



# Norske Skog

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## Annual General Meeting

16. April 2020

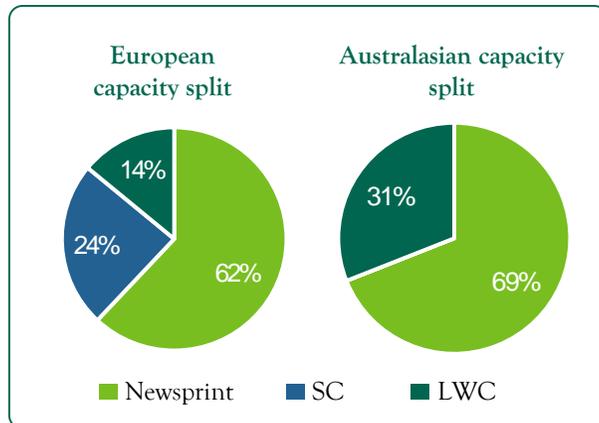
# Agenda

- 1. Opening of the general meeting, approval of notice and agenda**
- 2. Election of a person to chair the general meeting and a person to cosign the minutes**
- 3. Approval of the financial statements and the board of director's report for the financial year 2019 for Norske Skog ASA and the group, including distribution of dividends**
- 4. The board of directors' statement on salary and other remuneration of executives**
- 5. The board of directors' statement on corporate governance in accordance with section 3-3b of the Norwegian Accounting Act**
- 6. Election of members of the nomination committee and remuneration to governing bodies**
- 7. Approval of the auditor's remuneration**
- 8. Proposal of board authorisation to acquire own shares**
- 9. Proposal of board authorisation for share capital increases**

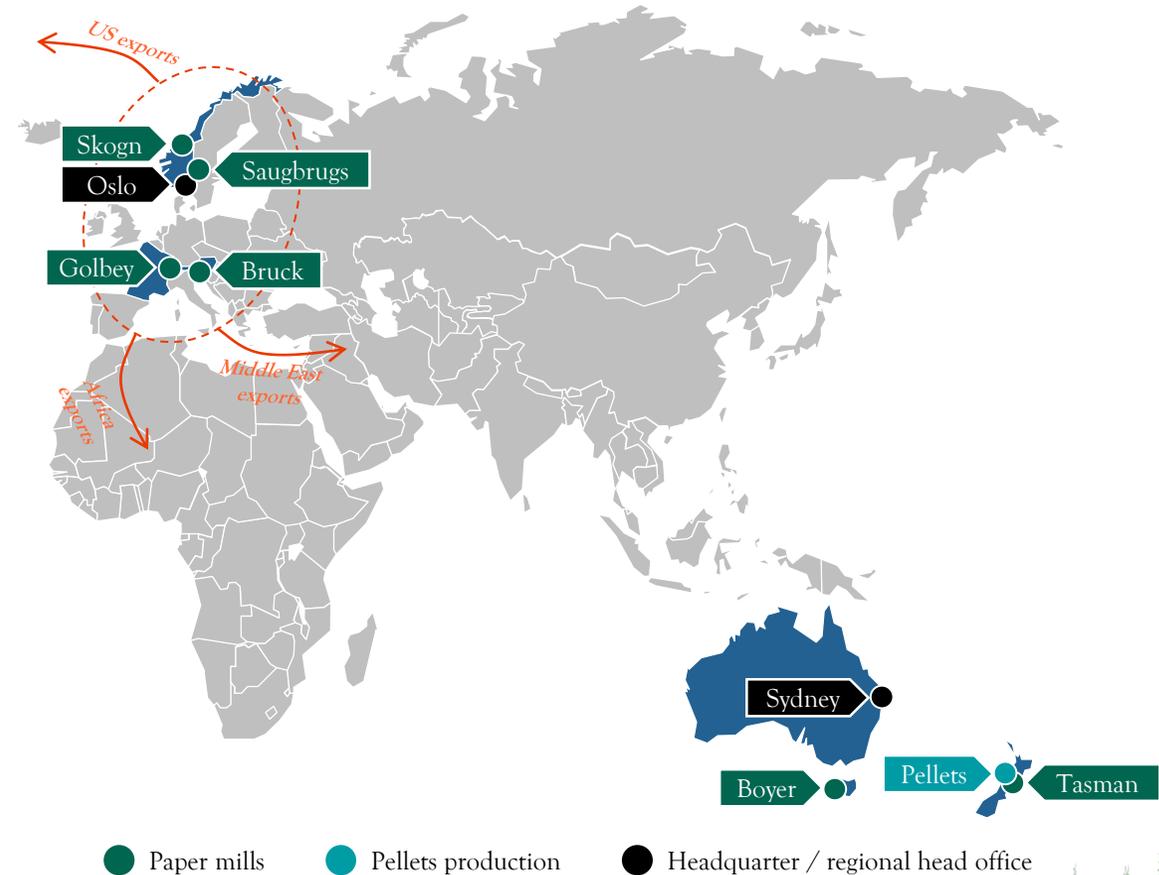
# Norske Skog at a glance

## Introduction to Norske Skog

- Norske Skog is a major producer of newsprint and magazine paper (~ 2.3m tonnes capacity post Albury sale) with ~ 70 years of industry experience and approximately 2,300 employees
- Operates six paper production mills, four in Europe (~ 1.9m tonnes capacity, 81% of total) and two in Australasia (~ 0.4m tonnes capacity, 19% of total)
- Third largest producer of publication paper in Europe and sole domestic producer in Australasia
- HQ in Oslo (Norway) and listed on the Oslo Stock Exchange
- Board proposed dividend of NOK 6.25 per share for 2019, subject to AGM approval



## Geographic footprint



● Paper mills    ● Pellets production    ● Headquarter / regional head office

# High-quality and well maintained assets

- Corona update

**Skogn, Norway**



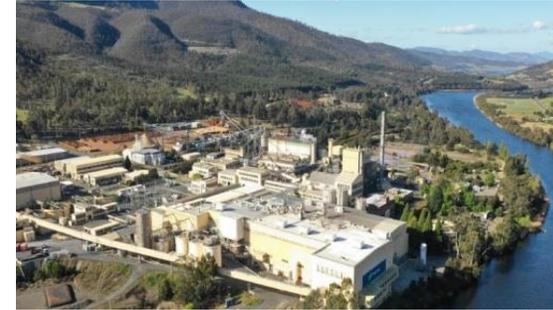
**Capacity, tonnes**  
Newsprint: 510,000

**Saugbrugs, Norway**



**Capacity, tonnes**  
SC: 460,000

**Boyer, Australia**



**Capacity, tonnes**  
Newsprint: 150,000  
LWC: 135,000

**Nature's Flame, New Zealand**



**Capacity, tonnes**  
Pellets: 85,000

**Golbey, France**



**Capacity, tonnes**  
Newsprint: 565,000

**Bruck, Austria**



**Capacity, tonnes**  
Newsprint: 125,000  
LWC: 265,000

**Tasman, New Zealand**



**Capacity, tonnes**  
Newsprint: 150,000

-  Publication paper, Europe
-  Publication paper, Australasia
-  Pellets, Australasia

# Strategy: Green growth with synergies from existing operations

- Taking care of our stakeholders: create value and good societies

2020

Transformation and Value Creation

Future

NOR|Cote



NOR|SC



NOR|News



Improve core business

Convert machines

Diversify and innovate

Bio chemicals



Fibre products



Core

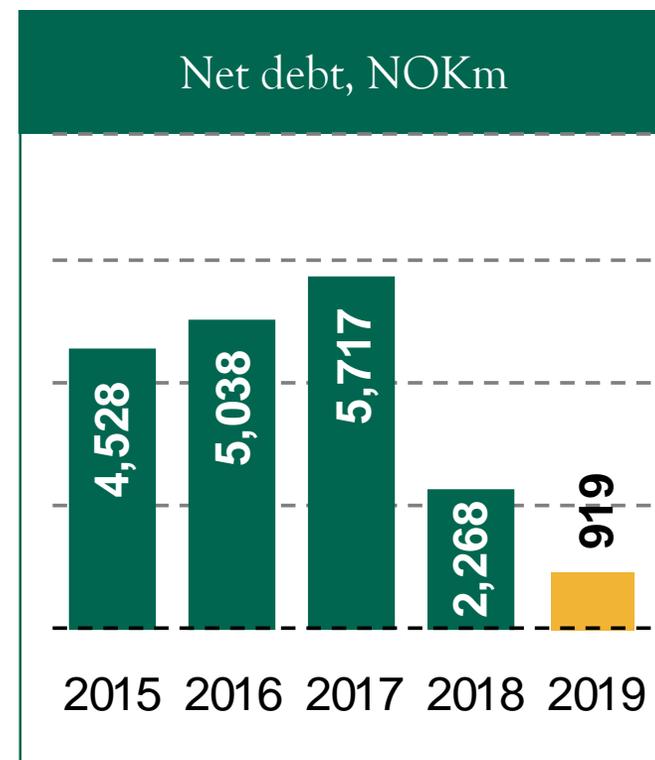
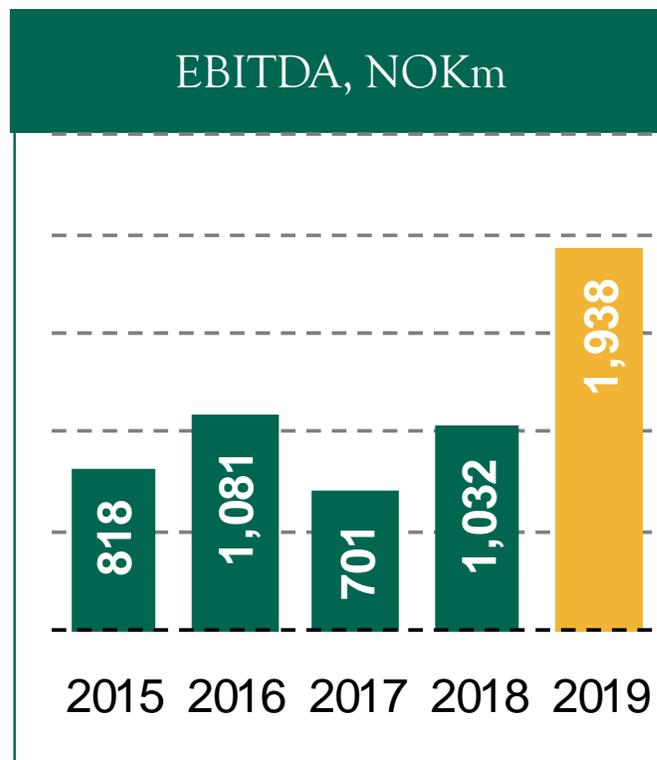
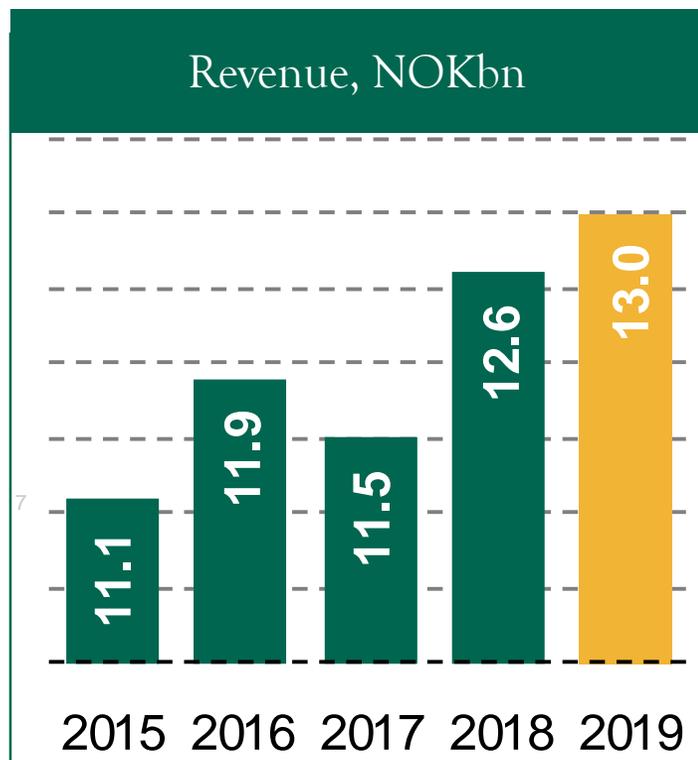


Bio energy



# Norske Skog ASA in 2019:

- Strong operating performance, challenging markets, low debt

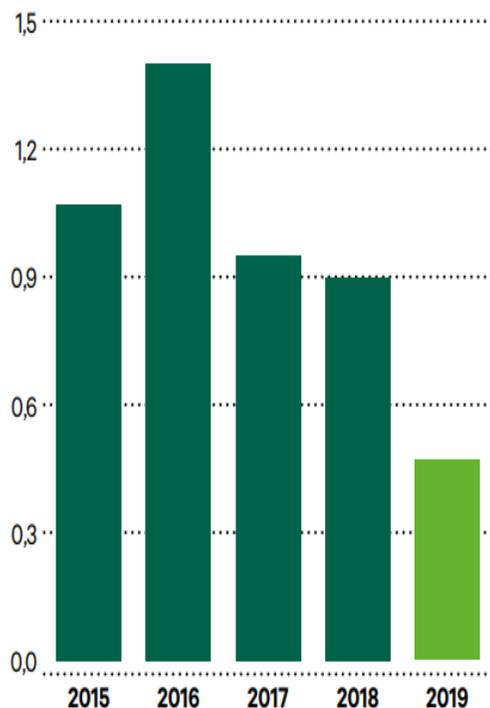


# Health & Safety, and Environment

Strong performance, more to come

## Best H1 results ever

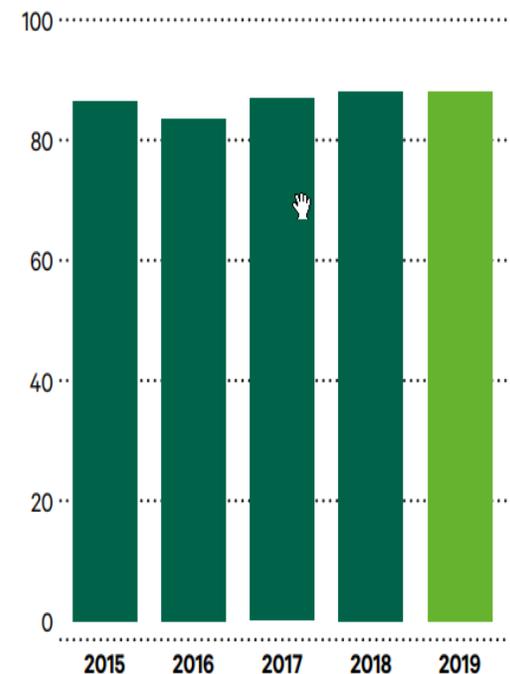
### H1 DEVELOPMENT



## Target 100%, performance 88%

### CERTIFIED PROPORTION OF FRESH FIBRE (%)

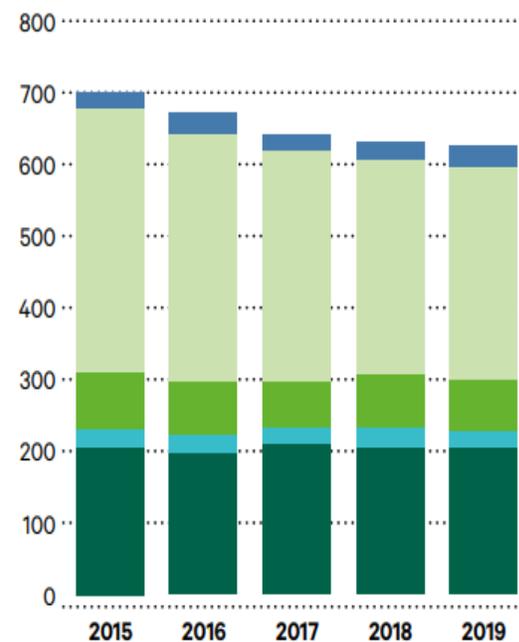
Roundwood and chips



## Step change to come

### CARBON FOOTPRINT DEVELOPMENT

Kg CO<sub>2</sub>/tonne of paper



- Pulp and paper production
- Forest and recycling operations
- Producing other raw materials and fuels
- Purchased electricity and heat
- Transport excluding transport to final customer

The board of directors proposes that the general meeting resolves as follows (3):

1. *The general meeting approved the annual financial statements and the board of directors' report for Norske Skog ASA and the group for 2019, as proposed by the board of directors.*
2. *In accordance with the proposal by the board of directors, the general meeting approved a dividend for the financial year 2019 of NOK 6.25 per share, of which*
  - i. *NOK 3.25 per share is to the company's shareholders as of 16 April 2020 (shareholders registered in VPS on 20 April 2020) and*
  - ii. *NOK 3.00 per share is paid to the company's shareholders at such time determined by and subject to the approval of the board of directors, cf section 8-2(2) of the Norwegian Public Limited Liability Companies Act. The authorisation to the board of directors under item (ii) in the foregoing sentence is valid up until the company's annual general meeting in 2021, but not later than 30 June 2021.*

The board of directors proposes that the general meeting resolves as follows (4):

1. *The general meeting endorsed the board of directors' guidelines for stipulation of salary and other remuneration of executive personnel.*
2. *The general meeting approved the board of directors' proposed guidelines for the Long Term Incentive Programme for executive personnel.*



## The item being addressed:

5. The board of directors' statement on corporate governance in accordance with section 3-3b of the Norwegian Accounting Act

*The BoD statement is not subject to a cast of vote.*



The board of directors proposes that the general meeting resolves as follows (6a):

*In accordance with the proposal of the nomination committee, the general meeting elected the following members of the nomination committee, who both are elected for the period up until the annual general meeting in 2022:*

- *Matthew Joseph Turner (chair)*
- *Yngve Nygaard*



The board of directors proposes that the general meeting resolves as follows (6b):

*The general meeting approved the nomination committee's proposal for remuneration to the members of the nomination committee for the period up until the next annual general meeting*

- NOK 0 per year for the chair of the committee
- NOK 30,000 per year for the other members
- coverage of travel and dietary expenses in connection with committee meetings in accordance with the Norwegian government's travel allowance rates

The board of directors proposes that the general meeting resolves as follows (6c):

*The general meeting approved the nomination committee's proposal for remuneration to the members of the board of directors for the period up until the next annual general meeting*

- NOK 0 per year for the chair of the board of directors
- NOK 300,000 per year for the other members of the board of directors
- Coverage of travel and dietary expenses in connection with committee meetings in accordance with the Norwegian government's travel allowance rates

The board of directors proposes that the general meeting resolves as follows (6d):

*The general meeting approved the nomination committee's proposal for remuneration to the members of the audit committee for the period up until the next annual general meeting*

- NOK 130,000 per year for the chair of the committee
- NOK 50,000 per year for the other members (except the committee member John Chiang, who shall not receive remuneration)
- Coverage of travel and dietary expenses in connection with committee meetings in accordance with the Norwegian government's travel allowance rates

The board of directors proposes that the general meeting resolves as follows (6e):

*The general meeting approved the nomination committee's proposal for remuneration to the members of the remuneration committee for the period up until the next annual general meeting*

- NOK 0 per year for the chair of the committee
- NOK 20,000 per year for the other members
- Coverage of travel and dietary expenses in connection with committee meetings in accordance with the Norwegian government's travel allowance rates

The board of directors proposes that the general meeting resolves as follows (7):

*The general meeting approved the remuneration to BDO AS as company's auditor of NOK 1,260,000 for the financial year 2019.*

The board of directors proposes that the general meeting resolves as follows (8):

- 1. In accordance with section 9-4 of the Norwegian Public Limited Liability Companies Act, the board of directors is authorised to, on behalf of the company, acquire own shares with a total nominal value of up to NOK 33,000,000, which is equivalent to 10% of the existing share capital.*
- 2. The maximum amount which can be paid for each share is NOK 100 and the minimum is NOK 1.*
- 3. Acquisition and sale of own shares may be carried out in the manner the board of directors finds appropriate, however, not by subscription of own shares.*
- 4. The authorisation is valid up until the company's annual general meeting in 2021, but not later than 30 June 2021.*

## The board of directors proposes that the general meeting resolves as follows (9):

- 1. In accordance with section 10-14 of the Norwegian Public Limited Liability Companies Act, the board of directors is authorised to increase the company's share capital with up to NOK 33,000,000, which is equivalent to 10% of the existing share capital. Within this maximum amount, the authorisation may be used once or several times.*
- 2. The authorisation may be used to issue consideration shares in connection with acquisitions of companies or other businesses.*
- 3. The authorisation is valid up until the company's annual general meeting in 2021, but not later than 30 June 2021.*
- 4. The preferential rights of the existing shareholders to subscribe for new shares pursuant to section 10-4 of the Norwegian Public Limited Liability Companies Act may be deviated from, in accordance with section 10-5.*
- 5. The authorisation comprises share capital increases against contribution in kind and the right to undertake special obligations on the part of the company pursuant to section 10-2 of the Norwegian Public Limited Liability Companies Act.*
- 6. The authorisation comprises share capital increases in connection with mergers pursuant to section 13-5 of the Norwegian Public Limited Liability Companies Act.*



2019 ANNUAL REPORT



[www.norskeskog.com](http://www.norskeskog.com)



Norske Skog ASA

Postal address: P.O. Box 294 Skøyen, 0213 Oslo, Norway

Visitors: Sjølyst Plass 2, 0278 Oslo, Norway

Phone: +47 22 51 20 20

Email: [info@norskeskog.com](mailto:info@norskeskog.com)

Email: [ir@norskeskog.com](mailto:ir@norskeskog.com)