

Minutes from the annual general meeting of shareholders of BillerudKorsnäs Aktiebolag (556025-5001), held between 15:00 – 15.50 on Thursday 5 May 2020 at Norra Latin – Stockholm City Conference Center, the auditorium.

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

Other attendees: see [Appendix 2](#)

§ 1

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

The chairman of the board of directors, Jan Åström, informed on safety matters and the precautionary measures that BillerudKorsnäs has decided to implement at today's annual general meeting in view of the outbreak of the corona virus, and declared the annual general meeting open.

§ 2

Election of chairman of the meeting (item no. 2 on agenda)

The meeting resolved to elect the lawyer Wilhelm Lüning as chairman of the annual general meeting.

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

The meeting resolved that guests listed in Appendix 2 were welcome to attend the meeting, and that the annual general meeting should be webcasted, live, at the company's website.

The Chairman informed on the company's processing of personal data in connection with the webcast at the company's website and that other audio or visual recording was not allowed.

§ 3

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

The meeting resolved to approve the list of shareholders, representatives and any advisors that had notified their intention to attend and were present at the meeting (including such shareholders that have voted by post in advance), appended to these minutes as Appendix 1, as the voting list for the annual general meeting.

The chairman informed that a number of foreign shareholders were represented at the meeting and had submitted certain voting instructions in respect of some agenda items, and also that shareholders had voted by post.

§ 4

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

The meeting resolved that the minutes should be verified, in addition to the chairman, by Patrik Marcelius, representing Frapag Beteiligungsholding, and by Tomas Risbecker, representing AMF Insurance & Funds.

§ 5

Determination as to whether the meeting has been duly convened (item no. 5 on agenda)

The chairman found that the notice convening to the annual general meeting had been made in accordance with the Swedish Companies Act and the provisions in the articles of association.

The meeting resolved to approve the notice measures and declared the annual general meeting duly convened.

§ 6

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

The chairman informed that presentations at today's annual general meeting will be shortened or replaced by a brief report of the chairman, and also that a short presentation by the acting CEO would be available at the company's website.

The meeting resolved to approve the proposed agenda as included in the notice to the annual general meeting and that was available at the meeting.

The chairman informed that the complete proposals from the board of directors, the nomination committee and shareholder's proposals had been included in the notice to today's annual general meeting.

Statements by the board of directors concerning the proposal for disposition of profit and other documents for the annual general meeting, which had been made available in accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance, were presented.

§ 7

Presentation of the annual report and the auditors' report as well as the consolidated accounts and consolidated auditors' report for the 2019 financial year (item no. 7 on agenda)

The annual report and the auditors' report as well as the consolidated accounts and the consolidated auditors' report for the 2019 financial year were presented to the meeting.

The chairman reported on the concluding remarks in KPMG's auditors' report for the financial year 2019, that is included in the 2019 annual report.

The acting CEO Lennart Holm made a short address to the meeting that will be available at BillerudKorsnäs' website after the meeting.

§ 8

Resolution on the adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet for 2019 (item no. 8 (a) on agenda)

The meeting resolved to adopt the income statement and the balance sheet for the parent company and the consolidated income statement and consolidated balance sheet for the consolidated group for the financial year 2019.

§ 9

Resolution on the disposition of the company's profits based on the adopted balance sheet for 2019 and the record date for the dividend (item no. 8 (b) on agenda)

The chairman presented the board's proposal, as approved by the auditor, for the disposition of the company's profit, such that of the total amount at the disposal of the annual general meeting, SEK 4.30 per share should be distributed to the shareholders, and that the remaining amount should be carried forward, and that 7 May 2020 should be the record date for payment of the dividend.

The meeting resolved in accordance with the board's proposal regarding disposition of profit and to determine the record date for the dividend.

§ 10

Resolution on discharge from personal liability for board members and the CEO for their administration for the year 2019 (item no. 8 (c) on agenda)

The meeting resolved to grant discharge from personal liability for the board members and the CEO for their administration for the financial year 2019.

It was noted that the board members and the CEO did not take part in the resolution and that all shareholders attending the annual general meeting (including such shareholders that have voted by post in advance) supported the resolution except for those shareholders that had given special instructions for no and abstain votes.

§ 11

Resolution on number of board members to be elected by the meeting (item no. 9 on agenda)

The chairman referred to the nomination committee's motivated statement, proposed resolutions under items 9-13 and the information regarding proposed board members that had been available to the shareholders.

The meeting resolved that the number of board members elected by the meeting should be eight (8).

§ 12

Resolution on remuneration for board members and committee work and on fees for auditors (item no. 10 on agenda)

The meeting resolved in accordance with the proposal of the nomination committee regarding the fees to board members and members of the committees of the board, for the period until the close of the next annual general meeting, shall be in accordance with the following:

- the fee to board members elected by the general meeting shall be SEK 520,000 per member, that the fee to the chairman of the board shall be SEK 1,350,000 and that the fee to the vice chairman of the board shall be SEK 880,000,
- the remuneration for work on board committees, paid to members appointed by the board shall be SEK 155,000 to the chairman of the audit committee, SEK 75,000 to each of the other members of the audit committee, SEK 50,000 to the chairman of the remuneration committee and SEK 25,000 to each of the other members of the remuneration committee, and also SEK 50,000 to each of the members of the investment committee, and
- fees to the auditor during the mandate period shall be paid in accordance with approved invoices.

§ 13

Election of board members (item no. 11(a)-(h) on agenda)

It was noted that the chairman presented the proposed board members' assignments in other companies.

The meeting voted on election of each one of the proposed board members under items 14(a)-(h) and resolved to re-elect Tobias Auchli, Andrea Gisle Joosen, Bengt Hammar, Michael M.F. Kaufmann, Kristina Schauman, Victoria Van Camp and Jan Åström as board members and to elect Jan Svensson as new board member for the period until the close of the next annual general meeting.

§ 14

Election of chairman of the board and vice chairman of the board (item no. 12 on agenda)

The meeting resolved to elect Jan Åström as chairman of the board and Michael M.F. Kaufmann as vice chairman of the board.

§ 15

Election of auditor (item no. 13 on agenda)

The meeting resolved to elect the registered accounting firm KPMG as the company's auditor for the period until the close of the 2021 annual general meeting. It was noted that the authorised public accountant Ingrid Hornberg Román will continue as auditor-in-charge.

§ 16

The board's proposal regarding guidelines for remuneration to senior executives (item no. 14 on agenda)

The chairman presented the board's proposal.

The meeting resolved to adopt guidelines for remuneration to senior executives in accordance with the board's proposal in Appendix 3.

§ 17

Resolution on (a) a long term share based incentive program for 2020 and (b) transfer of own shares to the participants in LTIP 2020 (item no. 15(a)-(b) on agenda)

The chairman presented the board's proposals, and informed that the resolutions on agenda items 15(a) and (b) should be resolved upon together, and that a valid resolution under agenda item no. 15(b) requires support of shareholders representing at least nine-tenths of both the votes cast and shares held by shareholders represented at the meeting.

The meeting resolved in accordance with the board's proposal, Appendix 4, regarding the incentive program LTIP 2020 (item 15(a)), and transfer of own shares to the participants in LTIP 2020 (item no. 15(b)).

It was noted that the resolution had been supported by at least nine-tenths of both the votes cast and shares held by shareholders represented at the meeting, as all shareholders present at the annual general meeting (including such shareholders that have voted by post in advance) supported the resolution, except for those shareholders that had given special instructions in advance for no or abstain votes.

§ 18

Resolution on authorisation for the board to resolve on repurchases of own shares (item no. 16 on the agenda)

The chairman presented the board's proposal and informed that a valid resolution under agenda item no. 16 requires support of shareholders representing at least two-thirds of both the votes cast and shares held by shareholders represented at the meeting.

The meeting resolved in accordance with the board's proposal, Appendix 5, regarding authorisation for the board to resolve on repurchases of own shares.

It was noted that the resolution had been supported by at least two-thirds of both the votes cast and shares held by shareholders represented at the meeting, as all shareholders present at the annual general meeting (including such shareholders that have voted by post in advance) supported the resolution, except for those shareholders that had given special instructions in advance for no or abstain votes.

§ 19

Resolution on authorisation for the board to resolve on amendments of the articles of association (item no. 17 on the agenda)

The chairman presented the board's proposal and informed that a valid resolution under agenda item no. 17 requires support of shareholders representing at least two-thirds of both the votes cast and shares held by shareholders represented at the meeting.

The meeting resolved in accordance with the board's proposal, Appendix 6, regarding amendments of the articles of association.

The new articles of association is set out in Appendix 7.

It was noted that the resolution had been supported by at least two-thirds of both the votes cast and shares held by shareholders represented at the meeting, as all shareholders present at the annual general meeting (including such shareholders that have voted by post in advance) supported the resolution, except for those shareholders that had given special instructions in advance for no or abstain votes.

§ 20

Shareholder's proposals (item no. 18(a) and (b) on the agenda)

The meeting resolved to dismiss shareholder Thorwald Arvidsson's proposal (a) and (b).

It was noted that Thorwald Arvidsson made a reservation against the resolutions.

§ 21

Closing of the meeting (item no. 19 on agenda)

The chairman declared the annual general meeting closed.

At the minutes:
Andreas Mattsson

Minutes checked by:
Wilhelm Lüning
Patrik Marcelius
Tomas Risbecker

THE BOARD'S PROPOSAL FOR ADOPTION OF GUIDELINES FOR REMUNERATION FOR SENIOR EXECUTIVES (ITEM 17 ON AGENDA)

The board proposes that the annual general meeting resolves to adopt the following guidelines for remuneration for the CEO and the other members of the group's ELT. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2020. The guidelines do not apply to any remuneration approved by the general meeting, for example ordinary board remuneration and BillerudKorsnäs' long-term share-related incentive programs.

The guidelines' promotion of BillerudKorsnäs' business strategy, long-term interests and sustainability

BillerudKorsnäs is challenging conventional packaging for a sustainable future and this mission describes the purpose of BillerudKorsnäs' business operations. Profitable growth is essential when challenging less sustainable packaging materials and solutions over time. In order to deliver profitable growth, a goal-oriented and intensive work is being undertaken. BillerudKorsnäs' employees are the people that with a customer focus, are driving the change that is needed to realise the strategy and achieve our ultimate purpose – a sustainable future.

For further information on BillerudKorsnäs' business strategy, see the company's website www.billerudkorsnas.com/about-us/strategy-platform.

A prerequisite for the successful implementation of the BillerudKorsnäs' business strategy and safeguarding of BillerudKorsnäs' long-term interests, including its sustainability, is that BillerudKorsnäs is able to recruit and retain qualified employees with high competence and capacity to achieve set goals. BillerudKorsnäs shall together with its employees challenge conventional packaging for a sustainable future. To achieve this, it is necessary that BillerudKorsnäs offers competitive total remuneration which creates incentives for senior executives to think new, feel responsibility, cooperate and create value. The goal is to create incentives to promote BillerudKorsnäs' business strategy and long-term interests, deliver exceptional results and to link incentives for key persons within BillerudKorsnäs with the shareholders' interests. These guidelines enable this objective and that senior executives can be offered a competitive total remuneration.

Types of remuneration, etc.

BillerudKorsnäs shall be on market terms as regards compensation levels and terms of employment. The remuneration shall consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Furthermore, the general meeting may resolve on, among other things, long-term share and share price-related remuneration.

The variable cash remuneration to the CEO and ELT members is paid based on outcomes in relation to clearly stated goals and shall amount to a maximum between 30 and 70 per cent of their respective annual fixed cash salary. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual basis, either for the purpose of recruiting or retaining senior executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100 per cent of the annual fixed cash salary. Any resolution on such remuneration shall be made by the board based on a proposal from the remuneration committee.

Decisions on long-term share and share price-related remuneration are made by the general meeting – irrespective of these guidelines. Long-term share and share price-related remuneration shall be designed to ensure long-term commitment to BillerudKorsnäs' development and in order for the CEO and ELT members to have a significant, long-term shareholding in BillerudKorsnäs. The outcome of the long-term share- and share price-related remuneration shall be linked to certain predetermined performance criteria based on BillerudKorsnäs' share price and results. For more information about these programs, including the criteria for the outcome, see the company's website www.billerudkorsnas.com/about-us/corporate-governance under the headings "Long-term incentive programs" and "Remuneration".

Pension benefits shall be defined contribution. The pension premiums for defined contribution pension shall amount to a maximum of 30 per cent of the annual fixed cash salary. Variable cash remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions.

Other benefits may include, for example, life insurance, medical insurance (Sw: sjukvårdsförsäkring) and company car. Premiums and other costs related to such benefits may amount to not more than 40 per cent of the annual fixed cash salary.

The decision-making process to determine, review and implement the guidelines

The board has established a remuneration committee. The committee's tasks include preparing the board's decision to propose guidelines for executive remuneration. The board shall prepare a proposal for new guidelines at least every fourth year and submit it to the annual general meeting.

The guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in BillerudKorsnäs. The members of the remuneration committee are independent of the company and its executive management. The CEO and ELT members do not participate in the board's processing of and resolutions regarding remuneration-related matters if they are affected by such matters.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may also be individualised, quantitative or qualitative objectives. The objectives for the group for variable cash remuneration are, currently to 40 per cent based on the performance measure EBITDA, 30 per cent based on net sales, 20 per cent based on capital employed and 10 per cent based on certain sustainability goals. The weighting of these group-wide goals may change from year to year depending on the group's focus areas and strategic decisions.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee is responsible for the evaluation so far as it concerns variable cash remuneration to the CEO. For variable cash remuneration to other ELT members, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by BillerudKorsnäs.

Variable cash remuneration shall only be paid provided that BillerudKorsnäs' operating profit is positive, and the remuneration committee shall only use its discretion to decide on variable remuneration in accordance with the goals set out above in a way that implies that there is a link between such compensation and BillerudKorsnäs' result.

Salary and employment conditions for employees

In the preparation of the board's proposal for these remuneration guidelines, salary and employment conditions for employees of BillerudKorsnäs have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to executives and remuneration to other employees will be disclosed in the remuneration report.

Termination of employment

In the event of termination of an employment, a notice period of six to twelve months is normally applied and a right to severance pay corresponding to the fixed cash salary for one year if the employment is terminated by BillerudKorsnäs. When termination is made by an ELT member, the notice period may not exceed six months, without any right to severance pay.

Remuneration to board members elected by general meetings

Board members elected by general meetings in BillerudKorsnäs shall in special cases be able to be remunerated for services within their respective areas of expertise, which do not constitute board work in BillerudKorsnäs AB. For these services, a market-based fee shall be paid, which must be approved by the board.

Derogation from the guidelines

The board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve BillerudKorsnäs' long-term interests, including its sustainability, or to ensure BillerudKorsnäs' financial viability. As set out above, the remuneration committee's tasks include preparing the board's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

THE BOARD'S PROPOSAL REGARDING A LONGTERM SHARE BASED INCENTIVE PROGRAM FOR 2020 (ITEM 15 (A) ON THE AGENDA)

The board proposes that the meeting resolves to introduce a long-term share based incentive program ("LTIP 2020") as follows.

LTIP 2020 in brief

The board's main objective with the proposal of LTIP 2020 is to strengthen BillerudKorsnäs' ability to attract, motivate and retain the best individuals for key leadership positions. The aim is further that the ELT, as well as other key personnel and talents within the BillerudKorsnäs group shall be stimulated to increased efforts by aligning their incentives with the shareholders' interests. LTIP 2020 comprises a maximum of 100 employees, being ELT members, other key personnel and talents within the BillerudKorsnäs group. A condition for participation in LTIP 2020 is that the participants must own BillerudKorsnäs shares. Notification of participation in LTIP 2020 shall occur after the 2020 annual general meeting. The participants will after a three year vesting period that ends in connection with the release of BillerudKorsnäs' interim report for the period January – March 2023, be allotted BillerudKorsnäs shares, free of charge, provided that the program's conditions are fulfilled, and to the extent that the relevant performance conditions have been achieved during the financial years 2020–2022 (the "Measurement Period").

Participants in LTIP 2020

LTIP 2020 comprises up to 100 persons consisting of the CEO and the other ELT members, other key personnel and talents within the BillerudKorsnäs group, divided in three participation categories as follows:

- Category 1* the CEO of BillerudKorsnäs;
- Category 2* ELT members and certain nominated members of the leadership teams of BillerudKorsnäs' divisions and mill managers, approximately 20 persons; and
- Category 3* certain nominated key personnel and talents in BillerudKorsnäs, approximately 80 persons.

Personal investment and allotment of share rights

To participate in LTIP 2020, the participants must purchase BillerudKorsnäs shares at market price on Nasdaq Stockholm and allocate them to LTIP 2020 ("Saving Shares"). Previously held BillerudKorsnäs shares (which are not already allocated to the long-term share based incentive programs 2018 or 2019) may be used as Saving Shares. Saving Shares shall be allocated to LTIP 2020 in connection with the notification to participate in the program. If the participant has inside information which prevents him/her from purchasing BillerudKorsnäs shares in connection with the notification to participate in LTIP 2020, the shares shall be purchased as soon as possible, but no later than before the next annual general meeting.

Participants in Category 1–2 are offered to allocate Saving Shares to the LTIP 2020, up to a number equal to 10 per cent of the participant's gross base salary as per year end 2019 divided by the closing price of the BillerudKorsnäs share per the last trading day of 2019 (SEK 110.65). Participants in Category 3 are offered to allocate up to 500 Saving Shares to LTIP 2020. New personnel 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 2020, be offered to participate in LTIP 2020, if the board or the remuneration committee deems it to be in line with the purpose of the program.

Allocation and allotment

Category 1 will be allotted 6 share rights for each Saving Share allocated to LTIP 2020, Category 2 will be allotted 5 share rights for each Saving Share allocated to LTIP 2020, and Category 3 will be allotted 4 share rights for each Saving Share allocated to LTIP 2020.

For Category 1, each Saving Share entitles to 1 share right of series A, 2 share rights of series B and 3 share rights of series C. For Category 2 each Saving Share entitles to 1 share rights of series A, 1.5 share rights of series B and 2.5 share rights of series C. For Category 3 each Saving Share entitles to 1 share right of series A, 1 share right of series B and 2 share rights of series C.

Terms and conditions for the share rights

The following general terms and conditions apply for the share rights:

- The share rights are allotted, free of charge, after the 2020 annual general meeting.
- The participants are not entitled to transfer, pledge or dispose the share rights or perform any shareholder's rights regarding the share rights.
- Allotment, free of charge, of BillerudKorsnäs shares, on the basis of the share rights, will take place after the release of the interim report for the period January – March 2023. Allotment of BillerudKorsnäs shares requires, with certain exceptions, that the participant is still employed by the BillerudKorsnäs group and has retained the Saving Shares at the release of the interim report.
- BillerudKorsnäs will make no compensations to the participants of LTIP 2020 due to dividends regarding the shares that the respective share right entitles to.
- The maximum profit per participant is limited to SEK 410 per share right, equal to a maximum of approximately 27 monthly salaries for Category 1, approximately 22 monthly salaries in average for Category 2, and approximately 10 monthly salaries in average for Category 3. In the event that the profit, when calculating the allotment according to LTIP 2020, should exceed the limit of SEK 410 per share right, adjustment shall be made by consequently decreasing the number of BillerudKorsnäs shares that the participant is entitled to receive.

The share rights are divided into three series, series A, B and C, with three different conditions to measure performance:

Series A *Sustainability performance:* measured by BillerudKorsnäs' performance in Dow Jones Sustainability Indices (DJSI) during the Measurement Period, where allotment will be granted as follows;

- Maximum allotment of 1 BillerudKorsnäs share per share right of series A if BillerudKorsnäs is ranked as Industry Leader in DJSI three out of three years.
- 0.75 BillerudKorsnäs shares allotment per share right of series A if BillerudKorsnäs is ranked as Industry Leader in DJSI two out of three years.
- 0.5 BillerudKorsnäs shares allotment per share right of series A if BillerudKorsnäs is ranked as Industry Leader in DJSI one out of three years.
- No allotment of BillerudKorsnäs shares if BillerudKorsnäs is not ranked as Industry Leader in DJSI any of the three years.

Series B *Growth performance:* measured by BillerudKorsnäs' organic net sales growth (net sales growth compared to previous year adjusted for currency and (if any) M&A activities, and calculated as a three year average) during the Measurement Period. The maximum level of allotment pursuant to this performance condition is an average organic net sales growth of 6 per cent and the minimum level is an average organic net sales growth exceeding 2 per cent. If the average organic net sales growth amounts to the maximum level of 6 per cent, maximum allotment of 1 BillerudKorsnäs share per performance share right of series B shall be made. If the average organic net sales growth should be lower than 6 per cent per year, but exceeding the minimum level of 2 per cent per year, the allotment will be made on a linear basis. If the average organic growth amounts to 2 per cent or less, the performance share rights of series B shall not entitle to allotment of BillerudKorsnäs shares.

Series C *Profitability performance*: measured by BillerudKorsnäs' average adjusted EBITDA margin (based on net sales deducted for cost of goods sold and fixed cost per each full year, adjusted for items impacting comparability, and calculated as a three year average) during the Measurement Period. The maximum level of allotment under the performance condition is an average adjusted EBITDA margin of 18 per cent and the minimum level of allotment is an average adjusted EBITDA margin exceeding 13 per cent. If the average adjusted EBITDA margin amounts to the maximum level of 18 per cent or more, maximum allotment of 1 BillerudKorsnäs share per performance share rights of series C shall be made. If the average adjusted EBITDA margin should be lower than 18 per cent, but exceeding the minimum level of 13 per cent, the allotment will be made on a linear basis. If the average adjusted EBITDA margin amounts to 13 per cent or less, the performance share rights of series C shall not entitle to allotment of BillerudKorsnäs shares.

If BillerudKorsnäs delivers total shareholder return (TSR), that exceeds zero (0) per cent during the Measurement Period all vested share rights entitles to BillerudKorsnäs shares, but if the TSR during the Measurement Period is zero, or below, only 50 per cent of the vested share rights will entitle to BillerudKorsnäs shares.

If the number of shares that the share rights entitle to is not a whole number of shares, the number of shares that are to be transferred to the participant shall be rounded down to the nearest whole number of shares.

The board intends to present whether the conditions have been fulfilled in the annual report of 2022.

Detailed terms and administration

The board, or the remuneration committee, shall be responsible for determining the detailed terms and administration of LTIP 2020 to be applicable between BillerudKorsnäs and the participant, however within the framework of the scope and guidance given in this resolution. The board or the remuneration committee shall be authorised to make adjustments to fulfil certain rules or market conditions in other jurisdictions. If delivery of shares cannot be accomplished at reasonable costs and with reasonable administrative efforts to persons outside Sweden, the board 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 2020 no longer fulfils the main objectives.

Scope

In total, LTIP 2020 comprises a maximum of 81,565 Saving Shares, which can lead to allotment of in total a maximum of 374,825 BillerudKorsnäs shares which correspond to approximately 0.18 per cent of the number of outstanding shares and votes in BillerudKorsnäs.

The number of shares included in LTIP 2020 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 in BillerudKorsnäs, according to accepted practice for similar incentive programs.

In total, LTIP 2020 comprises a maximum of 374,825 BillerudKorsnäs shares. On 31 December 2019, the previously adopted long-term incentive programs in BillerudKorsnäs comprised a maximum of 554,032 BillerudKorsnäs shares, LTIP 2020 and the other adopted long-term incentive programs would entail a maximum total dilution of shares of approximately 0.50 per cent of the number of outstanding shares and votes in BillerudKorsnäs.

Delivery of shares to the participants in LTIP 2020

The board has considered two alternative hedging methods for delivering BillerudKorsnäs shares to the participants, subject to the terms and conditions of LTIP 2020; either that BillerudKorsnäs (i) transfers shares held by the company itself to participants, free of charge, according to the board's proposal in item 15 (b) or (ii) enters into an agreement with a bank that will be able to, in its own name, acquire and transfer BillerudKorsnäs shares. The board considers the first alternative as its preferred option. However, should the annual general meeting not approve the proposed transfer

of own shares in accordance with the proposal in item 15 (b), the board may enter into a hedging arrangement with a third party to hedge the obligations of BillerudKorsnäs to deliver shares under LTIP 2020 as set out above.

BillerudKorsnäs has own shares held in treasury that covers the obligation to deliver shares to the participants in the resolved ongoing, and proposed, LTIP.

Estimated costs and the value of LTIP 2020

The board has estimated the average value of each share right to SEK 83.40. The estimation is based on generally accepted valuation models using the closing price for the BillerudKorsnäs share on 18 March 2020 (SEK 104.40), statistics on the BillerudKorsnäs' share price development as well as projected dividends. The aggregate estimated value of the 374,825 share rights, based on the assumption that the outcome is right between minimum and maximum performance, and estimations on turnover of personnel about 10 per cent each year, is approximately MSEK 17.8. The value is equivalent to approximately 0.1 per cent of the market capitalisation for BillerudKorsnäs as of 18 March 2020. The costs are treated as a staff cost in the profit and loss accounts and it is expensed over 36 months in accordance with IFRS 2, 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 2020 including social security costs is approximately MSEK 8.4, which on a yearly basis equals approximately 0.2 per cent of BillerudKorsnäs' total staff costs for the financial year 2019. The maximum cost for LTIP 2020, based on these assumptions, is estimated to be approximately MSEK 79.6, whereof MSEK 48.3 in social security costs.

Effects on key ratios

In the event of full participation in LTIP 2020, BillerudKorsnäs' staff cost is expected to increase annually with approximately MSEK 8.8. On a pro forma basis for 2020, this cost equals a marginal negative effect on BillerudKorsnäs' operating margin and earnings per share.

The board considers that the positive effects on the result, which are expected to arise from the increase of the shareholding by senior executives and key employees and which, in addition, may be further increased by the shareholding in LTIP 2020, exceeds the costs.

The preparation of the proposal

LTIP 2020, which is based on the previous year's long-term share based incentive programs, has been initiated and prepared by BillerudKorsnäs' remuneration committee and board.

THE BOARD'S PROPOSAL FOR RESOLUTION ON TRANSFER OF OWN SHARES TO THE PARTICIPANTS IN THE PROGRAM (ITEM 15 (B) ON AGENDA)

The board proposes that the annual general meeting resolves upon a transfer of a maximum of 374,825 BillerudKorsnäs shares held in treasury to the participants in LTIP 2020 (or the higher number of shares that may result from a recalculation under the terms of the LTIP 2020). Transfer of shares to the participants shall be made free of charge in accordance with the terms of LTIP 2020. The reasons for deviating from the shareholders' preferential right are the same as the reasons motivating adoption of LTIP 2020.

AUTHORISATION FOR THE BOARD TO RESOLVE ON REPURCHASES OF OWN SHARES (ITEM 16 ON THE AGENDA)

As announced in connection with the 2019 year-end report, the board proposes that the board is authorised to resolve on repurchases of BillerudKorsnäs' own shares, for cancellation of shares through a reduction of the share capital, but also in order to deliver shares to the participants in the long-term incentive programs, in accordance with the following conditions:

- The repurchase of shares shall take place on Nasdaq Stockholm, on one or more occasions during the period up until the next annual general meeting.
- So many shares may, at the most, be repurchased so that BillerudKorsnäs' holding does not at any time exceed 10 per cent of the total number of shares in BillerudKorsnäs.
- The repurchase of shares on Nasdaq Stockholm may occur at a price per share within the at each time registered share price interval, by which is meant the difference between the highest buying price and the lowest selling price.
- Payment for the shares shall be made in cash.

On the back of the successful Bergvik Skog Öst transaction, the board propose the buy-back authorization to give the board more options for returning excess capital to the shareholders and to optimise the capital structure of BillerudKorsnäs in its efforts to deliver longterm shareholder value, as well as to provide a method to secure delivery of shares to the participants under BillerudKorsnäs' long-term incentive programs. Such transfers of own shares may only be made in accordance with the resolutions to transfer own shares to participants in the incentive programs.

THE BOARD'S PROPOSAL REGARDING AMENDMENT OF THE ARTICLES OF ASSOCIATION (ITEM 17 ON THE AGENDA)

The board proposes that the articles of association are amended. A new section is proposed to be inserted in the articles of association allowing the board to collect powers of attorney in accordance with the procedure described in Chapter 7, section 4, paragraph 2 of the Companies Act (2005:551) and allowing the board to decide that shareholders shall have the right to provide their votes before a general meeting. Further, amendments are proposed to reflect changes in legislation.

Current wording

§ 1 Name of the Company

The *name of the company* (*Sw. firma*) shall be BillerudKorsnäs Aktiebolag (publ).

§ 9 Notice, second paragraph

Shareholders who wish to participate in negotiations at the general meeting must *be included in the printout or other presentation of the full share register as per 5 days prior to the Meeting and must* notify the company of their intention to participate at the latest on the day indicated in the announcement of the meeting. The latter date shall not be a Sunday, holiday, Saturday, midsummer eve, Christmas eve, New Year's eve and shall not be earlier than five working days before the meeting.

Proposed wording

§ 1 The Company's business name

The *company's business name* (*Sw. företagsnamn*) shall be BillerudKorsnäs Aktiebolag (publ).

§ 9 Notice, second paragraph

Shareholders who wish to participate in negotiations at the general meeting must notify the company of their intention to participate at the latest on the day indicated in the announcement of the meeting. The latter date shall not be a Sunday, holiday, Saturday, midsummer eve, Christmas eve, New Year's eve and shall not be earlier than five working days before the meeting

§ 10 Collection of powers of attorney and voting by post

The Board may collect powers of attorney in accordance with the procedure described in Chapter 7, section 4, second paragraph of the Companies Act (2005:551).

The Board has the right before a general meeting to decide that shareholders shall be able to exercise their right to vote by post before the general meeting.

As a consequence of the insertion of a new section 10 a renumbering of the following sections is proposed, whereby the old § 10 becomes § 11 and the old § 11 becomes § 12.

This is an in-house translation of the Company's Articles of Association. In case of any discrepancies between the Swedish original Articles of Association and this translation, the Swedish original shall prevail.

**Articles of Association of BillerudKorsnäs Aktiebolag (publ) (556025-5001)
Adopted at the Annual General Meeting 5 May 2020**

§ 1 The Company's business name

The company's business name (Sw. *företagsnamn*) shall be BillerudKorsnäs Aktiebolag (publ).

§ 2 Object of operations

The object of the company's operations is to, directly and indirectly, carry on forest industry operations, which includes producing and selling pulp, paper and board as well as packaging materials and packaging solutions made thereof, own, manage, acquire, transfer and lease real property within forestry, carry on production of forestry and sell products derived from these assets, carry on production of electric power and energy generation as well as to carry on other activities associated therewith.

§ 3 Share Capital

The company's share capital shall be at least SEK 750,000,000 and at most SEK 3,000,000,000.

§ 4 Number of shares

The number of shares shall be at least 100,000,000 and at most 400,000,000.

§ 5 Registered office

The registered office of the Board of Directors is in Stockholm, Sweden.

§ 6 Board of Directors

The Board of Directors shall be composed of at least six members and at most ten members, with at most six deputies.

§ 7 Auditors

One or two auditors and at most two deputy auditors, or a registered firm of auditors, shall be appointed. The assignment as auditor shall remain until the end of the annual general meeting held during the first, second, third or fourth financial year following the year the auditor was appointed.

§ 8 Annual General Meeting

An Annual General Meeting shall be held each year within six months of the end of the financial year.

The following items of business shall be addressed at the Annual General Meeting:

1. Election of a Chairman of the Meeting;
2. Preparation and approval of a list of voters;
3. Approval of the agenda;
4. Election of one or two persons to check the Minutes;
5. Examination as to whether the Meeting has been duly convened;
6. Presentation of the Annual Report and the Auditors' report, and as necessary, of the Consolidated Annual Report and the Consolidated Auditors' Report;
7. Resolutions on
 - a) adoption of the Income Statement and Balance Sheet, and as necessary, of the Consolidated Income Statement and Consolidated Balance Sheet,
 - b) distribution of the Company's profit or loss in accordance with the adopted Balance Sheet,
 - c) discharge from liability for the members of the Board and the Managing Director;

8. Determination of the number of Board members and deputies to be elected by the Meeting and, as necessary, determination of the number of auditors and deputy auditors to be elected by the Meeting, or alternatively, determination of whether a registered firm of auditors shall be elected;
9. Determination of fees payable to the Board of Directors and, as necessary, to the auditors;
10. Election of members of the Board and deputies, and as necessary, election of auditors and deputy auditors or registered firm of Auditors;
11. Any other business to be on the agenda of the Meeting pursuant to the Swedish Companies Act (2005:551) or Articles of Association.

§ 9 Notice

Notice of a general meeting of shareholders shall be made in the form of an announcement in an advertisement in the Official Gazette (*Sw. Post och Inrikes Tidningar*) and on the company's website. Confirmation that notice has been given shall be given in an advertisement in Svenska Dagbladet.

Shareholders who wish to participate in negotiations at the general meeting must notify the company of their intention to participate at the latest on the day indicated in the announcement of the meeting. The latter date shall not be a Sunday, holiday, Saturday, midsummer eve, Christmas eve, New Year's eve and shall not be earlier than five working days before the meeting

Shareholders may be accompanied by one or two assistants at the meeting provided that the shareholder has notified the company in accordance with the above paragraph.

§ 10 Collection of powers of attorney and voting by post

The Board may collect powers of attorney in accordance with the procedure described in Chapter 7, section 4, second paragraph of the Companies Act (2005:551).

The Board has the right before a general meeting to decide that shareholders shall be able to exercise their right to vote by post before the general meeting.

§ 11 Financial year

The calendar year will be the financial year of the company.

§ 12 Record day provision

The company's shares shall be recorded on a control register in accordance with the Swedish Central Securities Depositories and Financial Instruments (Accounts) Act (1998:1479).

The shareholder or shareholder's representative entered on the established record day in the share register and the control register in accordance with chapter 4 of the Central Securities Depositories and Financial Instruments (Accounts) Act (1998:1479), or the person listed in the control account in accordance with chapter 4 § 18, first paragraph, lines 6-8, of the aforementioned law, shall be considered authorised to exercise the rights expressed in chapter 4 § 39 of the Companies Act (2005:551).