



This is an unofficial translation of the original Swedish language version of this corporate document. In case of any inconsistency between the Swedish and the English versions of this corporate document, the Swedish version shall prevail.

Annual General Meeting 2011 Billerud Aktiebolag (publ)

Shareholders of Billerud AB (publ) are hereby invited to attend the Annual General Meeting at 3 p.m. on Wednesday 4 May 2011 at Hotel Rival, Mariatorget 3, Stockholm, Sweden.

The premises where the meeting will be held will be open from 2 p.m.

Participation

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

- Be registered in the Shareholders' Register held by Euroclear Sweden AB by Thursday 28 April 2011,
- Notify the company of their intention to attend the Annual General Meeting not later than 4 p.m. on Thursday 28 April 2011. Notification shall be made in writing by post to Billerud AB, "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.billerud.se/anmalan. In their notification shareholders should state their name, personal-/corporate identity number, address, daytime telephone number, number of shares held and, where applicable, number of representatives and assistants (maximum of two).

Representatives and representatives of legal entities are requested to submit in good time before the Meeting the original document of their authorisation, registration certificate and other relevant authorisation documents. A form of power of attorney can be downloaded from the company's website, www.billerud.se.

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 be 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 Thursday 28 April 2011, which means that the shareholder must inform the nominee well in time before this date.

An entry card entitling participation in the meeting will be sent out before the Meeting. If the entry card has not arrived on time, shareholders providing proof of their identity can obtain a new card at the information desk.

At the time of the issuance of this notice there are 104,834,613 shares in the company representing one vote each. Thus the total number of votes is 104,834,613. The company owned 1,720,314 of its own shares, which may not be represented at the Meeting. The total number of votes in the company was therefore 103,114,299.

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 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 2010 financial year.
8. Report on the work of the Board and Board Committees over the past year.
9. Presentation by the Chief Executive Officer.
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 2010,
 - b) the appropriation of the company's profit according to the adopted balance sheet for 2010 and the adoption of the record date for the dividend, and
 - c) discharge from personal liability for Board Members and the CEO for their administration for the year 2010.
11. Report from the Nominations Committee and proposals.
12. Resolution on number of Board Members and possible deputy Board Members to be chosen 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, if applicable, deputy Board Members, Chairman and Deputy Chairman of the Board.
15. Resolution on procedures for appointment of the Nominations Committee for the 2012 Annual General Meeting.
16. The Board's proposal for guidelines for remuneration to senior executives.
17. The Board's proposal for a decision regarding
 - (a) introduction of Long Term Incentive Program 2011, and
 - (b) transfer of shares under the Long Term Incentive Programme 2011.
18. The Board's proposal for a decision regarding authorisation for the Board to transfer the company's own shares.
19. The Board's proposal for authorisation of the Board to resolve on commission free share sales.
20. Closing of the Meeting.

Motions

Item 2

The Nominations Committee proposes that Chairman of the Board, Ingvar Petersson, be elected chairman of the Meeting.

Item 10 b

The Board of Directors proposes a dividend of SEK 3.50 per share and Monday 9 May 2011 as record day for the dividend. If the Meeting approves the Board's proposal, payment via Euroclear Sweden AB is expected to be sent on Thursday 12 May 2011.

Item 12

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

Item 13

The Nominations Committee proposes the following:

- that the annual fee to ordinary Board Members not employed by the Billerud Group shall be SEK 250,000 (previously SEK 225,000) per Member, that the annual fee to the Chairman shall be SEK 525,000 (previously SEK 450,000) and that the annual fee to the Deputy Chairman shall be SEK 400,000 (previously SEK 350,000),
- that the annual remuneration for work on Board Committees be paid to members appointed

by the Board and shall be SEK 80,000 (previously SEK 70,000) to the chairman of the Audit Committee, SEK 40,000 (previously SEK 30,000) to each of the other members of the Audit Committee, SEK 50,000 (previously SEK 40,000) to the chairman of the Compensation Committee and SEK 25,000 (previously SEK 15,000) to each of the other members of the Compensation Committee;

- that fees to the auditors during the mandate period be paid by current account.

Item 14

The Nominations Committee proposes that Ingvar Petersson, Gunilla Jönsson, Michael M.F. Kaufmann, Ewald Nageler and Yngve Stade are re-elected as Board Members. Board Members Per Lundberg and Meg Tivéus have declined re-election.

The Nominations Committee proposes that Helena Andreas and Mikael Hellberg are elected to the Board.

Helena Andreas is head of Retail at Vodafone Group. Helena Andreas has previously held a number of executive positions such as Marketing Manager and Head of Commercial Development at the British grocery and general merchandising retailer Tesco. Helena Andreas is currently member of the Board of Directors of Extenda AB. Helena Andreas has a MSc in Engineering Physics and *inter alia* a Master of Business Administration.

Mikael Hellberg was during 2001-2004 CEO of Wasabröd AB. Mikael Hellberg has previously been CEO of Pripps Bryggerier/Carlsberg Sverige AB and Alcro-Beckers AB. Mikael Hellberg is currently Chairman of the Board of Directors of Delicato Bakverk AB, NCS Colour AB, Pelly Industrier AB, Berntson Brands AB och Björnkläder AB. Further, Mikael Hellberg is member of the Board of Directors of *inter alia* OnOff AB and Cederroth International AB. Mikael Hellberg has a BSc in Business Administration.

The Nominations Committee further proposes that the Annual General Meeting re-elects Ingvar Petersson as Chairman of the Board and Michael M.F. Kaufmann as Deputy Chairman.

Item 15

The Nominations Committee proposes that procedures for the appointment of the Nominations Committee for the 2012 Annual General Meeting be as follows:

The Nominations Committee shall comprise no more than four members. The Chairman of the Board shall be the secretary of the Nominations Committee. During the autumn of 2011 the Chairman shall contact the major shareholders (judged by size of shareholding) regarding the formation of a Nominations Committee. The names of the members of the Nominations Committee, and the names of the shareholders they represent, shall be published six months at the latest prior to the 2012 Annual General Meeting and be based upon the known shareholding immediately prior to the announcement. Unless Committee members decide otherwise, the Chairman of the Nominations Committee shall be the member representing the largest shareholder (judged by size of shareholding). The Committee forms a quorum when more than half of its members are present.

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

Shareholders who appoint members to the Nominations Committee have the right to dismiss their

representative and appoint a new one. Equally, the shareholder whose representative requests to leave the Committee before its work is completed has the right to replace such a representative. Changes to the composition of the Nominations Committee shall be published as soon as they take place.

The Nominations Committee shall produce proposals for the following items to be decided by the 2012 Annual General Meeting: (a) proposal for chairman of the Meeting, (b) proposal for number of Board Members, (c) proposal for nominations of Board members, Chairman and Deputy Chairman of the Board, (d) proposals for Board fees and distribution between Chairman and Deputy Chairman of the Board and other Members, and possible remuneration for Committee work, (e) proposal for fees to auditors, and (f) proposal for procedures for appointing the Nominations Committee.

The Nominations Committee shall make available the requisite information to the company so that Billerud can meet the information requirements of the Swedish code of corporate governance.

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

Item 16

The Board proposes that the Meeting approve the following guidelines for remuneration to the executive officers. Executive officers are the CEO and other members of the senior management team.

Billerud shall set the remuneration levels and employment terms that are appropriate 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 pension or company car. Fixed and variable salary shall be set in relation to competence, area of responsibility and performance. Variable remuneration shall be drawn up with a purpose to promoting the company's long-term value creation and 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% and 45%. However, variable remuneration shall only be paid on condition that the company's result is positive. Long-term incentive programs within the company shall primarily be linked to financial requirements of performance and 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 incentive programs adopted by the 2010 Annual General Meeting, see the company's annual report and website. For further information regarding the proposed Long Term Incentive Program 2011, please see the Board's proposal according to item 17 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 Compensation 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 Compensation Committee.

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

Item 17

The Board of Directors proposes that the Meeting decide on the introduction of the Long Term Incentive Program ("LTIP 2011") and transfer of shares under the Long Term Incentive Program.

a) INTRODUCTION OF LONG TERM INCENTIVE PROGRAM 2011

LTIP 2011 in brief

The Board proposes a new long term incentive plan ("LTIP 2011") based on essentially the same conditions as LTIP 2010. The Board of Director's main objective with the proposal of LTIP 2011 is to strengthen Billerud's capability to retain the best talent for key leadership positions. The aim is further to stimulate the managers and key employees whose efforts have direct impact on Billerud's result, profitability and value growth, to increased efforts by aligning their interests and perspectives with those of the shareholders. LTIP 2011 comprises a total of maximum 20 persons consisting of CEO, CFO, Snr Vice President Corporate Human Resources, Technical Director, Production Director and Business Area Directors, Mill Managers, Forestry Director and other key employees. To participate in LTIP 2011, the participants must purchase Billerud shares at market price on NASDAQ OMX Stockholm ("Saving Shares"). Previously held Billerud shares which are not allocated to LTIP 2010 are also included in the Saving Shares. Participants are offered to allocate Saving Shares not exceeding a number equal to 10% of the participant's base salary as per year end 2010 divided by the closing price of the Billerud share per the last trading day of 2010, i.e. December 30, 2010 (SEK 58.25). Saving Shares shall normally be purchased or allocated to the program during a period of approximately two weeks during May 2011, after the Annual General Meeting. In the event of new hires of managers and key employees after that period, an offer to participate might still be given under LTIP 2011 and purchases and allocations of Saving Shares be granted to those managers and key employees until the end of November 2011. Thereafter, the participants will be allotted Billerud shares, free of charge, after the vesting period, commencing on the day when the LTIP 2011 agreement is entered into and ending in conjunction with the publication of Billerud's first quarter report for the year 2014, provided that certain conditions are fulfilled.

Matching Share Right

For each Saving Share that the participant invests in and locks in to LTIP 2011, the participant is, free of charge, allotted one (1) Matching Share Right, which entitles the participant to, free of charge, receive one (1) Billerud share, based on the following conditions: (i) he participant must remain employed within the Billerud Group during the Vesting Period; and (ii) all Saving Shares must be retained during the Vesting Period.

Performance Share Right

For each Saving Share that the participant invests in and locks in to LTIP 2011, the participant is, free of charge, allotted three (3) Performance Share Rights. The Performance Share Rights are divided into three series, series A-C. The allotment of Billerud Shares due to Performance Share Rights of series A-C requires that the the conditions for the Matching Share Rights are fulfilled. In addition, allotment of Billerud Shares due to Performance Share Rights requires fulfillment of certain performance conditions. The performance conditions for the Performance Share Rights of series A relate to Billerud's average operating margin for the period 2011-2013. The performance conditions for the Performance Share Rights of series B relate to Billerud's EBIT margin in comparison with the average operating margin for the period 2011-2013 for a peer group of certain selected companies. The performance conditions for the Performance Share Rights of series C relate to Billerud's total shareholder return for the period 2011-2013 in comparison with the total shareholder return for the period 2011-2013 for a peer group of certain listed Nordic companies.

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 intended to be allotted, free of charge, during May 2011. The Board of Directors is authorized to do allotments within the scope of LTIP 2011 due to new hires made after the first date of allotment, or in the case that Billerud is unable to launch LTIP 2011 during May 2011, however not later than November 2011.

- The participants are not entitled to transfer, pledge or dispose the Share Rights or perform any shareholder's rights regarding the Share Rights during the Vesting Period.
- Allotment, free of charge, of Billerud shares will take place after the publication of Billerud's first quarter report for the year 2014, however not earlier than three years after the LTIP 2011 agreement is entered into.
- Billerud will make no adjustments or compensations to the participants of LTIP 2011 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 220 per Share Right, equal to a maximum of 18 monthly salaries. The calculation 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 item 1.4 above). In the event that the profit, when calculating the allotment according to LTIP 2011, should exceed this maximum limit of SEK 220 per Share Right, adjustment shall be made by consequently decreasing the number of Billerud shares that the participant is entitled to receive.

The Board of Directors, or a certain committee appointed by the Board of Directors, shall be responsible for determining the detailed terms and the administration of LTIP 2011, however within the scope of herein given frames and directions.

Scope

In total, LTIP 2011 comprises a maximum of 50,400 Saving Shares, which can involve allotment of in total a maximum of 201,600 Billerud shares (a maximum of 50,400 due to the Matching Share Rights and a maximum of 151,200 due to the Performance Share Rights). An additional 64,000 Billerud shares are assigned for shares that can be transferred by Billerud in order to hedge certain costs, mainly social security costs. The maximum number of Billerud shares which are included in the LTIP 2011 are thus 265,600, which correspond to approximately 0,3% of the number of outstanding Billerud shares and the number of outstanding votes. The number of shares included in the LTIP 2011 shall be subject to recalculation due to bonus issues, consolidation or share split, new issue of shares or similar measures carried out by Billerud according to accepted practice for similar incentive programs. In order to secure delivery of Billerud shares under LTIP 2011, the Board of Directors proposes that the Board of Directors shall have the right to decide on alternative methods for transfer of Billerud shares under LTIP 2011. The Board of Directors therefore proposes to have the right to decide to transfer own Billerud shares (under item b below) or to enter into so-called equity swap agreements with a third party in order to meet the requirements under LTIP 2011. Based on the use of the closing price for the Billerud share on 3 March, 2011, a theoretical assumption of a yearly increase of 10% of the share price, a 59% fulfillment of the performance conditions and estimations on turnover of personnel and a Vesting Period of three years, the cost for LTIP 2011 including social security costs equals approximately SEK 9,000,000, which is on annualized basis equivalent to approximately 0.2% of Billerud's total staff costs for the financial year 2010. The maximum cost for LTIP 2011, based on the above assumptions, equals approximately SEK 24,000,000, including SEK 14,000,000 in social security costs.

The Board of Directors proposal

Referring to the above-mentioned description, the Board of Directors proposes that the Annual General Meeting resolves to adopt LTIP 2011.

Majority Requirement

A resolution to introduce LTIP 2011, in accordance with the Board of Directors's proposal, is valid where supported by shareholders holding more than half of the votes cast at the General Meeting of Shareholders.

b) TRANSFER OF SHARES WITH REFERENCE TO LONG TERM INCENTIVE PROGRAMS

Background

In order to implement the LTIP 2011 in a cost efficient and flexible manner, the Board of Directors has considered different hedging methods for the transfer of shares under the program. Based on these considerations, the Board of Directors intends to secure delivery of Billerud shares under LTIP 2011, by way of entering into an equity swap agreement with a third party (in accordance with the resolution under item 1.10 above), or, provided that the Annual General Meeting of Shareholders resolves in accordance with this item on the agenda, by way of transfer of Billerud's own shares held in treasury.

The Board of Directors proposal

The Board of Directors proposes that the Annual General Meeting resolves on transfer of shares in accordance with the terms and conditions set out below:

- (i) Transfer may be made of a maximum of 265,600 Billerud shares to be transferred to participants in the LTIP 2011 (or the higher number of shares that may result from the conversion under the terms of the program due to changes bonus issue, consolidation or share split, new issue of shares or similar actions carried out by Billerud, according to accepted practice for similar incentive programs.)
- (ii) Transfer of shares shall be made free of charge at the time and in accordance with the conditions that the participants in LTIP 2011 are entitled to receive allotment of shares.
- (iii) Further, the Board of Directors shall have the right, prior to the Annual General Meeting of Shareholders 2012, to
 - divest a maximum of 83,000 shares of Billerud's total own holdings of Billerud shares for the purpose of covering certain costs for LTIP 2010; and
 - divest a maximum of 64,000 shares of Billerud's total own holding of Billerud shares, for the purpose of covering certain costs for LTIP 2011.

Divestment 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.

The reasons for the deviation from shareholders' preferential rights are that it the transfer of the shares is a step to achieve LTIP 2010 and LTIP 2011. Therefore, and in light of the above, the board considers it to be an advantage for Billerud to transfer and divest shares in accordance with the above proposal in order to meet the requirements of the approved incentive program.

Majority Requirement

A resolution to approve the Board of Directors's proposal under item b above is valid where supported by shareholders holding no less than nine tenths of both the votes cast and the shares represented at the Annual General Meeting of Shareholders. The Board of Directors's proposal pursuant to this item b is conditional on that the Board of Directors's proposal regarding the introduction of the long term incentive program has been approved by the Annual General Meeting of Shareholders (see item a above).

Item 18

The Board proposes 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 that the company holds at the time of the Board's decision, either to a third party as payment in connection with acquisition of companies, and/or as a transfer on the stock exchange in order to raise liquid funds for payment in connection with such

acquisitions. Payment for transferred shares may be made in cash, and for a transaction other than via the stock exchange, through contribution of property or set-off of a receivable against the company. A transfer on NASDAQ OMX Stockholm may only be carried out at a price per share within the range of share prices registered for the company at any given time. Any other transfer may take place at the market value, as a minimum, determined by the Board. The reason for enabling the Board to deviate from the principle of preferential rights for existing shareholders is to give the Board the required capacity to carry out the acquisition of all or parts of other companies and businesses.

Item 19

The Board proposes that the Meeting approve the Board's proposal for authorising the Board to resolve on offering Billerud's shareholders holding fewer than 200 shares the opportunity to sell their Billerud shares free of commission. The Board proposes that the Meeting authorise the Board during the period up to the next Annual General Meeting to resolve on the period when the offer shall be valid (although before the 2012 Annual General Meeting) and other detailed terms of the offer. For historical reasons, Billerud has many shareholders who own only a few shares. To facilitate changes in shareholdings for shareholders who only own a smaller lot of shares, the Billerud Board has discussed the possibility of offering sales of shares via a simplified procedure and without cost for shareholders. The main objective with the proposal for a decision regarding commission free share sales is to achieve a suitable ownership structure and improve liquidity in the trading of Billerud's shares. The cost for the sales are intended to be borne by the company. A scheme providing commission-free sales is considered to have a cost-saving effect over time and lead to a more efficient and rationalized administration of the company.

Other

To be valid, the Meeting's decision concerning item 17a 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 17(b) must gain the support of shareholders representing at least nine-tenths of both the votes cast and the shares held by shareholders attending the meeting. The Board's proposal pursuant to item 17(b) is conditional on that the Board's proposal regarding the introduction of a long term incentive program 2011 has been approved by the General Meeting of Shareholders. The Meeting's decision concerning item 18 must gain the support of shareholders representing at least two-thirds of both the votes cast and the shares held by shareholders attending the meeting.

Documentation

The Nominations Committee's complete proposals for decisions for items 2 and 12-15 are stated above. The company's Annual Report and the Auditors' Report for the 2010 financial year and the complete proposals for decisions concerning items 10b and 16-19 and the auditor's statement according to Chapter 8 Section 54 of the Swedish Companies Act will not later than on 13 April 2011 be made available by the company at its office on Gustav III:s Boulevard 18, Solna, Sweden, and will be sent by post to shareholders who have requested to receive the documents and have stated their postal address. The documents are also available via the company's website, www.billerud.com.

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 2011

The Board of Directors

Non-Swedish speaking shareholders

For the convenience of non-Swedish speaking shareholders the proceedings of the Annual General Meeting will be simultaneously interpreted into English. This service may be requested when attendance to the Annual General Meeting is notified.

Statement of Auditor in accordance with Chapter 8, Section 54 of the Swedish Companies Act (SFS 2005:551), on whether or not the guidelines adopted by the Annual General Meeting regarding compensation to Directors and Management have been complied with.

To the Annual General Meeting of Billerud AB (publ), org.nr. 556025-5001

Introduction

We have examined whether or not the Board of Directors and the Chief Executive Officer of Billerud AB (publ), during the year 2010 have complied with the guidelines on compensation to Directors and Management, which were adopted at the General Annual Meeting on 6 May, 2009 and the General Annual Meeting on 4 May, 2010, respectively. It is the responsibility of the Board of Directors and the Chief Executive Officer to ensure compliance with these guidelines. Based on our examination, it is our responsibility to issue a Statement to the Annual General Meeting wherein we pronounce an opinion on whether or not the guidelines have been complied with.

The Scope of the Examination

The examination has been performed in accordance with FAR SRS's recommendation RevR 8 *Granskning av ersättningar till ledande befattningshavare i aktiemarknadsbolag* (Examination of Compensation to Directors and Management in Listed Companies). This means, that we have planned and performed the examination in such a manner that we, with high, but not absolute assurance, may pronounce whether or not the guidelines, which were adopted by the General Annual Meeting, have been complied with. The examination has covered the company's organisation of, and documentation about, issues concerning compensation for Directors and Management, any and all new decisions concerning compensation, as well as a selection of the financial year's payments to Directors and Management. We believe that my/our examination provides a reasonable basis for the statement presented below:

Conclusion

It is our opinion that the Board of Directors and the Chief Executive Officer of Billerud AB (publ), during the year 2010 have complied with the guidelines on compensation to Directors and Management, which were adopted by the General Annual Meeting on 6 May, 2009 and 4 May, 2010, respectively.

Stockholm on 11 of March, 2011

Ernst & Young AB

Lars Träff
Authorized Public Accountant



Power of attorney

Please send the original version of this power of attorney, signed and dated, together with other authorisation documents (if necessary) to **Billerud AB, "AGM", PO Box 7841, SE-103 98 Stockholm, Sweden** in good time before the Annual General Meeting to be held on 4th of May 2011. Please also notify an intention to attend the meeting within the prescribed time and in the prescribed way (see invitation).

Power of attorney for proxy

The following person:

Name of proxy:

Personal code number of proxy (if owning shares):

Address:

Daytime telephone no.:

is hereby authorised to represent all of my/our shares at the Annual General Meeting of Billerud AB on 4th of May 2011.

Shareholders' name/company:

Personal code no. /Organisation no.:

Daytime telephone no.:

Place and date (obligatory):

Signature of shareholder granting power of attorney (or person authorised to sign on behalf of a legal entity).

.....
Signature

.....
Name in block letters

If the person granting power of attorney is signing on behalf of a legal entity than an up-to-date registration certificate or similar document must be enclosed with this power of attorney as evidence of authorisation to sign on behalf of the legal entity.

This is an unofficial translation of the original Swedish language version of this corporate document. In case of any inconsistency between the Swedish and the English versions of this corporate document, the Swedish version shall prevail.



Information regarding the nominees to the Board as per 2.6 of the Swedish Code of Corporate Governance

Proposed to be re-elected at the AGM 2011

Ingvar Petersson

Born 1941

Chairman and member of the Board of Directors since 2001.

Independent of owners and of Company.

Chairman in the compensation committee and member of the audit committee.

Education

Business economist, studies at Lund University.

Other assignments

Board member and chairman in RAM Rational Asset Management AB, RAM One AB and Försäkringsbolaget PRI Pensionsgaranti, ömsesidigt and Econova AB. Board member in Engaholms Godsförvaltning AB, Munksjö AB, Munksjö Holding AB, the foundation Centralfonden and Wallenberg Wood Science Center. Lay accountant in Arbio AB.

Previous assignments in the past five years/ Other work experience

Board member and chairman in Arbetsmarknadsförsäkringar, ömsesidigt kreditförsäkringsbolag. Senior Executive Vice-President, Stora Enso. First Executive Vice President, Stora group. CEO, Kopparfors AB.

Shareholding in Billerud

16,000 shares

Gunilla Jönson

Born 1943

Member of the Board of Directors since 2003.

Independent of owners and of the Company.

Education

MSc and PhD in mechanical engineering and transport technology, Chalmers University of Technology, Gothenburg.

Other assignments

Board member in Chalmers Tekniska Högskola AB, SIK – Institutet för Livsmedel och Bioteknik AB, Invest in Skåne AB, Blekinge Tekniska Högskola, CIT- Chalmers

This is an unofficial translation of the original Swedish language version of this corporate document. In case of any inconsistency between the Swedish and the English versions of this corporate document, the Swedish version shall prevail.

Industrietechnik and Packbridge. Chairman in Scientific Council (Marcus Wallenberg Price Foundation) and member in various expert committees in the Strategiska foundation, the Swedish Energy Agency and Mistra. Member of the Royal Academy of Engineering Sciences, IVA. Professor in packaging logistics, University of Lund, adjunct professor in packaging technology at Michigan State University, USA. Member of Insynsrådet in Invest in Sweden AB and member of Scientific board in Schenker AB. Also member of Logistics forum of the Minister of infrastructure, Catharina Elmsäter-Svärd.

Previous assignments in the past five years/ Other work experience

Board member in Lund University Development AB, Elanders AB, IdeonCenter AB, Innovationsbron Syd AB and Skånes Livsmedelsakademi. Dean at Lund Institute of Technology, Lund. Director, Environmental and product safety, SCA Packaging, Belgium and UK. Director, Technology development, SCA Packaging, Belgium. Various positions in SCA Packaging, Sweden. Research Director, the Swedish Packaging Research Institute, Stockholm.

Shareholding in Billerud

2,000 shares

Michael M.F. Kaufmann

Born 1948

Board member since 2005 and Vice Chairman.

Not independent of the company's owners.

Education

Master of Business Administration, University of Stuttgart and Erlangen-Nürnberg.

Other assignments

Chairman in Frapag Beteiligungsholding AG (Vienna, Austria), Frapag America Inc. (Delaware, USA), and Alternapak Holding BV (Nijmegen, Holland). Vice chairman in Hirsch Servo AG (Glanegg, Austria). CEO in MIKA Privatstiftung (Vienna, Austria) and HKW Privatstiftung (Vienna, Austria). Board member in Frapag Slovakia s.r.o. (Bratislava, Slovakia).

Previous assignments in the past five years/ Other work experience

Has previously held a number of managerial positions in the Frantschach/Mondi-group (Vienna, Austria). Vice chairman, Immofinanz Immobilien Anlagen AG (Vienna, Austria).

Shareholding in Billerud

9,500 shares

Ewald Nageler

Born 1950

Member of the Board of Directors since 2006.

Not independent of Billerud's owners.

This is an unofficial translation of the original Swedish language version of this corporate document. In case of any inconsistency between the Swedish and the English versions of this corporate document, the Swedish version shall prevail.

Education

Degree in Economics, University of Innsbruck, Austria.

Other assignments

CFO in Frapag Beteiligungsholding AG (Vienna, Austria). Managing Director in Frapag Realitäten GmbH (Vienna, Austria), Frapag Realitäten GmbH & Co OEG (Vienna, Austria), Frapag Medienhaus GmbH (Vienna, Austria), Frapag Liegenschaften GmbH (Vienna, Austria), Frapag Immobilien Deutschland GmbH (Munich, Germany), PNL Investments GmbH (Vienna, Austria) and Alternapak Holding BV (Nijmegen, Holland). Board member in Frapag Slovakia s.r.o. (Bratislava, Slovakia), Dekis Privatstiftung (Vienna, Austria), Lerchbaumer Familien-Privatstiftung (Vienna, Austria) and in Frapag America Inc. (Delaware, USA).

Previous assignments in the past five years/ Other work experience

Board member in CA Immobilien Anlagen AG (Vienna, Austria). CFO, Egger Holzindustrie Beteiligungsgesellschaft m b H (St. Johann, Austria). Member of managing board of Creditanstalt AG (Vienna, Austria). 25 years of experience in banking and member of boards of a wide range of financial institutions and companies both in and outside of Austria.

Shareholding in Billerud

8,000 shares

Yngve Stade

Born 1947

Member of the Board of Directors 2001–2003 and since 2005.

Independent of owners and the company.

Member of the compensation committee.

Education

MSc in engineering and PhD, h.c., in technology at the KTH Royal Institute of Technology, Stockholm.

Other assignments

Board member and chairman of RISE Research Institutes of Sweden Holding AB.

Previous assignments in the past five years/ Other work experience

Board member and chairman in AB Bergslagens Praktiska Skolor, Stora Enso AB (also managing director), Stora Enso Fine Paper AB, Stora Enso Fors AB, Stora Enso Logistics AB, Stora Enso Service och Underhåll AB, Form Wood Technologies AB, Stora Enso Skoghall AB, Stora Enso Activation AB, Stora Kopparbergs Bergslags Aktiebolag and SPCI Svenska appers- och Cellulosa Ingenjörsföreningen. Board member in INNVENTIA AB, Arbio AB, New Beam Sweden AB and TAPPI, Technical Association Pulp and Paper Industry (USA). Managing director, Stora Enso AB and member of group management of Stora Enso Oyi. Managing director, Kamyr AB. Managing director, NLK Celpap Engineering AB. Various production and technology positions, Korsnäs AB. Research manager, STFI. Board member in MoDoChemetics, Skogsindustrierna, and chairman in Stora Fonden för Stiftelsen Tekniska Museet (IVA) and in boards of a number of research foundations related to the forest industry.

This is an unofficial translation of the original Swedish language version of this corporate document. In case of any inconsistency between the Swedish and the English versions of this corporate document, the Swedish version shall prevail.

Shareholding in Billerud

1,100 shares

Proposed to be elected at the AGM 2011

Helena Andreas

Born 1975

Independent of owners and of the company.

Education

Master of Business Administration, INSEAD, France/Singapore
MSc in Engineering Physics, Lunds Tekniska Högskola/Caltech.
BSc in Economics and Business, Lunds Universitet, Lund.

Other assignments

Member of the Board of Directors of Extenda AB. Head of Retail at the Vodafone Group.

Previous assignments in the past five years/Other work experience

Previously held several management positions, Tesco. Business consulting and project management for Accenture in Retail/Consumer.

Shareholding in Billerud

0 shares

Mikael Hellberg

Born 1954

Independent of owners and of the company.

Education

BSc in Business Administration, University of Minnesota. Studies at Stockholm School of Economics, Stockholm.

Other assignments

Chairman of the Board of Directors of Delicato Bakverk AB, NCS Colour AB, Pelly Industrier AB, Berntson Brands AB and Björnkläder AB. Member of the Board of Directors of OnOff AB, AB Annas Pepparkakor (previously chairman), Cederroth International AB, Color Processing Systems (CPS), Eco-Boråstapeter AB, Habo/Isaksson Gruppen AB, Fresk Försäljning AB, ThoméeHDF AB, Pluggit GmbH and Sandå Måleri AB. Chairman of the Board of Stiftelsen Einar Belvén. Vice chairman of the Board of Stiftelsen Hildur Ströms Minne. Member of the Board of Föreningen Vasamuseets vänner.

Previous assignments in the past five years/Other work experience

Chairman of the Board of Directors of Mobeon, Wernerssons Ost, Colorama, Anticimex, Spring Mobile and Souperb. Member of the Board of Directors of A-Com, Baltic Beverages Holding, Scandinavian Software Distributors and Optimergruppen. CEO of Wasabröd AB, Pripps Bryggerier/Carlsberg Sverige AB och Alcro-Beckers AB. Advisor

This is an unofficial translation of the original Swedish language version of this corporate document. In case of any inconsistency between the Swedish and the English versions of this corporate document, the Swedish version shall prevail.

to Ericssons Business Unit Systems.

Shareholding in Billerud

0 shares

Shareholdings in Billerud refer to individuals' own holding and those of related parties as of 21 March 2011.

This is an unofficial translation of the original Swedish language version of this corporate document. In case of any inconsistency between the Swedish and the English versions of this corporate document, the Swedish version shall prevail.

REPORT BY THE BOARD OF DIRECTORS OF BILLERUD AB (PUBL) IN ACCORDANCE WITH SECTION 10.3 OF THE SWEDISH CODE OF CORPORATE GOVERNANCE REGARDING THE REMUNERATION COMMITTEE'S EVALUATION

INTRODUCTION

The Remuneration Committee, which is established by the Board of Billerud AB (publ) ("Billerud"), monitors and evaluates annually the current remuneration structures and remuneration levels in the company. The Remuneration Committee also monitors and evaluates ongoing and completed programs for variable remuneration as well as the application by the AGM's adopted guidelines for the remuneration of directors ("Guidelines"). The Board of Billerud hereby provides, in accordance with section 10.3 of the Swedish Code of Corporate Governance, its report on the results of the evaluation performed by the Remuneration Committee.

Remuneration of the CEO and other members of the executive management consists of fixed salary, variable salary, long-term share based incentive programs and other benefits such as company cars and pension schemes. This remuneration is designed to motivate executives to do their utmost to secure shareholders' interests.

VARIABLE REMUNERATION

The variable remuneration of the Billerud management consists of a short term cash based variable remuneration program and a long term share based incentive program. These programs are drawn up with a purpose to promote the company's long-term value creation.

The cash based variable remuneration models run for one financial year at the time and are based on predetermined, measurable financial and individual goals. At the end of the term, the individual manager's performance is evaluated from the predetermined objectives considering competence, area of responsibility and performance.

The variable cash based remuneration is paid only if the company's result is positive and shall be a maximum of a fixed percentage of the annual fixed salary and vary between 30% and 45%.

The company currently has an existing long term share based incentive program, adopted by the 2010 Annual General Meeting ("LTIP 2010"). The program includes a maximum of 90 managers and other key employees in the Billerud Group, identified as essential to the future development of the Billerud Group. In order to participate, the participants must invest in own Billerud shares. The program has a vesting period of three years and is based on the condition of continued employment and the fulfillment of certain predetermined financial performance criteria. Provided these conditions are met, participants will at the end of the vesting period be allotted shares in Billerud free of charge, in proportion to their own initial investment in Billerud shares.

In 2010, a share based incentive program adopted by the AGM 2007 ("LTIP 2007") ended. LTIP 2010 was based essentially on the same principles as LTIP 2007. For further information on the LTIP 2007 and LTIP 2010, including information on the outcome of the LTIP 2007, please refer to the company's annual report and information on the company's website.

EVALUATION OF PROGRAMS FOR VARIABLE REMUNERATION

As regards the short term cash based variable remuneration in 2010 of the CEO and other members of the executive management, the Remuneration Committee has established that all the objectives and target areas of 2010 in respect of the variable salary are considered as relevant. In 2010, the outcome of the variable cash based remuneration was 38.6 per cent for the CEO and 30.4 per cent on average for the management.

During January and February 2011, the Remuneration Committee carried out an evaluation of LTIP 2007, which ended in 2010, and of the existing LTIP 2010. The evaluation shows that the financial objectives of LTIP 2010 are considered as relevant. The evaluation also shows that a majority of the participants believe that the program contributes to aligning the participants' interests and perspectives with those of the shareholders. In light of this evaluation, the Remuneration Committee considers that long term share based incentive programs based on the same principles as for LTIP 2007 and LTIP 2010 strengthen Billerud's capability to retain the best talent for key leadership positions and encourage participants to increased efforts by aligning their interests and perspectives with those of the shareholders. The Board has therefore proposed to the 2011 AGM to introduce a new long term share based incentive program (LTIP 2011) based on the same principles as LTIP 2010, which has been designed and discussed in the light of this evaluation.

EVALUATION OF GUIDELINES FOR THE REMUNERATION OF DIRECTORS

As regards the application of the Guidelines, the Remuneration Committee has found that the Guidelines have been appropriate and applied in accordance with their terms. The Board has not exercised its right to deviate from the Guidelines. The company's auditor has provided a statement to the Board that Billerud has complied with the Guidelines as established by the 2010 AGM.

COMPENSATION STRUCTURES AND COMPENSATION LEVELS

The Remuneration Committee has established that the structures and levels of remuneration applied in the company have been in accordance with the market and thus provide the pre-conditions necessary to recruit and retain senior management with high competence and skills to achieve the goals which have been set.

Billerud Aktiebolag (publ)
The board of directors
March 2011

This is an unofficial translation of the original Swedish language version of this corporate document. In case of any inconsistency between the Swedish and the English versions of this corporate document, the Swedish version shall prevail.

Report on the work of the Nominations Committee for Billerud Aktiebolag (publ) ahead of the 2011 Annual General Meeting and the Committee's statement regarding proposals for the Board etc.

Background

In accordance with the decision of the 2010 Annual General Meeting ("AGM") of shareholders in Billerud Aktiebolag (publ) ("Billerud") regarding procedures for the appointment of the Nominations Committee, the Chairman of the Board, Ingvar Petersson, contacted in the autumn of 2010 the largest shareholders in Billerud in terms of number of shares owned to prepare the establishment of a Nominations Committee. The composition of the Committee was announced on 1 November 2010 and information about the Committee has since then been made available on the company's website.

The Nominations Committee comprises the following members:

Michael M.F. Kaufmann, Frapag Beteiligungsholding AG,
Hans Ek, SEB Fonder and SEB Trygg Liv, and
Björn Franzon, Swedbank Robur Fonder.

In accordance with the decision of the 2010 AGM, Michael M.F. Kaufmann was chosen as chairman of the Nominations Committee, since Michael M.F. Kaufmann has been the representative of the shareholder owning most shares in Billerud.

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

Together, the three members of the Nominations Committee represent around 24.6 % of the votes in Billerud.¹

The Nominations Committee has held two meetings at which minutes were kept. Members have also been in contact via telephone and email. A section of Billerud's website entitled "Nominations Committee" on Billerud's website, under "Corporate governance", has given shareholders the opportunity to communicate with the Nominations Committee. No proposals from the shareholders have been submitted to the Nominations Committee.

The task of the Committee has been to make proposals regarding the following points that will be put to the vote at the 2011 AGM:

- a) proposal for Chairman of the Meeting,
- b) proposal for number of Board members,
- c) proposal for nominations of Board members, Chairman and Deputy Chairman of the Board,
- d) proposals for Board fees and distribution between Chairman and Deputy Chairman of

¹ Calculated as per 31 December 2010 on total number of shares, excluding shares held in treasury by the company, amounting to 1,720,314.

- the Board and other members, and possible remuneration for committee work,
- e) proposal for fees to auditors,
 - f) proposal for procedures for appointing the Nominations Committee.

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

Chairman of the Meeting

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

Number of Board members, deputy Board members

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

Board members

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

Against the above background the Nominations Committee has decided to propose the following for re-election to the Board: Ingvar Petersson, Gunilla Jönsson, Michael M.F. Kaufmann, Ewald Nageler and Yngve Stade. Per Lundberg and Meg Tivéus both have declined re-election. The Nominations Committee therefore has decided to propose the following for election to the Board: Helena Andreas and Mikael Hellberg.

Helena Andreas is head of Retail at the Vodafone Group. Helena Andreas was previously head of marketing for the Fresh Foods division and head of commercial development at the British grocery and general merchandising retailer Tesco. Helena Andreas is currently member of the Board of Directors of Extenda AB. Helena Andreas has MSc in Engineering Physics and a Master of Business Administration.

Mikael Hellberg was during 2001-2004 CEO of Wasabröd AB. Mikael Hellberg has previously been CEO of Pripps Bryggerier/Carlsberg Sverige AB and Alcro-Beckers AB. Mikael Hellberg is currently Chairman of the Board of Directors of Delicato Bakverk AB, NCS Colour AB, Pelly Industrier AB, Berntson Brands AB och Björnkläder AB. Further, Mikael Hellberg is member of the Board of Directors of *inter alia* OnOff AB and Cederroth International AB. Mikael Hellberg has a BSc in Business Administration.

Statement regarding the Nominations Committee's proposals for Board members

The Nominations Committee has taken what is stated in point 4.1 in the Swedish code of corporate governance into consideration. The Nominations Committee assess that the proposed composition of the Board covers the areas that are significant for Billerud and that the Board's composition should have a diversity and breadth of qualifications, experience and background that will benefit the continued development of the Billerud. The Nominations Committee strives in its work for equal gender distribution of the Board.

Chairman and Deputy Chairman of the Board

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

Board fees

It is proposed that SEK 525,000 (previously SEK 450,000) be paid to the Chairman of the Board, and SEK 250,000 (previously SEK 225,000) be paid to ordinary Board members who are not employees of the Billerud Group. It is proposed that SEK 400,000 (previously SEK 350,000) be paid to the Deputy Chairman.

Remuneration for committee work

It is proposed that the fee for committee work to the members of the Committee appointed by the Board shall amount to SEK 80,000 (previously SEK 70,000) to the chairman of the Audit Committee, and to SEK 40,000 (previously SEK 30,000) to each of the other members of the Committee, and to SEK 50,000 (previously SEK 40,000) to the chairman of the Compensations Committee and to SEK 25,000 (previously SEK 15,000) to each of the other members of the Committee.

Auditors' fees

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

Procedures for appointing the Nominations Committee

The Nominations Committee proposes that procedures for the appointment of the Nominations Committee for the 2012 AGM be as follows:

The Nominations Committee shall comprise no more than four members. The Chairman of the Board shall be the secretary of the Nominations Committee. During the autumn of 2011 the Chairman shall contact the major shareholders (judged by size of shareholding) regarding the formation of a Nominations Committee. The names of the members of the Nominations Committee, and the names of the shareholders they represent, shall be published six months at the latest prior to the 2012 AGM and be based upon the known shareholding immediately prior to the announcement. Unless Committee members decide otherwise, the Chairman of the Nominations Committee shall be the member representing the largest shareholder (judged by size of shareholding). The Committee forms a quorum when more than half of its members are present.

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

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

The Nominations Committee shall produce proposals for the following items to be decided by the 2012 AGM:

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

The Nominations Committee shall make available the requisite information to Billerud so that Billerud 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 nominations committees, and Billerud shall at the request of the Nomination Committee provide staff resources, such as secretary of the Committee, in order to facilitate the Committee's work. If so required, Billerud shall also pay reasonable costs for external consultants and similar which are considered necessary by the Committee for it to perform its duties.

Stockholm, March 2011

Michael M.F. Kaufmann
Chairman

Hans Ek

Björn Franzon

Ingvar Petersson
Secretary

This is an unofficial translation of the original Swedish language version of this corporate document. In case of any inconsistency between the Swedish and the English versions of this corporate document, the Swedish version shall prevail.

PROPOSAL BY THE BOARD OF DIRECTORS OF BILLERUD AB (PUBL) ("BILLERUD") TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS 2011 REGARDING THE INTRODUCTION OF THE LONG TERM INCENTIVE PROGRAM AND TRANSFER OF SHARES UNDER THE PROGRAM

a) INTRODUCTION OF LONG TERM INCENTIVE PROGRAM ("LTIP 2011")

1.1 Background

The 2010 Annual General Meeting decided to introduce a stock related long term incentive program for Billerud ("LTIP 2010") and transfer of shares under the program. The program is conditioned on the participants (managers and other key employees) investing in Billerud shares (which are either already held or acquired on the market) which will be "locked up" in the program. For each share the participants invest in and lock in LTIP 2010 the participants are free of charge allotted so-called "Matching Share Rights" and "Performance Share Rights". Each share right entitles the participants, after a three year vesting period, to, free of charge, receive shares in Billerud, provided that certain conditions are met. The conditions are linked to the participant's continued employment and ownership of the shares, and the fulfillment of certain financial and operational objectives. The intention was that LTIP 2010 would be succeeded by similar programs in the coming years.

The Board proposes a new long term incentive plan ("LTIP 2011") based on essentially the same conditions as LTIP 2010. The basic principles for compensation under LTIP 2010 and LTIP 2011 are that the compensation shall be dependent on the creation of long term shareholder value and the fulfillment of Billerud's financial objectives. The main difference between LTIP 2010 and LTIP 2011 is that LTIP 2011 comprises only 20 participants, while LTIP 2010 comprised up to 90 participants.

1.2 LTIP 2010 in brief

The Board of Director's main objective with the proposal of LTIP 2011 is to strengthen Billerud's capability to retain the best talent for key leadership positions. The aim is further to stimulate the managers and key employees whose efforts have direct impact on Billerud's result, profitability and value growth, to increased efforts by aligning their interests and perspectives with those of the shareholders.

LTIP 2011 comprises a total of maximum 20 managers and other key employees within the Billerud Group, identified as essential to the future development of the Billerud Group. To participate, the participants must own Billerud shares. The Billerud shares could be previously held or purchased in the market in conjunction to the notification of participation under the program. Thereafter, the participants will be allotted Billerud shares, free of charge, after the vesting period, commencing on the day when the LTIP 2011 agreement is entered into and ending in conjunction with the publication of Billerud's first quarter report for the year 2014, provided that certain conditions are fulfilled.

The Board of Directors intends to propose to future annual general meetings to adopt long term incentive programs with principles similar to those of the now proposed LTIP 2011.

1.3 Participants in LTIP 2011

LTIP 2011 comprises a total of maximum 20 persons consisting of CEO, CFO, Snr Vice President Corporate Human Resources, Technical Director, Production Director and Business Area Directors, Mill Managers, Forestry Director and other key employees.

1.4 Personal investment and allotment of share rights

To participate in LTIP 2011, the participants must purchase Billerud shares at market price on NASDAQ OMX Stockholm ("Saving Shares"). Previously held Billerud shares which are not allocated to LTIP 2010 are also included in the Saving Shares.

Participants are offered to allocate Saving Shares not exceeding a number equal to 10% of the participant's base salary as per year end 2010 divided by the closing price of the Billerud share per the last trading day of 2010, i.e. December 30, 2010 (SEK 58.25) (the "Closing Price").

Saving Shares shall normally be purchased or allocated to the program during a period of approximately two weeks during May 2011, after the Annual General Meeting. In the event of new hires of managers and key employees after that period, an offer to participate might still be given under LTIP 2011 and purchases and allocations of Saving Shares be granted to those managers and key employees until the end of November 2011.

For each Saving Share that the participant invests in and locks in to LTIP 2011, the participant is, free of charge, allotted one (1) matching share right ("Matching Share Right") and three (3) performance share rights ("Performance Share Right") (together referred to as "Share Rights"). Provided that the conditions set out below in 1.5 and 1.6, respectively, are fulfilled, the Share Rights entitle to allotment of Billerud shares as described below. Allotment of Billerud shares, by virtue of the holding of Share Rights, is made after the publication of Billerud's first quarter report for the year 2014, however not earlier than three years after the LTIP 2011 agreement is entered into ("Vesting Period").

1.5 Matching Share Right

For each Saving Share that the participant invests in and locks in to LTIP 2011, the participant is, free of charge, allotted one (1) Matching Share Right, which entitles the participant to, free of charge, receive one (1) Billerud share, based on the conditions set out below:

- (i) the participant must remain employed within the Billerud Group during the Vesting Period; and
- (ii) all Saving Shares must be retained during the Vesting Period.

1.6 Performance Share Right

For each Saving Share that the participant invests in and locks in to LTIP 2011, the participant is, free of charge, allotted three (3) Performance Share Rights. The Performance Share Rights are divided into

three series, series A-C. The allotment of Billerud Shares due to Performance Share Rights of Series A-C requires that the the conditions for the Matching Share Rights are fulfilled. In addition, allotment of Billerud 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 2011-2013. The Board of Directors intends to present whether the conditions have been fulfilled in the annual report of 2013.

1.6.1 Series A

The performance conditions for the Performance Share Rights of series A relate to Billerud's average operating margin for the period 2011-2013 ("EBIT Margin"). The maximum level of allotment under the performance conditions is an EBIT Margin of 13% and the minimum level of allotment is an EBIT Margin of 10%.

If the EBIT Margin amounts to the maximum level of 13% or more, maximum allotment of one (1) Billerud share per Performance Share Rights of series A shall be made. If the EBIT Margin should be lower than 13%, but exceeding the minimum level of 10%, a linear reduction of the allotment of Billerud shares shall be made. If the EBIT Margin amounts to 10% or less, the Performance Share Rights of series A shall not entitle to allotment of Billerud shares.

1.6.2 Series B

The performance conditions for the Performance Share Rights of series B relate to Billerud's EBIT margin in comparison with the average operating margin for the period 2011-2013 for a peer group of certain selected companies ("Comparing EBIT-margin"). The peer group consists of companies and their business areas with businesses within the packaging paper and pulp industry that the Board of Directors has considered to be comparable to Billerud. The Board of Directors shall be authorized, in particular situations, to adjust the peer group's composition, which is composed by 80% respectively of Gascogne, Korsnäs, SCA (Packaging), Smurfit Kappa Global, Stora Enso (Industrial Packaging) and Mondi (Bags and Coating), and 20% of Södras pappersmassadel – Södra Cell.

If Billerud's EBIT-margin exceeds Comparing EBIT-margin, maximum allotment of one (1) Billerud share per Performance Share Rights of series B shall be made. If Billerud's EBIT-margin is the same or lower than Comparing EBIT-margin, the Performance Share Rights of series B shall not entitle to allotment of Billerud shares.

1.6.3 Series C

The performance conditions for the Performance Share Rights of series C relate to Billerud's total shareholder return for the period 2011-2013 ("TSR") in comparison with the total shareholder return for the period 2011-2013 for a peer group of certain listed Nordic companies ("Comparing TSR"), where the lowest and highest quotation of total shareholder return in the peer group shall be excluded when calculating the Comparing TSR. The Board of Directors shall be authorized, in particular situations, to adjust the peer group's composition which is composed by the listed Nordic companies in the paper-packing business Holmen, M-Real, Norske Skog, Rottneros, SCA, Stora Enso and UPM. The maximum level of allotment under this performance condition is that TSR exceeds Comparing TSR by 10 percentage points or more and the minimum level is that TSR exceeds Comparing TSR.

If Billerud's TSR exceeds Comparing TSR by 10 percentage points or more, maximum allotment of 1 (one) Billerud share per Performance Share Rights of series C shall be made. If Billerud's TSR exceeds Comparing TSR, however with less than 10 percentage points, a linear reduction of the allotment of Billerud shares shall be made. If Billerud's TSR amounts to, or is less than Comparing TSR, the Performance Share Rights of series C shall not entitle to allotment of Billerud shares.

1.7 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 intended to be allotted, free of charge, during May 2011. The Board of Directors is authorized to do allotments within the scope of LTIP 2011 due to new hires made after the first date of allotment, or in the case that Billerud is unable to launch LTIP 2011 during May 2011, however not later than November 2011.
- The participants are not entitled to transfer, pledge or dispose the Share Rights or perform any shareholder's rights regarding the Share Rights during the Vesting Period.
- Allotment, free of charge, of Billerud shares will take place after the publication of Billerud's first quarter report for the year 2014, however not earlier than three years after the LTIP 2011 agreement is entered into.
- Billerud will make no adjustments or compensations to the participants of LTIP 2011 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 220 per Share Right, equal to a maximum of 18 monthly salaries. The calculation 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 item 1.4 above). In the event that the profit, when calculating the allotment according to LTIP 2011, should exceed this maximum limit of SEK 220 per Share Right, adjustment shall be made by consequently decreasing the number of Billerud shares that the participant is entitled to receive.

1.8 Detailed terms and administration

The Board of Directors, or a certain committee appointed by the Board of Directors, shall be responsible for determining the detailed terms for LTIP 2011 to be applicable between Billerud and the participant, however within the scope of herein given frames and directions. In connection therewith, the Board of Directors shall be authorised to establish divergent terms for LTIP 2011 regarding *inter alia* the Vesting Period, allotment of Billerud shares in the event of termination of employment during the Vesting Period due to early retirement or consequences of a change of control. The Board of Directors shall be authorised to make the necessary 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 shall be entitled to decide that the participating person may instead be offered a cash based settlement. The Board of Directors shall also be entitled to decide on other adjustments in the event that major changes in the Billerud Group, the market or otherwise in the Billerud industry would occur, which would entail that

resolved conditions for allotment and the possibility to use the Share Rights under LTIP 2011 would no longer appropriate.

1.9 Scope

In total, LTIP 2011 comprises a maximum of 50,400 Saving Shares, which can involve allotment of in total a maximum of 201,600 Billerud shares (a maximum of 50,400 due to the Matching Share Rights and a maximum of 151,200 due to the Performance Share Rights). An additional 64,000 Billerud shares are assigned for shares that can be transferred by Billerud in order to hedge certain costs, mainly social security costs. The maximum number of Billerud shares which are included in the LTIP 2011 are thus 265,600, which correspond to approximately 0,3% of the number of outstanding Billerud shares and the number of outstanding votes.

The number of shares included in the LTIP 2011 shall be subject to recalculation due to bonus issues, consolidation or share split, new issue of shares or similar measures carried out by Billerud according to accepted practice for similar incentive programs.

In total, LTIP 2011 comprises a maximum of 265,600 Billerud shares. On 31 December, 2010, LTIP 2010 comprised a maximum of 262,916 Billerud shares and 83,000 Billerud shares which are assigned for shares to be transferred by Billerud in order to hedge certain costs, mainly social security costs. LTIP 2011 and LTIP 2010 together would entail a dilution of shares of approximately 0.6 per cent of the number of outstanding Billerud shares and the number of outstanding votes.

1.10 Hedging

In order to secure delivery of Billerud shares under LTIP 2011, the Board of Directors proposes that the Board of Directors shall have the right to decide on alternative methods for transfer of Billerud shares under LTIP 2011. The Board of Directors therefore proposes to have the right to decide to transfer own Billerud shares (under item b below) or to enter into so-called equity swap agreements with a third party in order to meet the requirements under LTIP 2011. The Board of Directors regards the first alternative to be the most cost efficient and flexible arrangement for the conveyance of Billerud shares and for covering certain cost, mainly social security cost.

1.11 Estimated costs and values of the LTIP 2011

The Share Rights cannot be pledged or transferred to others. An estimated value for each right can however be calculated. The Board of Directors has estimated the average value of each Share Right to SEK 48.10. The estimation is based on generally accepted valuation models using the closing price for the Billerud share on 3 March, 2011, statistics on the share price development as well as projected dividends. The aggregate estimated value of all the 50,400 Matching Shares and 151,200 Performance Shares, based on a 59% fulfillment of the performance conditions and estimations on turnover of personnel, is approximately SEK 6,000,000. The value is equivalent to approximately 0.09% of the market capitalisation for Billerud as of 3 March 2011. The costs are treated as a staff cost in the profit and loss accounts and it is expensed over the first 36 months, i.e. the Vesting Period, 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 Billerud share price development during the Vesting Period and allotment of the Share Rights. Based on a theoretical assumption of a yearly increase of 10% of the share price and a Vesting Period of three years, the cost for LTIP 2011 including social security costs equals approximately SEK

9,000,000, which is on annualized basis equivalent to approximately 0.2% of Billerud's total staff costs for the financial year 2010. The maximum cost for LTIP 2011, based on the above assumptions, equals approximately SEK 24,000,000, including SEK 14,000,000 in social security costs.

1.12 Effects on key ratios

In the event of full participation in LTIP 2011, Billerud's staff costs are expected to increase with approximately SEK 3,000,000 annually. On a proforma basis for 2010, these costs equal a negative effect on Billerud's operating margin of approximately 0.03 % and a decrease of earnings per share of approximately SEK 0.02.

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 managers and key employees and which, in addition, may further be expanded by the shareholding in LTIP 2011, exceed the costs related to LTIP 2011.

1.13 The preparation of the proposal

LTIP 2011, which is based on the previous long term incentive program, has been initiated and prepared by the Board Compensation Committee together with external advisors. At the Board meeting on March 10, 2011 the Board of Directors resolved to introduce a long term incentive program under present principles and instructed the Remuneration Committee to further draw up the terms for the long term incentive program.

1.14 Other incentive programs in Billerud

Please refer to Billerud's annual report or the Billerud website www.billerud.se for a description of all other Billerud share based incentive programs. Billerud has no other share based incentive programs than those described above.

1.15 The Board of Directors proposal

Referring to the above-mentioned description, the Board of Directors proposes that the Annual General Meeting resolves to adopt LTIP 2011.

1.16 Majority Requirement

A resolution to introduce LTIP 2011, in accordance with the Board of Directors's proposal, is valid where supported by shareholders holding more than half of the votes cast at the General Meeting of Shareholders.

b) TRANSFER OF SHARES WITH REFERENCE TO LONG TERM INCENTIVE PROGRAMS

1.1 Background

In order to implement the LTIP 2011 in a cost efficient and flexible manner, the Board of Directors has considered different hedging methods for the transfer of shares under the program. Based on these considerations, the Board of Directors intends to secure delivery of Billerud shares under LTIP 2011, by way of entering into an equity swap agreement with a third party (in accordance with the resolution under item 1.10 above), or, provided that the Annual General Meeting of Shareholders

resolves in accordance with this item on the agenda, by way of transfer of Billerud's own shares held in treasury.

1.2 The Board of Directors proposal

The Board of Directors proposes that the Annual General Meeting resolves on transfer of shares in accordance with the terms and conditions set out below:

- (i) Transfer may be made of a maximum of 265,600 Billerud shares to be transferred to participants in the LTIP 2011 (or the higher number of shares that may result from the conversion under the terms of the program due to changes bonus issue, consolidation or share split, new issue of shares or similar actions carried out by Billerud, according to accepted practice for similar incentive programs.)
- (ii) Transfer of shares shall be made free of charge at the time and in accordance with the conditions that the participants in LTIP 2011 are entitled to receive allotment of shares.
- (iii) Further, the Board of Directors shall have the right, prior to the Annual General Meeting of Shareholders 2012, to
 - divest a maximum of 83,000 shares of Billerud's total own holdings of Billerud shares for the purpose of covering certain costs for LTIP 2010; and
 - divest a maximum of 64,000 shares of Billerud's total own holding of Billerud shares, for the purpose of covering certain costs for LTIP 2011.

Divestment 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.

The reasons for the deviation from shareholders' preferential rights are that it the transfer of the shares is a step to achieve LTIP 2010 and LTIP 2011. Therefore, and in light of the above, the board considers it to be an advantage for Billerud to transfer and divest shares in accordance with the above proposal in order to meet the requirements of the approved incentive program.

Majority Requirement

A resolution to approve the Board of Directors's proposal under item b above is valid where supported by shareholders holding no less than nine tenths of both the votes cast and the shares represented at the Annual General Meeting of Shareholders. The Board of Directors's proposal pursuant to this item b is conditional on that the Board of Directors's proposal regarding the introduction of the long term incentive program has been approved by the Annual General Meeting of Shareholders (see item a above).

Billerud AB (publ)
The board of directors
March 2011

This is an unofficial translation of the original Swedish language version of this corporate document. In case of any inconsistency between the Swedish and the English versions of this corporate document, the Swedish version shall prevail.

PROPOSAL BY THE BOARD OF DIRECTORS OF BILLERUD FOR A DECISION REGARDING AUTHORISATION FOR THE BOARD TO TRANSFER THE COMPANY'S OWN SHARES (ITEM 18 ON THE AGENDA)

The Board proposes 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 that the company holds at the time of the Board's decision, either to a third party as payment in connection with acquisition of companies, and/or as a transfer on the stock exchange in order to raise liquid funds for payment in connection with such acquisitions. Payment for transferred shares may be made in cash, and for a transaction other than via the stock exchange, through contribution of property or set-off of a receivable against the company. A transfer on NASDAQ OMX Stockholm may only be carried out at a price per share within the range of share prices registered for the company at any given time. Any other transfer may take place at the market value, as a minimum, determined by the Board. The reason for enabling the Board to deviate from the principle of preferential rights for existing shareholders is to give the Board the required capacity to carry out the acquisition of all or parts of other companies and businesses.

Billerud AB (publ)
Board of Directors
March 2011

This is an unofficial translation of the original Swedish language version of this corporate document. In case of any inconsistency between the Swedish and the English versions of this corporate document, the Swedish version shall prevail.

PROPOSAL BY THE BOARD OF DIRECTORS OF BILLERUD AB FOR A DECISION REGARDING AUTHORISATION FOR THE BOARD OF DIRECTORS TO RESOLVE ON COMMISSION FREE SHARE SALES (ITEM 19 ON THE AGENDA)

For historical reasons, Billerud has many shareholders who own only a few shares. To facilitate changes in shareholdings for shareholders who only own a smaller lot of shares, the Billerud Board has discussed the possibility of offering sales of shares via a simplified procedure and without cost for shareholders. In order to achieve a suitable ownership structure and improve liquidity in the trading of Billerud's shares, the Board proposes that the Annual General Meeting approve the authorisation of the Board to resolve on offering Billerud's shareholders holding fewer than 200 shares the opportunity to sell their Billerud shares free of commission. The cost for the sales are intended to be borne by the company. A scheme providing commission-free sales is considered to have a cost-saving effect over time and lead to a more efficient and rationalized administration of the company. The Board proposes that it be authorized to resolve on the period when the offer shall be valid (although before the 2012 Annual General Meeting) and other detailed terms of the offer.

Billerud AB (publ)
Board of Directors
March 2011

This is an unofficial translation of the original Swedish language version of this corporate document. In case of any inconsistency between the Swedish and the English versions of this corporate document, the Swedish version shall prevail.

THE PROPOSAL BY THE BOARD OF DIRECTORS OF BILLERUD FOR APPROPRIATION OF PROFIT AND MOTIVATED STATEMENT IN ACCORDANCE WITH CHAPTER 18 SECTION 4 OF THE SWEDISH COMPANIES ACT (ITEM 10B ON THE AGENDA)

The Board of Directors proposes that the Annual General Meeting of 4 May 2011 decides to pay a dividend of SEK 3.50 per share. The Board of Directors proposes Monday 9 May, 2011 as record day for the dividend. If the Meeting approves the Board's proposal, payment via Euroclear Sweden AB is expected to be sent on Thursday 12 May, 2011.

The board submits the following motivated statement in accordance with Chapter 18 Section 4 of the Swedish Companies Act (2005:551):

As presented on page 98 of the 2010 annual report, non-restricted shareholders' equity in the parent company, Billerud AB, amounted to SEK 2,992,037,580 on 31 December 2010. The Board of Directors of Billerud proposes that the dividend for 2010 shall be SEK 3.50 per share, equalling a total of approximately MSEK 360,9. The remaining amount shall be carried forward in a new account. The reason for this proposal is as follows:

According to Billerud's financial goals, the dividend shall be 50% of the net profit per share and the net debt/equity ratio shall be between 0.6-0.9 times over a business cycle. At the end of 2010 Billerud's net debt/equity ratio was 0.03, a decrease by 0.26 compared with 2009, and also lower than target. The Board of Directors of Billerud proposes that of the profit of 2010 per share of SEK 6.84, a dividend for 2010 of SEK 3.50 per share is distributed and that the remaining amount shall be carried forward in a new account. The Board of Directors of Billerud's proposal means that the dividend for 2010 will be 51 % of the net profit.

Relating to the above, the Board of Directors of Billerud believes that the proposed dividend appear to be justified taken into consideration;

1. the demands with respect to size of shareholders' equity which are imposed by the nature, scope and risks associated with the operations of Billerud (and also the Billerud group), and
2. Billerud's (and also the Billerud group) need to strengthen its balance sheet, liquidity and financial position in general.

Billerud AB (publ)
The Board of Directors
March 2011

This is an unofficial translation of the original Swedish language version of this corporate document. In case of any inconsistency between the Swedish and the English versions of this corporate document, the Swedish version shall prevail.

PROPOSAL BY THE BOARD OF DIRECTORS OF BILLERUD FOR GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES (ITEM 16 ON THE AGENDA)

The Board proposes that the Meeting approve the following guidelines for remuneration to the executive officers. Executive officers are the CEO and other members of the senior management team.

Billerud shall set the remuneration levels and employment terms that are appropriate 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 pension or company car. Fixed and variable salary shall be set in relation to competence, area of responsibility and performance. Variable remuneration shall be drawn up with a purpose to promoting the company's long-term value creation and 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% and 45%. However, variable remuneration shall only be paid on condition that the company's result is positive. Long-term incentive programs within the company shall primarily be linked to financial requirements of performance and 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 incentive programs adopted by the 2010 Annual General Meeting, see the company's annual report and website. For further information regarding the proposed Long Term Incentive Program 2011, please see the Board's proposal according to item 17 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 Compensation 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 Compensation Committee.

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

Billerud AB (publ)
Board of Directors
March 2011