfer of own treasury shares to cover costs as a result of resolved incentive programs

The Board of Directors proposes that the Annual General Meeting resolves that the Company, prior to the Annual General Meeting 2015, shall have the right to transfer own shares in order to hedge certain costs, (mainly social security costs) relating to resolved long term incentive programs in BillerudKorsnäs on the following terms: a maximum of 64,000 shares in relation to the long term incentive program adopted 2011; a maximum of 57,000 shares in relation to the long term incentive program adopted LTIP 2012; a maximum of 76,000 shares in relation to the long term incentive program adopted 2013; and a maximum of 90,000 shares in relation to LTIP 2014.

Transfer of the shares under this item, shall be effected at NASDAQ OMX Stockholm at a price within the price interval registered at each time for the share.

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. To be valid, the Meeting's decision concerning item 18 d) must gain the support of shareholders representing at least two-thirds 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).

The Meeting's decision that the Company shall have the right to transfer of own shares to cover costs as a result of LTIP 2014 under item 18 d) is conditional on that the Meeting resolves in accordance with the Board of Directors' proposal under item 18 a).

Number of shares



BILLERUDKORSNÄS

At the time of the issuance of this notice there are 208,219,834 shares in the company representing one vote each. Thus the total number of votes is 208,219,834. The company owned 1,500,145 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 are therefore 206,719,689.

Documentation

The account on the work of the Nomination Committee ahead of the 2014 Annual General Meeting including the Nomination Committee's motivated statement regarding proposals for the Board etc. and information on the proposed directors of the Board will, from today, be available on the company's website at www.billerudkorsnas.com, at the company's office on Frösundaleden 2 B, Solna, Sweden, and will be sent by post to those shareholders who so request and state their postal address.

The annual report and the auditors' report for the 2013 financial year, the reasoned statement of the Board of Directors pursuant to Ch 18 Sec 4 of the Companies Act (2005:551), the Board of Directors' report of the results of the Remuneration Committee's evaluation according to the Swedish code of corporate governance and information regarding deviations from the guidelines, and the reason for this, according to Ch 8 Sec 51 of the Companies Act (2005:551) and the auditor's statement pursuant to Ch 8 Sec 54 of the Companies Act (2005:551) will be made available not later than on Tuesday 15 April 2014 on the company's website at www.billerudkorsnas.com, at the company's office on Frösundaleden 2 B, Solna, Sweden, and will be sent by post to those shareholders who so request and state their postal address.

Information on the shareholders' right to request information

Upon request by any shareholder and where the Board of Directors believes that such may take place without significant harm to the company, the Board of Directors and managing director shall provide information at the General Meeting 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. The duty to provide information shall also apply to the company's relationship to other group companies and group accounts and such circumstances regarding subsidiaries as specified in the previous sentence.

Solna, March 2014

The Board of Directors

For further information, please contact:

Hannu Ryöppönen, Chairman of the Board of Directors, +44 7788 882627 or +46 (0)8 553 335 05
Andreas Mattsson, Corporate Legal Counsel +46 (0)8 553 335 16 or +46 (0)72 585 16 78