

## PRESS RELEASE

**Rottneros AB** (publ)  
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Stockholm, 16 March 2012

### **Notice convening the Annual General Meeting of Rottneros AB on 19 April 2012**

In accordance with NASDAQ OMX Stockholm's Rules and Regulations for issuers, Rottneros AB is announcing through this press release the notice convening the AGM on Thursday 19 April 2012.

The notice will be published on the company's website on Friday 16 March 2012. The notice will be published in Post- och Inrikes Tidningar (Official Swedish Gazette) and information about the notice will also be announced in Dagens Nyheter and Nya Wermlands-Tidningen on Tuesday 20 March 2012.

### **The shareholders of Rottneros AB (publ) are invited to attend the Annual General Meeting**

The Annual General Meeting (AGM) of Rottneros AB (publ), corp. ID no. 556013-5872, will take place at 10 am on Thursday 19 April 2012 at the City Conference Centre, Norra Latin, Drottninggatan 71 B, Stockholm, Sweden. Registration for the AGM will commence at 09.30.

#### **Right to participate and notifications**

Shareholders wishing to attend the AGM must

- be entered in the register of shareholders maintained by Euroclear Sweden AB on Friday 13 April 2012, and
- notify the company no later than Friday, 13 April 2012 via Rottneros' website [www.rottneros.com](http://www.rottneros.com), by telephone +46 8 590 010 00 or by fax +46 8 590 010 01. Notification can also be given in writing to Rottneros AB, Box 70 370, SE-107 24 Stockholm, Sweden. When registering, please provide your name, personal/corporate ID number, address, telephone number, together with the number of any assistants (no more than two).

#### **Shares registered in the name of a nominee**

Shareholders who have their shares registered in the name of a nominee through a bank or another manager must ask to be temporarily entered in the register of shareholders on Friday 13 April 2012 in order to be entitled to attend the AGM. Shareholders must notify the nominee of this well in advance of this date.

### **Authorisation**

A shareholder may appoint one or more proxies and shall in this case issue an authorisation for the proxy that is dated and in writing. This authorisation shall apply for no more than one year from issue, unless a longer period of validity is specifically stated, though no longer than five years. If the authorisation is issued by a legal entity, a copy of the registration certificate should be attached or, if no such document exists, a corresponding document confirming authorisation. This document confirming authorisation must be dated within the past year. To facilitate entry to the AGM, an original authorisation together with a registration certificate and other documents confirming authorisation should be submitted to the company at the above address no later than by Friday 13 April 2012. Authorisation forms in Swedish and English are available from the company's website, [www.rottneros.com](http://www.rottneros.com).

### **Agenda**

1. Opening of the meeting and election of Chair of the meeting.
2. Drawing up and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two people to check the minutes.
5. Examination of whether the AGM was duly convened.
6. Presentation of the annual report and audit report, as well as the consolidated accounts and Group audit report. In connection therewith:
  - a) presentation by the Chair of the Board of the work of the Board and the Board's committees in 2011;
  - b) address by the President; and
  - c) presentation by the auditors of their audit work in 2011.
7. Resolution to adopt the income statement and balance sheet, as well as the consolidated income statement and consolidated balance sheet.
8. Resolution on the allocation of the company's profits as stated in the approved balance sheet.
9. Resolution to discharge the members of the Board and the President from liability.
10. Presentation of the work of the Nominating Committee and the Nominating Committee's proposals.
11. Determination of the number of Board members and deputy Board members.
12. Approval of fees for the Board and auditors.
13. Election of Board members and deputy Board members, as well as election of the Chair of the Board.
14. Election of auditors and deputy auditors.
15. Resolution on the Nominating Committee's work in preparation for the 2013 AGM.
16. Resolution on guidelines for the remuneration of senior executives.
17. Resolution on authorising the Board to make decisions on transferring treasury shares.
18. Resolution to amend the Articles of Association.
19. Closing of the AGM.

### **Nominating Committee's proposals**

The following is proposed by the Nominating Committee, which comprises Olle Grundberg, Nemus Holding AB (Chair of the Nominating Committee), Jan Alkmark, Danske Bank A/S, Denmark (Swedish branch) and Kjell Ormestad (Chair of the Board) and who together represent approximately 24 per cent of the share capital.

*Item 1 - Chair of the meeting*

The Nominating Committee proposes that Kjell Ormegard, Chair of the Board, be appointed as Chair of the meeting.

*Item 11 - The number of Board members*

The Nominating Committee proposes four (4) regular Board members and no deputies.

*Item 12 - Fees*

The Nominating Committee proposes that fees for the Board comprise the following amounts: SEK 500,000 for the Chair and SEK 250,000 for regular Board members who are not employed by the company. Remuneration shall not be paid to members for committee work, except in the case of the chair of the Audit Committee, who shall receive remuneration of SEK 75,000. A fee of SEK 25,000 for time required to read materials prior to Board meetings is proposed for each employee representative. Auditors' fees are paid based on an invoice approved by the President. Following a separate agreement with the company, a Board member may invoice the fees for the Board, together with statutory social security contributions and value added tax, through a company owned by the Board member, subject to the precondition that such payment is cost neutral to the company.

*Item 13 - Proposed Board and Chair of the Board*

The Nominating Committee proposes the re-election of Roger Asserståhl, Kjell Ormegard, Bengt Unander-Scharin and Ingrid Westin Wallinder. It is proposed that Kjell Ormegard be elected as Chair. If Kjell Ormegard's assignment as Chair of the Board ends prematurely, the Board shall appoint a new Chair from within its ranks.

*Item 14 - Proposed auditors and deputy auditors*

Re-election of the registered public accounting firm Öhrlings PricewaterhouseCoopers AB for the period up until the end of the 2013 AGM.

*Item 15 - Proposed Nominating Committee in preparation for the 2013 AGM*

It is proposed that the Nominating Committee consists of the Chair of the Board and two additional members and that the Chair of the Board shall not chair the Nominating Committee. One of these two members, in addition to the Chair of the Board, must be a representative of the company's biggest shareholder and one shall be a representative of one of the company's other four biggest shareholders. Neither of these two members may be a Board member at the same time. If, during the Nominating Committee's mandate period, one or more shareholders that have appointed members of the Nominating Committee are no longer among the five biggest shareholders in terms of the number of votes, the members appointed by these shareholders shall relinquish their position and the shareholder(s) that take over the position as one of the five biggest shareholders in terms of votes shall have the right to appoint their own representative(s) or offer the shareholder who is next in line in terms of the number of votes a place on the Nominating Committee so that there are three Committee members. The Chair of the Board is responsible for ensuring that members are appointed as stated above. The names of the Nominating Committee members are to be presented no later than six months prior to the 2013 AGM. The Nominating Committee shall appoint a Chair from within its ranks. The composition of the Nominating Committee at any given time shall be published on the company's website. The Nominating Committee shall submit proposals on the following matters for decisions by the 2013 AGM:

1. the Chair of the meeting,
2. the number of Board members and, where applicable, deputy Board members,
3. the election of Board members and, where applicable, deputy Board members,
4. election of Chair of the Board,
5. fees for the Board, including distribution between the Chair and other members of the Board, as well as compensation for committee work,
6. fees for the auditors,
7. when applicable, proposals concerning the election of auditors, and
8. criteria for the appointment of a new Nominating Committee.

## **The Board's proposals**

### *Item 8 - Dividends*

The Board proposes that the dividend shall be fixed at SEK 0.10 per share and also that the record day for the dividend shall be Tuesday 24 April 2012. It is estimated that it will be possible to make payments via Euroclear Sweden AB on Friday 27 April 2012.

The Board's proposed appropriation of the company's profit for the financial year 2011 also means that the company's profit brought forward of SEK 471,355,626 and the loss for the year of SEK -90,620,672 (SEK 380,734,954 in total) shall be appropriated so that SEK 15,257,193 is issued as a dividend and SEK 365,477,761 carried forward.

The total amount of the dividend is calculated on the basis of the total number of registered shares in the company less the parent company's holding of treasury shares, which numbered 821,965.

### *Item 16 - Guidelines for remuneration of senior executives*

The Board proposes that the AGM approve the following guidelines with respect to the remuneration of the President and other senior executives. At present, 'other senior executives' refers to the five people who, together with the President, make up Group management and who are presented on the company's website and page 52 of the 2011 Annual Report.

The remuneration paid to the President and other senior executives comprises fixed salary, possible variable component of remuneration, other benefits and pension contributions. The total remuneration package must be in line with market rates and competitive in the labour market in which the executives work. Fixed salary and variable remuneration are related to the responsibilities and powers held by each executive. The variable component of remuneration, which is cash, is based on outcomes in relation to defined and measurable targets and is capped in relation to fixed salary. The variable component of remuneration for the President is capped at 50 per cent of fixed salary (excluding the special bonus linked to the Utansjö plant referred to below) and the variable component of remuneration for other senior executives is capped at 30 per cent of fixed salary. The programme for the variable components of remuneration should be designed so that the Board can impose conditions, restrict or decline to make payments of variable component of remuneration in exceptional financial circumstances if such measure is considered to be reasonable and compatible with the duties of the company in relation to shareholders, employees and other interested parties.

The period of notice is between six months and one year should notice be given by the executive, and between one and two years should notice be given by the company. The President is entitled

to severance pay and a salary during the period of notice of in total up to an amount corresponding to the fixed salary for two years.

Pension benefits are either defined benefit or defined contribution plans or a combination thereof and executives are entitled to receive a pension no earlier than from the age of 62.

Matters relating to the remuneration for the executive management are dealt with by the Compensation Committee. The principles for remuneration and other terms of employment for the executive management, and also the remuneration for the President, are to be decided by the Board of Directors. If the company in a particular case assigns an individual Board member tasks on behalf of the company over and above his or her regular Board and committee duties, the Board shall determine the level of remuneration, which must be reasonable and in line with market rates.

The Board will conduct an annual evaluation of whether or not to propose a long-term incentive programme at the AGM.

The Board shall be empowered to deviate from these guidelines if there are special reasons to do so in an individual case.

It is intended that a special capped, performance-based bonus linked to the Utansjö plant be paid to the President, capped at twelve monthly salaries at the 2008 salary level and, following a decision by the Compensation Committee, to other senior executives involved in this project.

*Item 17 - Resolution on authorising the Board to make decisions on transferring treasury shares*

The Board proposes that the AGM authorises the Board to make decisions on transferring shares in the company on one or several occasions during the period up until the next AGM (shares previously acquired under the company's buy-back programme). Treasury shares may only be transferred on NASDAQ OMX Stockholm at a price within the price interval recorded by NASDAQ OMX Stockholm from time to time. The number of treasury shares transferred may not exceed the number of treasury shares held by the company at the time of sale. Shares transferred must be paid for in cash. The purpose of authorising the Board is to enable the company to dispose of the treasury shares that it currently owns, as the company no longer has any further need for these shares, and to also thereby release liquidity.

*Item 18 - Resolution to amend the Articles of Association*

The Board has considered the views submitted at the 2011 AGM and therefore proposes the following amendments to the Articles of Association.

Present wording	Proposed wording
<p style="text-align: center;">Article 3</p> <p>The operational objects of the company are to conduct the manufacture and sale of paper pulp, paper and similar products, the manufacture and sale of sawn wood products, chipboards and fibre boards and the refinement of such products together with other operations compatible therewith and also to own and manage real and personal property.</p>	<p style="text-align: center;">Article 3</p> <p>The company shall directly and indirectly conduct timber industry operations, especially comprising paper pulp and similar products, and refinement of forest raw materials together with other operations compatible therewith and also to own and manage real and personal property.</p>

<u>Present wording</u>	<u>Proposed wording</u>
<p style="text-align: center;">Article 6</p> <p>The Board shall comprise at least three and at most ten members with at most six deputies.</p>	<p style="text-align: center;">Article 6</p> <p>The Board shall comprise at least three and at most ten members in addition to those members who according to law are appointed by someone other than the AGM.</p>
<p style="text-align: center;">Article 7</p> <p>The company shall have at most four auditors and at most four deputies.</p>	<p style="text-align: center;">Article 7</p> <p>The company shall have one to two auditors with or without deputy auditors. A registered public accounting firm may also be appointed.</p>

As a consequence of the proposed amendment of Article 6 of the Articles of Association, Article 10, items 11 and 12, is also amended by removing the reference to deputy members.

#### **Decision majority**

For resolutions on the Board's proposals contained in Items 17 and 18 above, the resolutions of the AGM must be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the meeting.

#### **Documents**

The full details of the proposals and reasoned statements of the Nominating Committee together with information about members proposed for the Board are available at the company at Kungsbron 1, C6, Stockholm, and on the company's website, [www.rottneros.com](http://www.rottneros.com).

The Board's reasoned statement regarding a proposed dividend under Chapter 18, Section 4 of the Swedish Companies Act together with the Articles of Association in their entirety, in accordance with the wording shown in the above-mentioned proposal, will be available at the company and on the company's website no later than Thursday 29 March 2012.

The Board's complete proposals are otherwise shown under the respective item of the notice of meeting.

The annual report and the audit report, and also the auditor's statement on whether the AGM guidelines for remuneration to senior executives have been observed will be available at the company and on the company's website no later than Thursday 29 March 2012.

Copies of the documents mentioned will be sent on request to shareholders to the postal address that they provide. These documents can be ordered by telephone on +46 8 590 010 00. All of the documents will be available at the AGM.

#### **The number of shares and votes**

The total number of shares in the company is 153,393,890, corresponding to 153,393,890 votes. The company holds 821,965 shares that cannot be represented at the AGM. This information was current at the time the notice was issued.

**Other information**

Shareholders are informed of their right to request information at the AGM regarding circumstances that may affect the assessment of an item listed on the agenda and a circumstance that may affect the assessment of the company's financial situation.

Stockholm, March 2012

Board of Rottneros AB (publ)

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For further information please contact: Tomas Hedström, CFO, +46 8 590 010 00

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Rottneros discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The Information was submitted for publication on Friday 16 March at 16.45 CET.

In case of any discrepancy between the English and Swedish language version, the Swedish language version shall prevail.

Rottneros is an independent producer of market pulp. The Group comprises the parent company Rottneros AB, listed on NASDAQ OMX Stockholm, and its subsidiaries Rottneros Bruk AB and Vallviks Bruk AB with operations involving the production and sale of market pulp. The Group also includes the wood procurement company Rottneros Baltic SIA in Latvia. The Group has around 298 employees and had a turnover of approximately SEK 1.5 billion in the 2011 financial year.