

Minutes from the annual general meeting of shareholders of Billerud Aktiebolag (publ), reg. no. 556025-5001, held between 15:00 – 16:40 on Tuesday 21 May 2024 at 7A Posthuset in Stockholm.

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§ 1

Opening of the meeting (item 1 on the agenda)

The chairman of the board of directors, Jan Svensson, opened the annual general meeting and welcomed the shareholders, as well as presented the present board and the CEO.

§ 2

Election of chairman of the meeting (item 2 on the agenda)

The meeting resolved, in accordance with the proposal of the nomination committee, to elect Wilhelm Lüning as chairman of the annual general meeting. It was noted that the company's General Counsel Andreas Mattson had been asked to keep the minutes at today's annual general meeting.

The meeting resolved that the guests listed in Appendix 1 were welcome to attend the meeting, however without the rights to address the meeting and participate in the meeting's resolutions.

§ 3

Drawing up and approval of the voting list (item 3 on the agenda)

It was noted that the board of directors had resolved that the shareholders should have the opportunity to exercise their voting rights at the annual general meeting by postal voting.

The meeting resolved to approve the list of registered and present shareholders and proxies with any advisors and postal votes received, as voting list as enclosed in Appendix 2 to the minutes.

The chairman informed that a number of shareholders in advance of the annual general meeting had submitted special instructions for voting, and that postal votes had been cast.

§ 4

Election of one or two persons to verify the minutes (item 4 on the agenda)

The meeting resolved that the minutes should be verified by Patrik Marcellius, representative of FRAPAG Beteiligungsholding AG and Anders Oscarsson, representative of AMF Pension & Funds, in addition to the chairman.

§ 5

Determination as to whether the meeting has been duly convened (item 5 on the agenda)

The chairman of the meeting noted that the notice convening the annual general meeting had been made in accordance with the provisions in the articles of association.

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

The notice convening the annual general meeting including the board of directors' proposed agenda and the board of directors' and nomination committee's complete proposals is enclosed to the minutes, Appendix 3.

§ 6

Approval of the agenda (item 6 on the agenda)

The meeting resolved to approve the proposed agenda as included in the convening notice to the annual general meeting.

The annual report and the auditor's report for the parent company and the group for the financial year 2023, the statements and reports of the board of directors and the nomination committee and other documents for the annual general meeting, which had been held available in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, were presented.

§ 7

Presentation by the CEO (item 7 on the agenda)

The CEO of the company, Ivar Vatne, presented and reported on the company's and the group's operations during 2023 and the first quarter 2024, and priorities for 2024.

After the chairman opened up for questions, the shareholders asked questions and gave their remarks on Billerud's operating margins, environmental and climate work, adaptations to changes in environmental legislation, challenges related to the company's anti-corruption work, input prices, and logistics matters, introduction of KM 7 in Gruvön, and the company's operations in the US.

§ 8

Presentation of the annual report and the auditors' report as well as the consolidated accounts and consolidated auditors' report for the 2023 financial year (item 8 on the agenda)

It was noted that the annual report and the auditors' report as well as the consolidated accounts and the consolidated auditors' report for the 2023 financial year had been presented.

The auditor-in-charge, Hök Olov Forsberg from the audit company KPMG, reported on the audit and concluding remarks in the auditors' reports for the parent company and the group for the financial year 2023.

§ 9

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 2023 (item 9(a) on the agenda)

The meeting resolved to adopt the income statements and the balance sheets for the parent company and the group, included in the annual report, for the financial year 2023.

§ 10

Resolution on the disposition of the company's profits based on the adopted balance sheet for 2023 and the record date for the dividend (item 9(b) on the agenda)

The chairman presented the board of directors' proposal, as approved by the auditor, for the disposition of the company's profit, such that of the total amount of SEK 8,687 million, at the disposal of the annual general meeting, dividend of SEK 2.00 per share should be distributed to the shareholders, and that the remaining amount should be retained, and that Thursday 23 May 2024 should be the record date for payment of the dividend.

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

§ 11

Resolution on discharge of personal liability for board members and the CEO for the year 2023 (item 9(c) on the agenda)

The meeting resolved to grant discharge from personal liability for the members of the board of directors and for the CEO concerning their administration during the financial year 2023.

It was noted that the members of the board and the CEO did not take part in the resolution as regards themselves, as all shareholders participating in the resolution supported the resolution, except for those shareholders that by postal voting or in advance had given no and abstain votes.

§ 12

Presentation of the remuneration report for approval (item 10 on the agenda)

It was noted that the board of directors' remuneration report for 2023 was presented.

The meeting resolved to approve the board's remuneration report for 2023.

### § 13

#### Resolution on number of board members to be elected by the meeting (item 11 on the agenda)

Anders Oscarsson, representative for AMF Pension & Funds, as well as chairman of the nomination committee, reported on the nomination committee's work and proposals.

The board member proposed for new election, Andreas Blaschke, presented himself to the meeting.

The meeting resolved, in accordance with the proposal of the nomination committee, that the board, until the end of the next annual general meeting, shall consist of six members.

### § 14

#### Resolution on remuneration for board members and committee work and on fees for auditors (item 12 on the agenda)

The meeting resolved in accordance with the nomination committee's proposal regarding the fees for work on the board of directors and the committees of the board of directors, 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 600,000 per member (previously SEK 580,000), and that the fee to the chairman of the board shall be SEK 1,750,000 (previously SEK 1,700,000),
- the remuneration for work on board committees, paid to members appointed by the board shall be SEK 250,000 (previously 200,000) to the chairman of the audit committee, SEK 120,000 (previously SEK 100,000) to each of the other members of the audit committee, SEK 55,000 (previously SEK 50,000) to the chairman of the remuneration committee and SEK 30,000 (previously SEK 25,000) to each of the other members of the remuneration committee, and
- fees to the auditor during the mandate period shall be paid in accordance with approved invoices.

### § 15

#### Election of board members (items 13(a)-(f) on the 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 13(a)-(f) and resolved to re-elect Regi Aalstad, Florian Heiserer, Magnus Nicolin, Jan Svensson, and Victoria Van Camp as members of the board of directors, and to elect Andreas Blaschke as new member of the board of directors, for the period until the close of the next annual general meeting.

### § 16

#### Election of chairman of the board (item 14 on the agenda)

The meeting resolved, in accordance with the proposal of the nomination committee, to re-elect Jan Svensson as chairman of the board of directors.

### § 17

#### Election of auditor (item 15 on the agenda)

The meeting resolved, in accordance with the proposal of the nomination committee, to elect the registered accounting firm KPMG as the company's auditor for the period until the close of the 2025 annual general meeting. It was noted that the authorized public accountant Hök Olov Forsberg will continue as auditor-in-charge.

### § 18

#### Resolution regarding guidelines for remuneration to senior executives (item 16 on the agenda)

The meeting resolved, in accordance with the board of directors' proposal, to adopt updated guidelines for remuneration to senior executives.

§ 19

The board's proposal regarding a performance based long-term share program for 2024, including resolutions to (a) implement a performance based long-term share program for 2024, and (b) transfer own shares to the participants (item 17(a)-(b) on the agenda)

Jan Svensson reported on the result of the long-term share program for 2021.

The chairman presented the board of directors' proposals of a long-term share program for 2024, and informed that the resolutions on agenda items 17(a)-(b) should be resolved upon together, and that a valid resolution under agenda item 17(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, as included in the convening notice, regarding the performance based long-term share program for 2024 (item 17(a)), and transfer of own shares to the participants in the program (item 17(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 shareholders participating in the resolution supported the resolution, except for those shareholders that in advance had given notice or by postal voting had casted no and abstain votes.

§ 20

The board's proposal regarding resolution on authorisation for the board to resolve on repurchases of own shares (item 18 on the agenda)

The chairman presented the board of directors' proposals regarding authorisation to resolve on repurchase of own shares, and informed that a valid resolution under agenda item 18 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, as included in the convening notice, to authorise the board of directors to resolve on repurchase of own shares, on one or several occasions.

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 shareholders participating in the resolution supported the resolution, except for those shareholders that in advance had given notice or by postal voting had casted no and abstain votes.

§ 21

Closing of the meeting (item 19 on agenda)

The chairman of the board Jan Svensson thanked the resigning board member Jan Åström for his important contributions to Billerud.

Further, Jan Svensson performed the board of directors' sincere thank you to the executive management and all employees of the Billerud group for well-performed work during 2023 and the shareholders for their support.

The chairman declared the annual general meeting closed.

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At the minutes:

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Andreas Mattsson

Minutes checked by:

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Wilhelm Lünig

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Anders Oscarsson

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Patrik Marcelius



# BILLERUD

## Billerud's annual general meeting 2024

### Notice and documentation to the meeting

The shareholders of Billerud Aktiebolag (publ), reg.no. 556025-5001 ("Billerud" or the "company") are hereby invited to the 2024 annual general meeting, to be held on **Tuesday 21 May 2024 at 15.00 CEST at 7A Posthuset, Vasagatan 28 in Stockholm, Sweden**. Registration starts at 14.00 CEST.

The board has resolved that shareholders also shall be able to exercise their voting rights at the annual general meeting through postal voting in advance.

Notice of participation at the meeting shall be given no later than by **Wednesday 15 May 2024** by submission of a notice of participation or postal vote (see page 3 in this document for further information regarding notice of participation and postal voting).

Material from the meeting, such as the presentation of the CEO Ivar Vatne and other presentation material that is available at the meeting, will be published at the company's website at [www.billerud.com/about-us/corporate-governance/general-meetings/agm-2024](http://www.billerud.com/about-us/corporate-governance/general-meetings/agm-2024), the day after the meeting.

#### **AGENDA ITEMS IN BRIEF**

The board's proposed agenda for the annual general meeting, and the complete proposals, are included in this document. The proposed resolutions are, in brief, the following.

#### **Annual report, dividend and discharge of liability**

- The meeting shall resolve to adopt the annual report for 2023. The annual report is available at the company's website at [www.billerud.com/investors/financial-reports](http://www.billerud.com/investors/financial-reports).
- The meeting shall resolve upon the distribution of the year's result. The board proposes a dividend of SEK 2.00 per share. The dividend is estimated to be paid out to the shareholders on **Tuesday 28 May 2024**.
- The meeting shall resolve whether or not to discharge the board and CEO from liability for the 2023 financial year.

#### **Election of board and auditor, as well as remuneration to the board and auditor**

- The meeting shall elect the company's board of directors. Current board members Regi Aalstad, Florian Heiserer, Magnus Nicolin, Jan Svensson (chairman), and Victoria Van Camp are proposed for re-election. In addition, Andreas Blaschke is proposed as new member of the board. Jan Åström has declined re-election to the board at the annual general meeting 2024.
- The meeting shall resolve on remuneration to the board and auditor. The nomination committee proposes increased fees for the board work, and that the auditor's fee shall be paid in accordance with approved invoices.
- The meeting shall elect auditor. The nomination committee proposes that KPMG is re-elected as auditor for one more year, in which case Hök Olov Forsberg will continue as the auditor-in-charge.



# BILLERUD

## **Remuneration and performance based long-term share program for 2024**

- The meeting shall resolve on approval of the remuneration report for 2023.
- The meeting shall resolve on the board's proposal to adopt new guidelines for remuneration to senior executives. The only significant change in the proposed new guidelines, compared to the guidelines adopted by the annual general meeting in 2022, is that the possibility for the board to offer members of the Group Management Team employed in the US participation in cash-based long-term incentive programs has been removed.
- The meeting shall resolve on the board's proposal to introduce a performance based long-term share program for 2024 for the CEO, other members of the Group Management Team (GMT members) and other key employees within Billerud. In all material respects, the proposed program follows the same structure as the share-based incentive programs for 2021, 2022 and 2023, with the addition of a new sustainability-related performance condition, and is described in detail below.

## **Authorisation for the board to resolve on repurchases of own shares**

- The meeting shall resolve on the board's proposal to authorise the board to resolve on repurchases of own shares up to a holding that corresponds to a maximum of 10 percent of the total number of outstanding shares in the company, for the purpose of giving the board more options in its efforts to deliver long-term shareholder value and total return, as well as to secure delivery of shares to participants of the proposed share-based incentive program for 2024 and potential future share-based incentive programs.

Solna in April 2024

*The Board of Directors*



# BILLERUD

## Information on notification to the meeting etc.

### **PARTICIPATION**

Shareholders who wish to participate in the annual general meeting must:

- be recorded as a shareholder in the presentation of the share register (maintained by Euroclear Sweden) concerning the circumstances on **Monday 13 May 2024** (the so called "Record Date"); and
- give notice of participation no later than **Wednesday 15 May 2024**.

### **Participation at the meeting venue**

Shareholders who wish to participate in the meeting at the meeting venue, in person or by proxy, must give notice of participation to Billerud no later than **Wednesday 15 May 2024**. Notice of participation may be submitted:

- by mail to Billerud AB (publ), "Annual General Meeting 2024", c/o Euroclear Sweden AB, P.O box 191, SE-101 23 Stockholm, Sweden;
- by telephone to +46 8402 90 62; or
- on <https://anmalan.vpc.se/EuroclearProxy>.

Shareholders shall in their notice of participation state their name, personal identification number or company registration number, address, phone number and advisors (not more than two), if applicable.

If the shareholder is represented by proxy at the meeting venue, a written and dated power of attorney, as well as, for legal entities, a registration certificate or other corresponding documentation, should be sent to the company to the address Billerud AB (publ), "Annual General Meeting 2024", c/o Euroclear Sweden AB, P.O box 191, SE-101 23 Stockholm, well before the meeting. A template proxy form is available at the company's website at [www.billerud.com/about-us/corporate-governance/general-meetings/agm-2024](http://www.billerud.com/about-us/corporate-governance/general-meetings/agm-2024).

### **Participation through postal voting**

Shareholders who wish to participate in the annual general meeting by postal voting must give notice of participation by casting their postal vote so that it is received by Euroclear Sweden (administering the forms on behalf of Billerud) no later than **Wednesday 15 May 2024**. A dedicated form shall be used for the postal vote. The form is available at Billerud's website [www.billerud.com/about-us/corporate-governance/general-meetings/agm-2024](http://www.billerud.com/about-us/corporate-governance/general-meetings/agm-2024). The completed form can be submitted electronically, either through BankID verification via Euroclear Sweden's website in accordance with instructions on <https://anmalan.vpc.se/EuroclearProxy> or by sending the completed and signed form by e-mail to [generalmeetingservice@euroclear.com](mailto:generalmeetingservice@euroclear.com). The completed and signed form may also be sent by mail to Billerud Aktiebolag (publ), "Annual General Meeting 2024", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden.

If the shareholder submits its postal vote by proxy, a written and dated power of attorney shall be enclosed with the postal voting form. A template proxy form is available at the company's website [www.billerud.com/about-us/corporate-governance/general-meetings/agm-2024](http://www.billerud.com/about-us/corporate-governance/general-meetings/agm-2024). If the shareholder is a legal entity, a registration certificate or a corresponding document for the legal entity shall be enclosed with the postal voting form. Further instructions can be found on the postal voting form and on Euroclear Sweden's website at <https://anmalan.vpc.se/euroclearproxy>.

Please note that shareholders who wish to attend the meeting venue in person or by proxy must give notice of participation in accordance with the instructions under the heading "*Participation at the meeting venue*" above. This



# BILLERUD

means that a notice of participation only through postal voting is not sufficient for shareholders who wish to attend the meeting venue.

## **Nominee-registered shares (voting rights registration)**

In order to be entitled to participate in the annual general meeting, shareholders whose shares are registered in the name of a nominee must, in addition to giving notice of participation, register such shares in their own name so that the shareholder is recorded in the presentation of the share register as of **Monday 13 May 2024**. Such registration may be temporary (so-called voting rights registration), and is requested from the nominee in accordance with the nominee's routines, and at such time in advance as determined by the nominee. Voting rights registrations that have been effectuated by the nominee no later than **Wednesday 15 May 2024** will be taken into account in the presentation of the share register for the annual general meeting.

## **PROCESSING OF PERSONAL DATA**

For information on how your personal data is processed, please refer to:

[www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf](http://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf).

## **DOCUMENTATION**

All documentation that serves as a basis for the proposed resolutions at the annual general meeting, except for the 2023 annual report, is included in this notice document.

The annual report is available at the company's website [www.billerud.com/investors/financial-reports](http://www.billerud.com/investors/financial-reports) and [www.billerud.com/about-us/corporate-governance/general-meetings/agm-2024](http://www.billerud.com/about-us/corporate-governance/general-meetings/agm-2024), respectively. The notice document and annual report are also available at the company's office on Evenemangsgatan 17 in Solna, Sweden. Shareholders who wish to have the notice and the documentation sent to them may contact the company by telephone +46 8-402 90 62 and state their postal or e-mail address.

## **NUMBER OF SHARES**

At the time of the announcement of this notice, there are in total 249,611,422 shares in the company representing one vote each, and accordingly the total number of votes is 249,611,422. At the same time, the company holds 1,059,569 of its own shares in treasury, which may not be represented at the meeting.

## **INFORMATION ON THE SHAREHOLDERS' RIGHT TO REQUEST INFORMATION**

Upon request by any shareholder and where the board deems it possible without causing material harm to the company, the board and the CEO shall, at the meeting, provide information regarding any circumstances which may affect the assessment of an item on the agenda as well as any circumstances that may affect the assessment of the company's or its subsidiaries financial position and Billerud's relation to other companies within the group and the consolidated accounts.

## **INFORMATION TO NON-SWEDISH SPEAKING SHAREHOLDERS**

This is an English translation of the original Swedish notice. In the event of any discrepancies between this translation and the original Swedish notice, the original Swedish version shall prevail. For the convenience of non-Swedish speaking shareholders, an English translation of the minutes from the annual general meeting will be made available at Billerud's website [www.billerud.com/about-us/corporate-governance/general-meetings/agm-2024](http://www.billerud.com/about-us/corporate-governance/general-meetings/agm-2024) no later than two weeks after the meeting.





# BILLERUD

## Proposed agenda for the annual general meeting 2024

1. Opening of the meeting.
2. Election of chairman of the meeting.
3. Drawing up and approval of the voting list.
4. Election of one or two persons to verify the minutes.
5. Determination as to whether the meeting has been duly convened.
6. Approval of the agenda.
7. Presentation by the CEO.
8. Presentation of the annual report and the auditors' report as well as the consolidated accounts and consolidated auditors' report for the 2023 financial year.
9. Resolution on
  - (a) the adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet for 2023,
  - (b) the distribution of the company's profits based on the adopted balance sheet for 2023 and the record date for the dividend, and
  - (c) discharge of personal liability for board members and the CEO for the year 2023.
10. Presentation of the remuneration report for approval.
11. Resolution on number of board members to be elected by the meeting.
12. Resolution on remuneration for board members and committee work and on fees for auditors.
13. Election of board members:
  - (a) Regi Aalstad (re-election, proposed by the nomination committee),
  - (b) Florian Heiserer (re-election, proposed by the nomination committee),
  - (c) Magnus Nicolin (re-election, proposed by the nomination committee),
  - (d) Jan Svensson (re-election, proposed by the nomination committee),
  - (e) Victoria Van Camp (re-election, proposed by the nomination committee), and
  - (f) Andreas Blaschke (new election, proposed by the nomination committee).
14. Election of chairman of the board.
15. Election of auditor.
16. Resolution regarding guidelines for remuneration to senior executives.
17. Resolution regarding a performance based long-term share program for 2024, including resolutions to
  - (a) implement a performance based long-term share program for 2024, and
  - (b) transfer own shares to the participants.
18. Resolution on authorisation for the board to resolve on repurchases of own shares.
19. Closing of the meeting.



# BILLERUD

## Complete proposals

### The nomination committee's proposals and motivated statement

#### COMPOSITION OF THE NOMINATION COMMITTEE 2023/24

The nomination committee in Billerud consists of members appointed by the company's four largest shareholders, who jointly represent close to 40 percent of the votes in the company. The nomination committee 2023/2024 is comprised of:

- Anders Oscarsson, appointed by AMF Pension & Funds,
- Michael M.F. Kaufmann, appointed by FRAPAG Beteiligungsholding AG,
- Thomas Wuolikainen, appointed by the Fourth Swedish National Pension Fund, and
- Oscar Bergman, appointed by Swedbank Robur Funds.

Anders Oscarsson is the chairman of the nomination committee.

The instruction for the nomination committee is available on the company's website, [www.billerud.se/en/About-Us/Corporate-Governance/](http://www.billerud.se/en/About-Us/Corporate-Governance/).

#### THE NOMINATION COMMITTEE'S MOTIVATED STATEMENT REGARDING ITS PROPOSALS TO THE ANNUAL GENERAL MEETING

In accordance with rule 2.6 of the Swedish Corporate Governance Code, the nomination committee gives the following statement regarding its proposals to the annual general meeting, including an account of the nomination committee's work and a description of the diversity policy which the nomination committee has adopted in its work.

The nomination committee was convened during the fall of 2023 and has since then prepared its proposals for election of chairman of the meeting, election of the board, election of auditor and remuneration to the board and the auditor etc.

As the basis for the nomination committee's work and decisions, members of the nomination committee have conducted individual interviews with board members. The nomination committee has also received a report on the outcome of the evaluation of the board's work. The nomination committee has through this been able to conclude that the board's work during the past year has worked well, with a high level of commitment and attendance from the board members. An assessment has also been made in respect of each member's ability to devote enough time and commitment to the board assignment.

The nomination committee has sought to further develop the board with different competences and experiences, for the purpose of increasingly adapting the board to Billerud's strategic priorities and orientation. In this work, the nomination committee has identified and been able to attract a new candidate for the board, Andreas Blaschke. Andreas has longstanding industry experience from the paper, cartonboard and packaging markets globally, including over 20 years of experience from Executive Board and management positions within the listed Mayr-Melnhof Group, which is the leading cartonboard producer in Europe with production facilities worldwide. Andreas has held positions such as Member of the Management Board of Mayr-Melnhof Karton AG, CEO of MM



# BILLERUD

Packaging and Managing Director of Mayr-Melnhof Packaging International GmbH, where he was involved in, among other things, international expansion strategies with focus on acquisitions and organic growth. Andreas is currently a Senior Advisor to businesses in Austria and Brazil. He is an Independent Board Director of TCPL Packaging Ltd, one of India's largest manufacturers of folding cartons and sustainable packaging, which is listed on the Mumbai Stock Exchange. In addition, Andreas has previously held positions as Board Member of Deutsches Verpackungsinstitut (2015-2023), President of ECMA (European Carton Makers Association) (2011-2017) and Vice President of ProCarton (2011-2017). Andreas holds a Doctor of Laws Degree from the University of Vienna and a Master of Business Studies from the Vienna University of Business Administration & Economics.

Jan Åström has declined re-election to the board of directors at the annual general meeting 2024. With the election of Andreas Blaschke, the board will consist of six members. The nomination committee believes that the proposed board has competence and experience within operational and financial areas, marketing, academic work and research and development, and that the proposed board also has an extensive knowledge of the conditions within the international markets where Billerud operates. The nomination committee believes that the proposed board's composition is appropriate for Billerud's priorities and future orientation.

In its work in preparing the proposal for the board, the nomination committee has applied rule 4.1 of the Swedish Corporate Governance Code as diversity policy. Accordingly, the nomination committee has in particular considered the need for diversity and breadth within the board with respect to competence, experience and background. The nomination committee has also considered the board's ability to ensure that Billerud continues to run its business in a sustainable way. The nomination committee considers that the proposed composition of the board is appropriate in that the members' experience and knowledge reflect Billerud's priorities. The nomination committee believes that questions of diversity and gender equality are important and that it is imperative for future nomination committees to continue to work actively with these questions.

The proposed board complies with The Swedish Corporate Governance Code requirements for independence. Detailed information about the proposed members of the board of Billerud, including the nomination committee's assessment of each member's independence, can be found towards the end of this document, and at the company's website [www.billerud.com/about-us/corporate-governance/board-of-directors](http://www.billerud.com/about-us/corporate-governance/board-of-directors).

The nomination committee has discussed the level and structure of the board fees. The nomination committee proposes that the 2024 annual general meeting resolves on an increase of the remuneration for the work on the board in order to maintain board fees on market level.

The nomination committee has been presented with the audit committee's recommendation that the nomination committee shall propose that KPMG should be re-elected as auditor, until the close of the next annual general meeting.

The nomination committee has also reviewed the current instruction for the nomination committee, which was resolved by the annual general meeting 2016, and has decided not to propose any changes.

In light of the above, the nomination committee proposes the following.

## **THE NOMINATION COMMITTEE'S PROPOSAL FOR ELECTION OF CHAIRMAN OF THE ANNUAL GENERAL MEETING (ITEM 2 ON THE AGENDA)**

The nomination committee proposes that Wilhelm Lünig, member of the Swedish Bar Association, from the Swedish law firm Cederquist, is elected to be the chairman of the annual general meeting.



# BILLERUD

## **THE NOMINATION COMMITTEE'S PROPOSAL FOR ELECTION OF THE BOARD (ITEMS 11, 13(A)-(F) AND 14 ON THE AGENDA)**

The nomination committee proposes the following:

- The board shall, until the end of the next annual general meeting, consist of six members (item 11 on the agenda).
- Re-election of Regi Aalstad, Florian Heiserer, Magnus Nicolin, Jan Svensson and Victoria Van Camp as board members, and election of Andreas Blaschke as new board member, until the end of the next annual general meeting, (item 13(a)-(f) on the agenda).
- Re-election of Jan Svensson as chairman of the board (item 14 on the agenda).

## **THE NOMINATION COMMITTEE'S PROPOSAL ON FEES FOR BOARD AND COMMITTEE WORK AND FEES FOR AUDITORS (ITEM 12 ON THE AGENDA)**

The nomination committee proposes, for the period until the close of the next annual general meeting, the following fees for board work and for work in the committees of the board:

- SEK 1,750,000 to the chairman of the board (2023: SEK 1,700,000),
- SEK 600,000 to each of the other board members (2023: SEK 580,000),
- SEK 250,000 to the chairman of the board's audit committee (2023: SEK 200,000),
- SEK 120,000 to each of the other members of the board's audit committee (2023: SEK 100,000),
- SEK 55,000 to the chairman of the board's remuneration committee (2023: SEK 50,000), and
- SEK 30,000 to each of the other members of the board's remuneration committee (2023: SEK 25,000).

The nomination committee proposes that the auditor's fee shall be paid in accordance with approved invoices.

## **THE NOMINATION COMMITTEE'S PROPOSAL REGARDING ELECTION OF AUDITOR (ITEM 15 ON THE AGENDA)**

In accordance with the recommendation of the audit committee, the nomination committee proposes that the company shall have one registered accounting firm as auditor, and that the registered accounting firm KPMG shall be re-elected as auditor until the close of the 2025 annual general meeting. KPMG has informed the nomination committee that the authorised public accountant Hök Olov Forsberg will continue as the auditor-in-charge if KPMG is elected as auditor.



# BILLERUD

## The board's proposals and statement

### **THE BOARD'S PROPOSAL REGARDING DISTRIBUTION OF THE COMPANY'S PROFITS BASED ON THE ADOPTED BALANCE SHEET FOR 2023 AND THE RECORD DATE FOR THE DIVIDEND (ITEM 9 (B) ON THE AGENDA)**

The board proposes a dividend of SEK 2.00 per share. As record date for the payment, the board proposes Thursday 23 May 2024.

If the annual general meeting resolves in accordance with the proposal, the last day of trading in the Billerud share including the right to receive payment of dividend will be Tuesday 21 May 2024, and the first trading day in the Billerud share not including a right to receive payment of dividend will be Wednesday 22 May 2024.

If the annual general meeting resolves in accordance with the proposal, the dividend is estimated to be paid out to the shareholders on Tuesday 28 May 2024.

### **THE BOARD'S REMUNERATION REPORT (ITEM 10 ON THE AGENDA), PROPOSAL REGARDING GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES (ITEM 16 ON THE AGENDA), AND PROPOSAL REGARDING A PERFORMANCE BASED LONG-TERM SHARE PROGRAM FOR 2024 (ITEM 17 ON THE AGENDA)**

Under item 10 on the agenda, the annual general meeting will resolve on the remuneration report which the board has prepared for 2023. Under item 16 on the agenda, the board presents a proposal regarding guidelines for remuneration to senior executives. Under item 17 on the agenda, the board presents a proposal for a new performance based long-term share program for 2024.

### **APPROVAL OF REMUNERATION REPORT (ITEM 10 ON THE AGENDA)**

The board submits the following report regarding remuneration to the CEO, deputy CEO, and the board for the financial year 2023 for approval in advisory purpose.

#### **Introduction**

This report describes how the guidelines for remuneration to senior executives in Billerud (the "**remuneration guidelines**"), adopted by the annual general meeting 2022, were implemented in 2023. The report also provides information on the remuneration to Billerud's CEO, deputy CEO, and board members (in addition to customary board remuneration resolved by the annual general meeting), and a summary description of Billerud's outstanding, and during the year completed, share-based incentive programs. The report has been prepared in accordance with the Swedish Companies Act and the Rules on Remuneration of the Board and Executive management and on Incentive Programmes issued by the Swedish Corporate Governance Board.

#### **Key developments in 2023**

The CEO summarizes the company's overall performance in his statement on pages 5-6 in the Annual and Sustainability Report 2023.



# BILLERUD

## Overview of the application of the remuneration guidelines in 2023

Billerud is challenging conventional packaging for a sustainable future, and this mission describes the purpose of Billerud's 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. Billerud's employees have a customer focus and are driving the change that is needed to realise the strategy and achieve our ultimate purpose – a sustainable future.

Under Billerud's remuneration guidelines, the remuneration shall consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. In addition to remuneration covered by the remuneration guidelines, the annual general meetings of Billerud have resolved to implement share-based incentive programs, as well as remuneration to the board of directors. The remuneration guidelines are found on page 79-80 in the Annual and Sustainability Report and at Billerud's website [www.billerud.com](http://www.billerud.com).

The application of the remuneration guidelines as well as the current structures and levels of remuneration, to what extent invited employees participate, and the uptake and expected outcome of the company's programs for short- and long-term variable remuneration are continuously monitored and evaluated by the remuneration committee and reported and discussed at board meetings. It is the conclusion of both the remuneration committee and the auditor that Billerud has complied with the remuneration guidelines during 2023, i.e. no deviations from the remuneration guidelines have been decided upon and no derogations from the procedure for implementation of the remuneration guidelines have been made. The auditor's report regarding the company's compliance with the remuneration guidelines is available at Billerud's website [www.billerud.com](http://www.billerud.com).



# BILLERUD

## Remuneration to the CEO and deputy CEO 2023<sup>1</sup> (SEK thousand)

Name, position (start/end)	Financial year	1 Fixed remuneration		2	3	4	5 Fixed remuneration	6	7
		Base salary	Other benefits <sup>2</sup>	Variable remuneration - One-year variable	Share based remuneration	Extra-ordinary items	Pension expense	Total remuneration	Proportion fixed of total remuneration / proportion variable of total remuneration
Ivar Vatne, CEO and former acting CEO <sup>3</sup>	2023	3,146 <sup>4</sup>	60	786	-	-	644	4,636	83% fixed / 17% variable
Christoph Michalski, former CEO <sup>5</sup>	2023	22,738 <sup>6</sup>	51	627	3,766	-	3,832	31,014 <sup>7</sup>	85% fixed / 15% variable
Ivar Vatne, former deputy CEO <sup>8</sup>	2023	4,283	68	632	-	-	771	5,754	89% fixed / 11% variable

### Application of the performance conditions

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability goals, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. Billerud's remuneration guidelines enable the company to offer the CEO a competitive total remuneration. By establishing that variable compensation shall be linked to predetermined and measurable financial and non-financial criteria, the variable cash remuneration, together with Billerud's share-based incentive programs, promote Billerud's business strategy, long-term interests and sustainability performance.

The performance conditions and targets for variable cash compensation to the CEO and deputy CEO for 2023 included a set of pre-determined and measurable corporate performance measures linked to Billerud's strategy (EBITDA, net sales, and certain sustainability targets), and was set by the board in February 2023.

<sup>1</sup> The table reports remuneration costs in 2023.

<sup>2</sup> Includes medical insurance and other benefits.

<sup>3</sup> Ivar Vatne became acting CEO on 28 July 2023 and CEO on 1 December 2023. Thus, the remuneration includes remuneration received by Ivar Vatne in his role as acting CEO for the period from and including 1 August 2023 up to and including 30 November 2023, and remuneration received by Ivar Vatne in his role as CEO for the period from and including 1 December 2023 up to and including 31 December 2023.

<sup>4</sup> Includes costs relating to paid holiday days, holiday supplement, allowances for expenses, and lunch coupons of SEK 43,000.

<sup>5</sup> Refers to the period from and including 1 January 2023 up to and including 31 July 2023. Christoph Michalski resigned as CEO on 28 July 2023.

<sup>6</sup> Includes costs relating to severance pay, paid holiday days, holiday supplement, car allowances, allowances for expenses, and lunch coupons of SEK 317,000.

<sup>7</sup> Remuneration for termination of employment of former CEO Christoph Michalski, who resigned as CEO on 28 July 2023, amounting to SEK 18,960,000, of which gross salary and severance pay SEK 16,498,000, variable remuneration SEK 627,000, other benefits SEK 86,000, and pension SEK 1,749,000.

<sup>8</sup> Refers to the period from and including 1 January 2023 up to and including 31 July 2023.



# BILLERUD

Description of conditions regarding the remuneration component	Relative weighting of performance condition	a) Measured performance and b) actual allocation / remuneration outcome (SEK thousands)
Ivar Vatne, CEO and former deputy CEO <sup>9</sup>		
EBITDA	30%	a) 0%
		b) 0
Operating cashflow / EBITDA	10%	a) 99%
		b) 284
LTIFR (Number of accidents per million hours worked for own employees and contractors)	10%	a) 100%
		b) 284
Energy Efficiency Improvement (Total energy consumption with regards to 2021's consumption)	10%	a) 80%
		b) 227
Atlas Programme	10%	a) 100%
		b) 284
Go Great MSEK Delivery	20%	a) 93%
		b) 528
Divestment of Managed Packaging	10%	a) 70%
		b) 198
Outcome before introduction of maximum outcome		1,800
Outcome after introduction of maximum outcome <sup>10</sup>		1,418

<sup>9</sup> In 2023, Ivar Vatne had the same bonus parameters in the role as deputy CEO, acting CEO, and CEO.

<sup>10</sup> Ivar Vatne's bonus outcome for 2023 corresponds to 64 percent target fulfilment. Given the financial results for 2023 it was resolved to introduce a cap for bonus payment corresponding to a maximum of 50 percent of the maximum bonus, which results in Ivar Vatne's bonus payment being adjusted down to SEK 1,418,000 for the full year 2023.





# BILLERUD

Christoph Michalski, former CEO		
Earnings per share	80%	a) 0%
		b) 0
LTIFR (Number of accidents per million hours worked for own employees and contractors)	10%	a) 100%
		b) 348
Energy Efficiency Improvement (Total energy consumption with regards to 2021's consumption)	10%	a) 80%
		b) 279

## Share-based remuneration

### *Outstanding share-based incentive programs*

Over the years, Billerud has implemented several long-term share-based incentive programs for the executive management team and other key employees. These programs are intended to attract, motivate, and retain the participating employees by providing long-term incentives through awards linked to the company's share price. They have been designed to align the participants incentives with shareholder interests.

As per 31 December 2023, the company had three ongoing share-based incentive programs (2021, 2022 and 2023) resolved by the annual general meeting (the "**programs**").

**The 2021 and 2022 programs** follow the same overall structure and are targeting 60 employees including the CEO and the other Group Management Team members as well as other key personnel and talents. The 2023 program follows the same overall structure as the 2021 and 2022 programs but is targeting 80 employees and also includes employees within the North American operations, which was acquired in 2022.

In order to create clarity and predictability for the participants, the programs only measure one financial performance condition; annual compound average growth in earnings per share ("EPS CAGR"), for the 2021 and 2022 programs, and total earnings per share ("Total EPS") for the 2023 program. The performance conditions are measured during each program's duration period, respectively. In order to participate, the participants must own shares corresponding to an amount decided by the annual general meeting. The participants are offered an opportunity to receive shares in Billerud subject to that the participant, with a few exceptions, is employed in Billerud and fulfils the shareholding requirement during the programs' three-year vesting periods. Further, the allocation of shares is dependent on the level of fulfilment of the financial performance condition.

Allotment of the shares shall occur after the announcement of Billerud's interim financial report after each programs' duration period (the first quarter 2024, 2025 and 2026, respectively). All shares allotted to the participants shall be transferred free of charge by Billerud.

The CEO and former deputy CEO of Billerud, Ivar Vatne, participates in Category 2 in the three programs, which are vesting in connection with Billerud's interim financial report for the first quarter 2024, 2025 and 2026, respectively, and may be allotted Billerud shares corresponding to 50 percent of his annual salary under each program.



# BILLERUD

The levels for the performance condition (threshold and maximum level, respectively) have been determined by the board. Information regarding threshold, maximum level and performance condition fulfilment will be given in connection with the annual general meeting 2024 for the 2021 program, in connection with the annual general meeting 2025 for the 2022 program, and in connection with the annual general meeting 2026 for the 2023 program.

All programs include Billerud shares. Further information regarding outstanding share-based programs can be found in note 23 on page 79 – 80 in the Annual- and Sustainability Report 2023 as well as at Billerud's website [www.billerud.com](http://www.billerud.com).

For the annual general meeting 2024 the board suggests a program with the same overall structure as the 2021, 2022 and 2023 programs, with the addition of a new sustainability-related performance condition.

### ***Share-based incentive programs ended during 2023***

During 2023, the 2020 share-based incentive program was ended. Billerud's CEO Ivar Vatne did not participate in the 2020 program. Billerud's former CEO, Christoph Michalski, participated in the 2020 program with 8,703 saving shares and received 38,603 performance and matching shares. Further information regarding the ended share-based program can be found in note 23 on page 79 - 80 in the Annual- and Sustainability Report 2023 as well as at Billerud's website [www.billerud.com](http://www.billerud.com).



# BILLERUD

## Comparative information on the change of remuneration and Billerud's performance

### Remuneration and company performance (SEK thousand unless otherwise stated)<sup>11</sup>

	2020	2021	2022	2023
<i>CEO's and deputy CEO's remuneration<sup>12</sup></i>				
CEO	8,255	14,836	15,523	27,408
CEO, adjusted for severance pay	8,255	-	-	17,211
Deputy CEO	-	-	728 <sup>13</sup>	5,122 <sup>14</sup>
<i>Company's performance<sup>15</sup></i>				
Sales growth in percent (goal 3-4%)	-2	10	63 <sup>16</sup>	-3
EBITDA margin in percent (goal >17%)	11	15	19	8
Interest bearing net debt/EBITDA (goal <2.5)	2.0	1.0	0.6	1.8
Dividend in percent of net profit (>50%)	135	60	41	103
<i>Average remuneration on a full-time equivalent basis of employees<sup>17</sup></i>				
Average remuneration per employee in the Billerud group SEK thousands	564	627	793	790

### Additional information available in the Annual and Sustainability Report 2023 and on Billerud's website

Billerud's remuneration guidelines, adopted by the annual general meeting 2022, and the auditor's report regarding whether Billerud has complied with the guidelines can be found at Billerud's website [www.billerud.com](http://www.billerud.com).

<sup>11</sup> Remuneration earned in the respective years.

<sup>12</sup> Remuneration includes fixed and variable short-term remuneration and benefits excluding pension and not including LTIP-costs.

<sup>13</sup> Concerns the period from and including 1 November 2022 up until and including 31 December 2022. Ivar Vatne took up his role as deputy CEO on 24 October 2022.

<sup>14</sup> Refers to remuneration received by Ivar Vatne in his former role as deputy CEO during the period from and including 1 January 2023 up to and including 31 July 2023.

<sup>15</sup> For definitions of the performance conditions please see the Annual and Sustainability Report 2023 and mainly the section "Key figures – definitions and purpose".

<sup>16</sup> Net sales for 2022 increased by 63 percent. The increase occurred mainly within the product area Paper and was primarily a result of the acquisition of Verso on 31 March 2022. Net sales excluding exchange rate effects, the acquisition of Verso and the divestment of Beetham 2021 increased by 16 percent.

<sup>17</sup> Remuneration includes fixed and variable short-term and long-term remuneration and benefits.



# BILLERUD

Additional information on Billerud's remuneration during 2023 that is not covered by this report is available in the Annual and Sustainability 2023 Report, which can be found on:

p. 38-39	Work of the remuneration committee in 2023
note 23 on p. 79-80	Information required by Chapter 5, Sections 40-44 of the Annual Accounts Act (1995:1554), including detailed information on remuneration to the other senior executives covered by the remuneration guidelines adopted at the 2022 annual general meeting and the Billerud share and share price related incentive programs
note 23 on p. 79	Remuneration to the board of directors

## **THE BORD'S PROPOSAL ON GUIDELINES REGARDING REMUNERATION FOR SENIOR EXECUTIVES (ITEM 16 ON THE AGENDA)**

### **Introduction**

The board proposes that the annual general meeting resolves to adopt the following guidelines for remuneration to the CEO and the other members of the Group Management Team (GMT members). The guidelines are applicable on remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2024. The guidelines do not apply to any remuneration approved by the general meeting, for example ordinary board remuneration and Billerud long-term share-related incentive programs.

### **The guidelines' promotion of Billerud's business strategy, long-term interests and sustainability**

Billerud is challenging conventional packaging for a sustainable future and this mission describes the purpose of Billerud's 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. Billerud's 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 Billerud's business strategy, see the company's website, [www.billerud.com/about-us/our-strategy](http://www.billerud.com/about-us/our-strategy).

A prerequisite for the successful implementation of Billerud's business strategy and safeguarding of Billerud's long-term interests, including its sustainability, is that Billerud is able to recruit and retain qualified employees with high competence and capacity to achieve set goals. Billerud will challenge conventional packaging for a sustainable future – and it is Billerud's talented and high-performing employees that are the people driving the change that is needed to realise the strategy and achieve this purpose. To achieve this, it is necessary that Billerud offers competitive total remuneration which creates incentives for senior executives. The goal is to create incentives to promote Billerud's business strategy and long-term interests, deliver exceptional results and to link incentives for key persons within Billerud with the shareholders' interests. These guidelines enable this objective and that GMT members can be offered a competitive total remuneration.



# BILLERUD

## **Types of remuneration, etc.**

Billerud 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, share and share price-related remuneration.

The variable cash remuneration to the GMT members is paid based on outcomes in relation to clearly stated goals and shall amount to a maximum of 70 percent of their respective annual fixed cash salary. Reflecting current market conditions, the variable cash remuneration for GMT members employed in the U.S. may amount to a maximum of 150 percent 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 GMT members, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100 percent of the annual fixed cash salary, and 150 percent of the annual fixed cash salary for GMT members employed in the U.S. 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 Billerud's development and in order for the CEO and GMT members to have a significant, long-term shareholding in Billerud. The outcome of the long-term share and share price-related remuneration shall be linked to certain predetermined performance conditions based on Billerud's share price and/or results.

More information about these programs, including the conditions for the outcome, are available at the company's website <https://www.billerud.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 35 percent 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 no more than 40 percent 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 guidelines shall be in force until new guidelines are adopted by the general meeting. The board shall prepare a proposal for new guidelines where material changes of the guidelines become necessary, and in any case at least every fourth year and submit it to the general meeting.

The remuneration committee shall also monitor and evaluate programs for variable remuneration for the Group Management Team, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in Billerud. The members of the remuneration committee are independent of the company and its Group Management Team. The CEO and GMT members do not participate in the board's processing of and resolutions regarding remuneration-related matters if they are affected by such matters.



# BILLERUD

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 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 remuneration to the CEO. For variable cash remuneration to other GMT members, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by Billerud.

Variable cash remuneration shall only be paid provided that Billerud's 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 Billerud's 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 Billerud 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 senior executives and remuneration to other employees will be disclosed in the remuneration report.

## **Termination of employment**

In the event of termination of employment of an GMT member, a notice period of a maximum of twelve months and a right to severance pay corresponding to a maximum of the fixed cash salary for one year if the employment is terminated by Billerud. When termination is made by an GMT member, the notice period may not exceed six months, without any right to severance pay. In order to meet market conditions, in relation to GMT members employed in the U.S., Billerud can apply severance pay corresponding to a maximum of 18 months fixed cash salary if the employment is terminated by Billerud and similar situations.

## **Remuneration to board members elected by general meetings**

Board members elected by general meetings in Billerud shall in special cases be able to be remunerated for services within their respective areas of expertise, which do not constitute board work in Billerud Aktiebolag. 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 Billerud's long-term interests, including its sustainability, or to ensure Billerud's financial viability. As set out above, the remuneration committee's tasks include



# BILLERUD

preparing the board's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

## **Description of material changes in the guidelines and how shareholder's comments have been addressed**

The board has not received any comments from the shareholders concerning the existing guidelines for remuneration to the senior executives, which were adopted at the annual general meeting 2022. The only significant change in the proposed new guidelines, compared to the guidelines adopted by the annual general meeting in 2022, is that the possibility for the board to offer GMT members employed in the US participation in cash-based long-term incentive programs has been removed.

## **PERFORMANCE BASED LONG-TERM SHARE PROGRAM (ITEM 17 ON THE AGENDA)**

### **IMPLEMENTATION OF A PERFORMANCE BASED LONG-TERM SHARE PROGRAM FOR 2024 (ITEM 17(A) ON THE AGENDA)**

The board proposes that the annual general meeting resolves to implement a performance based long-term share program for GMT members and other key employees in Billerud (the "**Share Program 2024**"). The Share Program 2024 follows the same structure and keeps the same economic characteristics for the participants as the share programs of 2021, 2022 and 2023. The financial performance condition (earnings per share) is the same as for the share programs of 2021, 2022 and 2023, and is in accordance with the share program of 2023 measured as accumulated earnings per share instead of growth in earnings per share. In addition, a sustainability-related performance condition (reduction of CO<sub>2</sub> emissions) has been added, measured based on Billerud's reduction of the Billerud group's CO<sub>2</sub> emissions over the financial years 2024-2026. As has been the case in previous long-term share-based incentive programs, having an own holding of Billerud shares is a condition to participate in Share Program 2024.

To create clarity and predictability for the participants and to further align the interests of the participants with the interests of the shareholders, the Share Program 2024 focuses solely on one strategically important financial performance condition, earnings per share, and one important sustainability-related performance condition, reduction of CO<sub>2</sub> emissions, described in more detail below. The board is convinced that the proposed share program will benefit the company's shareholders as it will contribute to the opportunity to recruit and retain strategically important employees, is expected to increase the commitment and the motivation for the participants in the program and will strengthen the participants' ties to the Billerud group and its shareholders.

### **Shareholding requirement**

To be entitled to participate in the Share Program 2024, the employees must hold shares corresponding to a certain value determined by the annual general meeting. The value is a portion of the employee's fixed annual salary 2023 (before tax), where the CEO shall hold as many shares as correspond to 15 percent of the annual salary, the other GMT members shall hold as many shares as correspond to 10 percent of the annual salary, and other key persons shall hold so many shares as correspond to 5 percent of the annual salary. To determine the number of shares corresponding to this value, the value shall be divided by the closing price for the Billerud share on Nasdaq Stockholm as per the last day of trading 2023.

If the participant has inside information, or is otherwise subject to trading restrictions, and therefore unable to meet the shareholding requirement in connection with the application for participation in the Share Program 2024, the acquisition of shares shall be made as soon as the trading restriction lapses.



# BILLERUD

New employees who have not yet started their employment when application for participation in the Share Program 2024 is to be made at the latest may, subject to the employment starting during 2024, be offered participation in the Share Program 2024 if the remuneration committee deems it to be in line with the purpose of the Share Program 2024, provided that the employee acquires the required number of shares.

## Participants in the Share Program 2024

The Share Program 2024 comprises a maximum of 80 participants in the Group Management Team and key persons within the Billerud group, divided into three categories: CEO ("**Category 1**"), other GMT members, approximately 8 participants, ("**Category 2**") and other key persons, approximately 71 participants, ("**Category 3**").

## Terms and conditions for the Share Program 2024

The main terms for the Share Program 2024 are as follows:

- The participants in the Share Program 2024 are given the opportunity to be allotted shares in Billerud ("**Performance shares**") subject to that the participant, with certain exceptions, is employed with Billerud and fulfils the shareholding requirement during the Vesting period as well as depending on the level of fulfilment of a financial performance condition and a sustainability-related performance condition.
- Allotment of Performance shares shall be made after the publication of Billerud's interim report for the first quarter 2027 (the "**Vesting period**").
- The maximum number of Performance shares that can be allotted to a participant within the European operations is the number of shares corresponding to 60 percent of the annual salary for Category 1, 50 percent of the annual salary for Category 2 and 25 percent of the annual salary for Category 3. For participants within the American operations the Performance shares are allotted to an absolute value expressed in US dollars. The maximum value is a total of USD 450,000 for Category 2 and USD 375,000 for Category 3. When calculating the number of Performance shares to be allotted, the participant's annual salary (before tax) as per 31 December 2026 shall be divided by the volume weighted average share price of the Billerud share on Nasdaq Stockholm during the first five trading days after the publication of Billerud's interim report for the first quarter 2027. Upon allotment of Performance shares to the participants, Billerud may cash settle a certain portion to cover the participant's taxation of benefits due to the allotment in the Share Program 2024 (instead of settling the entire outcome in the form of shares).

## Performance conditions for the Share Program 2024

The allotment of Performance shares after the Vesting period depends on the level of fulfilment of two performance conditions:

- A financial performance condition; *total earnings per share* ("**Total EPS** ") during the financial years 2024-2026. Total EPS shall be calculated on the basis of the financial information presented in Billerud's interim reports (adjusted for items affecting comparability and exchange rate effects).
- A sustainability-related performance condition; *CO2 emission reduction* during the financial years 2024-2026. The CO2 emission reduction shall be calculated based on the information on CO2 emissions presented in Billerud's external reporting, and reflects Billerud's high aspirations throughout its sustainability work.





# BILLERUD

The performance conditions are weighted such that 85 percent of the allotment of Performance shares will be based on the degree of fulfilment of the financial performance condition and 15 percent of the allotment of Performance shares will be based on the degree of fulfilment of the sustainability-related performance condition.

The levels for each performance condition (threshold and maximum level, respectively) have been determined by the board. If the maximum level is met, the allotment will amount to the highest number of Performance shares attributable to the relevant performance condition in accordance with the above. If the threshold level is not met, there will be no allotment of Performance shares attributable to the relevant performance condition. If fulfilment of the relevant performance condition is between the threshold and maximum level, allotment will be made on a linear basis.

Information regarding the threshold levels, maximum levels and fulfilment of the performance conditions will be given in connection with the annual general meeting 2027.

## **Shareholding policy and shareholding targets**

To further align the long-term interests between the participant and the company's shareholders, the participants in the Share Program 2024 will undertake to retain half of the allotted Performance shares until the participant has a shareholding in Billerud corresponding to a set shareholding target depending on the participant's category, in accordance with the following: 100 percent of the annual salary for Category 1, 50 percent of the annual salary for Category 2, and 25 percent of the annual salary for Category 3.

## **The preparation of the proposal and form and administration of the Share Program 2024**

The Share Program 2024 has been discussed at board and remuneration committee meetings during the end of 2023 and the beginning of 2024. The remuneration committee shall be responsible for the detailed design, the administration and interpretation of the detailed terms to be applicable between Billerud and the participant of the Share Program 2024, within the scope of the terms and conditions stated herein and with regard to the purpose of the program.

The remuneration committee shall be entitled to make adjustments to the Share Program 2024 and the resolutions in relation thereto to meet certain regulations or market conditions abroad. If delivery of Performance shares to participants outside Sweden cannot be made at reasonable costs and with reasonable administrative efforts, the remuneration committee shall be entitled to decide that the participant may instead be offered a cash settlement of the entire allotment under the Share Program 2024. The remuneration committee shall also be entitled to make other adjustments, including e.g. the right to resolve on a reduced allotment of Performance shares, if material changes would occur within the Billerud group or on the market that, according to the board's assessment, would mean that the resolved terms and conditions for allotment of shares in accordance with the Share Program 2024 no longer fulfil its main objectives.

## **Costs for the Share Program 2024**

Based on an assumption of 80 participants in the Share Program 2024 (divided into the categories stated under the heading "*Participants in the Share Program 2024*") and the participants' respective annual salary 2023 with an annual increase of 2-5 percent, a share price of approximately SEK 96 per share at the start of the program, an increase of 10 percent of the share price per year as well as under the assumption of a fulfilment of the performance conditions between the threshold and maximum levels determined by the board, the total costs for the Share Program 2024 is estimated to amount to SEK 37 million, whereof SEK 27 million in salary costs and SEK 10 million in social security contributions. The estimated costs correspond to approximately 0.6 percent of the total employment costs



# BILLERUD

for 2023. The costs will be expensed over the Vesting period. The estimate is based on the assumption that no participants end their employment and that the cost corresponds with the received benefit when the program ends.

The maximum estimated cost for the Share Program 2024, based on the assumptions above, but with the assumption that the maximum level determined by the board for the performance condition is met, is estimated to amount to approximately SEK 74 million, whereof SEK 54 million in salary costs and SEK 20 million in social security contributions. If the threshold level is not met for either of the performance conditions, no allotment of Performance shares will be made, and no costs will incur.

If repurchased shares are allotted to fulfil the commitments under the Share Program 2024 in full (without a cash settlement to cover the participant's taxation of benefits), the number of outstanding shares in Billerud is expected to increase by a maximum of 697,000 shares based on the assumption of a participation of 80 participants in the program, an annual salary increase of 2-5 percent as well as a share price of SEK 125 when the allotment of Performance shares is determined in connection with the publication of the interim report for the first quarter 2027. Such an increase would have a dilutive effect on the number of shares on the market of approximately 0.3 percent. The total maximum increase in the number of outstanding shares of all outstanding share programs (including Share Program 2024) is estimated to amount to no more than 1,444,000 shares, corresponding to a dilutive effect on the number of shares on the market of approximately 0.6 percent. In this calculation, maximum allotment of Performance shares under the Share Program 2024, 2023 and 2022 (without cash settlement to cover the participants' benefit taxes) as well as actual allotment under the share program 2021 has been assumed.

## **Delivery of shares under the Share Program 2024**

The board has considered two alternative methods for delivering Performance shares to the participants, subject to the terms and conditions for the Share Program 2024; either that Billerud (i) allots shares held by the company itself to participants, free of charge, according to the board's proposal under item 17(b) on the agenda, or (ii) enters into an agreement with a bank that will be able to, in its own name, acquire and transfer Billerud shares. The board considers the first alternative as its preferred option. However, should the annual general meeting not approve the proposed allotment of own shares in accordance with the proposal under item 17(b) on the agenda, the board may enter into a hedging agreement with a third party to hedge the obligations of Billerud to deliver Performance shares under the Share Program 2024. If the annual general meeting resolves on transfer of shares in accordance with item 17(b) on the agenda, but the number of shares covered by said resolution would not be sufficient to deliver the Performance shares in full to the participants in accordance with the terms and conditions of the Share Program 2024 (due to negative development of the stock market during the Vesting period), the remaining part shall be settled in cash.

Billerud has own shares held in treasury that cover the obligation to deliver shares to the participants in the outstanding share programs 2021-2023, and potentially, depending on the outcome of the share programs, Share Program 2024 as well. However, to secure Billerud's delivery of shares to the participants in Share Program 2024, the board proposes that the annual general meeting authorises the board to resolve on repurchases of own shares (see item 18 on the agenda).

## **Ongoing incentive programs and incentive programs ended during the year in Billerud**

For information on Billerud's outstanding share programs resolved by the annual general meetings 2021, 2022 and 2023 as well as the share program 2020 that was ended during 2023, please refer to the annual report 2023 and to Billerud's website [www.billerud.com](http://www.billerud.com). Other than the programs described therein, there are no share or share price-related incentive programs in Billerud.



# BILLERUD

## **TRANSFER OF OWN SHARES TO THE PARTICIPANTS (ITEM 17(B) ON THE AGENDA)**

The board proposes that the annual general meeting resolves upon a transfer of a maximum of 697,000 Billerud shares held in treasury to the participants in the Share Program 2024 (or the higher number of shares that may result from extraordinary events such as bonus issue, split, rights issue and/or similar events during the Vesting period in accordance with customary practice for corresponding incentive programs). Allotment of shares to the participants shall be made free of charge in accordance with the terms and conditions of the Share Program 2024. The reasons for deviating from the shareholders' preferential right are the same as the reasons motivating implementation of the Share Program 2024 (see above under item 17(a)).

In order for a resolution regarding transfer of own shares to the participants in the Share Program 2024 in accordance with item 17(b) on the agenda to be valid, the board's proposal must be supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the meeting.

## **AUTHORISATION FOR THE BOARD TO RESOLVE ON REPURCHASES OF OWN SHARES (ITEM 18 ON THE AGENDA)**

The board proposes that the annual general meeting resolves upon an authorisation for the board to resolve on repurchases of own shares in accordance with the following conditions:

- Repurchase of shares shall take place at Nasdaq Stockholm.
- Repurchase of shares may take place on one or more occasions during the time until the next annual general meeting.
- A maximum number of shares may be repurchased so that the company's holding does not at any time exceed ten (10) percent of all shares in Billerud.
- Repurchase of shares at Nasdaq Stockholm may take place at a price per share which is within the, at each time registered price interval, which is the interval between the highest buying price and the lowest selling price.
- Payment for the shares shall be made in cash.

The purpose of the authorisation is to give the board more options in its efforts to deliver long-term shareholder value and total return as well as to secure delivery of shares to participants of the proposed share-based incentive program for 2024 and potential future share-based incentive programs.

In order for a resolution regarding authorisation for the board to resolve on repurchases of own shares in accordance with item 18 to be valid, the board's proposal must be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the meeting.

## **THE BOARD'S MOTIVATED STATEMENT IN ACCORDANCE WITH CHAPTER 18, SECTION 4 AND CHAPTER 19, SECTION 22 OF THE SWEDISH COMPANIES ACT**

The board's reasons for the proposed dividend and proposed authorisation for the board to resolve upon repurchase of own shares being in accordance with the provisions of Chapter 18, Section 4 and Chapter 19, Section 22 of the Swedish Companies Act are as follows:

Billerud's non-restricted equity (in the parent company) amounted to SEK 8,687 million as of 31 December 2023.



# BILLERUD

According to Billerud's financial targets, the dividend shall amount to at least 50 per cent of the net profit per share, and the interest-bearing net debt in relation to EBITDA shall be lower than a ratio of 2.5. At the end of 2023 Billerud's interest bearing net debt in relation to adjusted EBITDA was 1.6 which achieves the target. The board of Billerud proposes that a dividend of SEK 2.00 per share shall be paid to the shareholders, amounting to a total dividend of approximately SEK 497 million (calculated excluding the company's holding of own shares). The year's adjusted profit was SEK 3.06 per share, and thus the proposed dividend per share corresponds to approximately 65 percent of the adjusted net profit per share.

The proposal to repurchase own shares means that the board is authorised to repurchase up to 10 percent of all outstanding shares in the company in order to give the board more options in its efforts to deliver long-term shareholder value and total return, as well as repurchase own shares to cover costs and secure delivery of shares to Share Program 2024 as well as future share incentive plans. The cost in relation to a repurchase of own shares depends on to which extent, if at all, the board makes use of the annual general meeting's authorisation to repurchase own shares. E.g. should the board resolve to repurchase 1,000,000 shares to secure delivery for Share Program 2024, and the upcoming five years, this would amount to approximately SEK 96,020,000 (using the closing price for Billerud share on 28 March 2024 (SEK 96.02)).

The proposed dividend and proposal to authorise the board to resolve upon the repurchase of own shares do not endanger the continuation of planned investments, and Billerud's financial position is such that Billerud can continue its business and is expected to fulfil all of its obligations on both a short and long-term basis.

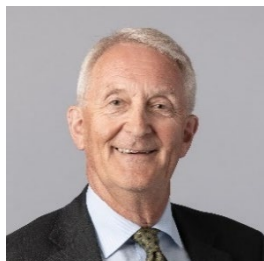
The board of Billerud is of the opinion that the proposed dividend and the proposal to authorise the board to resolve on repurchase of own shares are justified pursuant to Chapter 17, Section 3 second and third paragraph of the Swedish Companies Act, taking into consideration;

- the requirements that the nature of the business (the company's and the group's), its scope and risks place on the size of the company's and the group's equity capital, and
- the company's and the group's respective consolidation needs, liquidity and position in general.



# BILLERUD

## INFORMATION ABOUT THE BOARD MEMBERS PROPOSED BY THE NOMINATION COMMITTEE



### Jan Svensson

Chairman of the board (proposed for re-election)

**Education:** MSc in Business Administration and Economics, Stockholm School of Economics.

**Born:** 1956

**Other assignments:** Chairman of the Board of Securitas AB, Fagerhult AB and Nobia AB. Board member of Herenco Holding AB.

**Background:** CEO of Investment AB Latour (2003-2019), CEO of AB Sigfrid Stenberg (1986-2002).

**Elected:** 2021

**Committee assignments:** Chairman of the remuneration committee

**Shareholding<sup>1</sup>:** 30,200 shares

**Independent/Not independent:** Independent of the company and management, independent of the company's major shareholders.



### Regi Aalstad

Board member

**Education:** Bachelor of Business Administration, Florida Atlantic University. MBA in International Business, University of Michigan.

**Born:** 1964

**Other assignments:** Board member of McBride, Plair SA and Gmelius SA. Advisor within leadership development and Private Equity.

**Background:** Several years of experience of senior positions in the FMCG company Procter & Gamble (P&G), both in the Nordics and internationally, including the role as General manager and Vice President Europe, Asia and CEEMEA within Paper and Hygiene. Board positions in several global companies, such as Ontex, Telenor and Geberit.

**Elected:** 2023

**Committee assignments:** Member of the Audit Committee.

**Shareholding<sup>1</sup>:** -

**Independent/Not independent:** Independent of the company and management, independent of the company's major shareholders.



### Florian Heiserer

Board member

**Education:** Master in Business Administration, Vienna University of Economics and Business. Degree in Biomedical Engineering, TGM College of Electronics, Vienna.

**Born:** 1981

**Other assignments:** CFO of HKW Group. Executive Board member of FRAPAG Beteiligungsholding AG. Board member of HKW Privatstiftung, MIKA Privatstiftung, and FRAPAG America Inc.

**Background:** Managing Director of Buy-Out Central Europe II Beteiligungs-Invest AG, Board member of Billerud Venture AB, Supervisory Board Member of Atterbury S.A., Alternapak Holding BV, Chemson Polymer-Additive AG, Buy-Out Central Europe II Beteiligungs-Invest AG.

**Elected:** 2022

**Committee assignments:** Member of the Audit Committee.

**Shareholding<sup>1</sup>:** 30,002,000 shares (includes 30,000,000 shares held by FRAPAG Beteiligungsholding AG)

**Independent/Not independent:** Independent of the company and management, not independent of the company's major shareholders.

<sup>1</sup> Own and related parties' shares as per 1 March 2024.



# BILLERUD



## Magnus Nicolin

Board member

**Education:** MBA, Wharton – University of Pennsylvania. BSc, Stockholm School of Economics.

**Born:** 1956

**Other assignments:** Chairman of the Board of Munters. Non-Executive Director FAM AB.

**Background:** CEO of Ansell Limited, President, Europe, Middle East, Africa and Asia Pacific of Newell Rubbermaid Inc., CEO of Esselte Business Systems Inc. Senior positions in Bayer AG, Pitney Bowes Inc., and McKinsey & Company. Advisor to several Private Equity firms and Board assignments within multiple boards, such as Ansell, Esselte, Isaberg-Rapid and Primix.

**Elected:** 2022

**Committee assignments:** -

**Shareholdings<sup>1</sup>:** 12,000 shares

**Independent/Not independent:**

Independent of the company and management, independent of the company's major shareholders.



## Victoria Van Camp

Board member

**Education:** MSc in mechanical engineering and doctorate in machine elements at Luleå University of Technology.

**Born:** 1966

**Other assignments:** Board member SR Energy AB, LumenRadio AB, Assa Abloy AB, and The Chalmers Foundation. Senior adviser Siemens Digital Industries AB.

**Background:** Board member of VBG Group AB and PREERA. CTO and President, Technology, AB SKF, Director of Industrial Market Technology & Solutions, Director of Product Innovation Lubrication BU and several other positions in SKF Group.

**Elected:** 2017

**Committee assignments:** Member of the remuneration committee

**Shareholding<sup>1</sup>:** 4,041 shares

**Independent/Not independent:**

Independent of the company and management, independent of the company's major shareholders.



## Andreas Blaschke

Proposed board member

**Education:** Master of Business Studies, Vienna University of Business Administration & Economics, Doctor of Laws Degree, University of Vienna.

**Born:** 1961

**Other assignments:** Board member of TCPL Packaging Ltd. and Advisor of Amazon Sustainable Forestry.

**Background:** Longstanding industry experience in the global paper, cartonboard and packaging markets. Over 20 years of experience from board and management positions within the listed Mayr-Melnhof Group, and was previously Board member of Deutsches Verpackungsinstitut, President of ECMA (European Carton Makers Association), and Vice President of ProCarton.

**Elected:** 2024

**Committee assignments:** -

**Shareholding<sup>1</sup>:** 4,100 shares

**Independent/Not independent:**

Independent of the company and management, independent of the company's major shareholders.

<sup>1</sup> Own and related parties' shares as per 1 March 2024.



# BILLERUD

## THE AUDITOR'S MOTIVATED STATEMENT IN ACCORDANCE WITH CHAPTER 8, SECTION 54 OF THE SWEDISH COMPANIES ACT



### **Auditor's opinion under Chapter 8 Section 54 of the Swedish Companies Act (2005:551) as to whether the guidelines of the annual general meeting on the remuneration of senior executives have been followed**

To the annual general meeting of Billerud AB (publ.), Corporate identity No 556025-5001

#### **Introduction**

We have audited whether the Board of Directors and the Chief Executive Officer of Billerud AB (publ.) during the year 2023 have followed the guidelines on remuneration of senior executives adopted at the annual general meeting on 10 May 2022.

#### **Responsibility of the Board of Directors and the Chief Executive Officer**

The Board of Directors and the Chief Executive Officer are responsible for the guidelines being followed and for the internal control that the Board of Directors and the Chief Executive Officer deem necessary to ensure that the guidelines are followed.

#### **Responsibility of the auditor**

Our responsibility is to issue an opinion, based on our audit, to the annual general meeting as to whether the guidelines have been followed. We have conducted the audit in accordance with FAR recommendation RevR 8 *Audit of remuneration of senior executives in some public limited companies*. This recommendation requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the guidelines adopted by the annual general meeting are followed in all material aspects. The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of Billerud AB accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The audit has covered the company's organization for and documentation of remuneration issues for senior executives, the new decisions on remuneration that have been taken and a selection of the payments made during the financial year to the senior executives. The auditor chooses what procedures are to be performed, in part by assessing the risk of the guidelines not being followed in all material aspects. In making those risk assessments, the auditor considers internal control relevant to compliance with the guidelines in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

We believe that our audit provides a reasonable basis for our opinion set out below.

#### **Opinion**

We consider that the Board of Directors and Chief Executive Officer of Billerud AB (publ.) during 2023 have followed the guidelines on remuneration of senior executives adopted at the annual general meeting on 10 May 2022.

Stockholm 26 March 2024

KPMG AB

Hök Olov Forsberg  
Authorized Public Accountant