

Proposal on (a) introduction of a long-term share savings programme 2024/2027 and (b) hedging arrangements related thereto

Background

The Board of Directors proposes that the Annual General Meeting resolves on a long-term share savings programme (the “**Programme**” or “**LTIP 2024/2027**”). The Programme is aimed at the CEO, members of the Group Management, General Managers and certain other key employees in the Boliden Group and shall be implemented after Boliden’s Annual General Meeting in 2024.

The overall purpose of the Programme is to maintain a close community of interest between employees and shareholders by incentivising employees to increase the value of the company. The Programme is intended to attract and retain key employees. The programme should be achievable, easy to understand, cost-effective to administer and easy to communicate.

a) Implementation of the Programme

The Board of Directors proposes to implement the Programme on the main terms set out below.

- a. The Programme is proposed to be directed to 40 permanent employees within the Boliden Group, which are divided into the following four categories: the CEO of Boliden (“**Group 1**”), members of the Group Management (currently four persons) (“**Group 2**”), General Managers (currently 11 persons) (“**Group 3**”) and 24 other pre-identified key persons in the Boliden Group (“**Group 4**”). The participants in Groups 1-4 are together referred to as the “**Participants**”.
- b. In order to participate in the Programme, the employees are required to personally invest in shares in Boliden, and that these shares are allocated to the Programme, or that shares already held in Boliden are allocated to the Programme¹, which shall take place no later than 30 September 2024, unless the Board of Directors decides to postpone the date (“**Investment Shares**”). The Investment Shares shall be retained throughout the Vesting Period (as defined below). For each Investment Share, the Participants have the possibility to, free of charge, either by Boliden, by another company in the Boliden Group or by a designated third party, be allotted a maximum of three (3) shares in Boliden conditional upon continued employment and uninterrupted holding of Investment Shares and fulfilment of certain performance conditions (as further described in section (d) below) (“**Performance Shares**”).
- c. The Performance Shares will be granted after the expiry of a vesting period, which runs from and including 1 June 2024 up to and including 31 May 2027 (the “**Vesting Period**”).
- d. The allotment of Performance Shares shall be dependent on the extent to which the performance conditions for the Programme have been fulfilled. The performance conditions shall consist of a financial target specific to the Programme related to the total shareholder return (“**TSR**”) for Boliden’s share (the “**TSR Condition**”) and a sustainability target (the “**Sustainability Condition**”), as further described below. The TSR Condition will be weighted with 80 per cent and the Sustainability Condition with

¹ Shares that the Participants have acquired within the framework of Boliden’s remuneration programme for short-term cash variable remuneration and that have been held for less than three years cannot be allocated as Investment Shares in the Programme.

20 per cent when determining the allotment of Performance Shares. After the end of the Vesting Period, the Board of Directors will publish the extent to which the TSR Condition and the Sustainability Conditions have been fulfilled.

The TSR Condition shall be related to the TSR of Boliden's share during a period of 20 trading days after Boliden's publication of the year-end report for the financial year 2023 compared to 20 trading days after Boliden's publication of the year-end report for the financial year 2026 (the "**Measurement Period**") in relation to the TSR of a peer group of other companies.²

A condition for allotment of Performance Shares under the TSR Condition is that the TSR for Boliden's share exceeds the weighted TSR outcome for the peer group during the Measurement Period (the "**TSR Minimum Level**"). If the TSR Minimum Level is not achieved, no allotment of Performance Shares related to the TSR Condition will be made. For maximum allotment (100 per cent), the TSR for Boliden's share must exceed the weighted TSR outcome for the peer group by at least 12.5 percentage points during the Measurement Period (the "**TSR Maximum Level**"). If the TSR for Boliden's share amounts to between the TSR Minimum Level and the TSR Maximum Level during the Measurement Period, a linear allocation is made.

The Sustainability Condition shall be related to the reduction of Boliden's carbon dioxide emissions in absolute terms. A condition for allotment of Performance Shares under the Sustainability Condition is that Boliden's carbon dioxide emissions in absolute terms (Scope 1 and Scope 2 according to the Green-house Gas Protocol) during the financial year 2026 have been reduced by at least 15 per cent compared to Boliden's carbon dioxide emissions in absolute terms during the financial year 2021.³

- e. Participants in Group 1-2 may invest in Investment Shares at a value corresponding to a maximum of 15 per cent of the Participant's annual gross fixed base salary for 2023, adjusted for the increase in the income base amount in Sweden for 2024 compared to 2023. Participants in Group 3-4 may invest in Investment Shares at a value corresponding to a maximum of 10 per cent of the Participant's annual gross fixed base salary for 2023, adjusted for the increase in the income base amount in Sweden for 2024 compared to 2023. The number of Investment Shares that Participants may acquire is determined on the basis of the volume-weighted average share price of the Boliden share during a period of 20 trading days after Boliden's publication of the year-end report for the financial year 2023.
- f. Performance Shares may normally only be allotted after the end of the Vesting Period. The total value of Performance Shares allotted to Participants may not exceed 150 per cent of the Participant's annual individual gross fixed base salary for 2027 (the "**Cap**").

² The calculation of the TSR is made as follows. Volume-weighted average share prices during a period of 20 trading days after Boliden's publication of the year-end report for the financial year 2023 are compared with volume-weighted average share prices during a period of 20 trading days after Boliden's publication of the year-end report for the financial year 2026, with the addition of dividends and other returns. Upon implementation of the Programme, the peer group consists of the following companies: Antofagasta, Aurubis, Lundin Mining, First Quantum, Fresnillo, KGHM, Korea Zinc and TECK. The peer group may be adjusted as decided by the Board of Directors if the Board of Directors finds it appropriate.

³ Boliden aims to have 42 per cent lower absolute carbon dioxide emissions (Scope 1 and Scope 2 according to the Green-house Gas Protocol) in 2030 compared to the base year 2021. The climate targets for 2030 are validated by the Science Based Target Initiative ("**SBTi**").

The value of the Performance Shares for calculation of the Cap is determined based on the volume weighted average share price of the Boliden share during a period of 20 trading days prior to the end of the Vesting Period.

- g. For a Participant to be allotted Performance Shares, it shall normally have been a permanent employee within the Boliden Group during the entire Vesting Period, and have retained the Investment Shares until the end of the Vesting Period. Investment Shares disposed of before the end of the Vesting Period shall not be included in the calculation for determining the allotment of Performance Shares.
- h. If there are significant changes in the Boliden Group or in the market which, in the opinion of the Board of Directors, would mean that the conditions for allotment of Performance Shares under the Programme are no longer reasonable, the Board of Directors shall be entitled to make adjustments to the Programme, including, inter alia, a right to resolve on a reduced allotment of Performance Shares, or that no allotment of Performance Shares shall take place at all.
- i. The Board of Directors shall be entitled to decide on the detailed terms and conditions of the Programme. In this respect, the Board of Directors shall be entitled to make necessary adjustments to these terms and conditions in order to fulfil specific rules or market conditions outside Sweden.
- j. Participation in the Programme is contingent upon such participation being legal in the relevant jurisdictions. Where, in the Board's opinion, Participants outside Sweden cannot be allotted Performance Shares at a reasonable cost or with reasonable administrative efforts, it shall be entitled to decide on a cash settlement for such Participants.
- k. The Programme shall comprise a maximum of 100,000 Performance Shares in Boliden.
- l. The number of Performance Shares shall be subject to recalculation to take into account any intervening bonus issues, splits, rights issues, dividend exceeding 15 per cent of the Group's equity for a given financial year and/or other similar corporate events.

Costs of the Programme, etc.

The costs for the Programme, which are recognised in the income statement, are calculated in accordance with the accounting standard IFRS 2 and are accrued over the Vesting Period. The calculation has been carried out based on the quoted closing price for shares in Boliden as of 29 December 2023, i.e. SEK 314.5 per share, and with the following assumptions: (i) an annual employee turnover of approximately 7 per cent, (ii) fulfilment of the TSR Condition of 100 per cent and fulfilment of the Sustainability Condition, (iii) all 40 Participants invest the maximum amount in the Programme, (iv) all remaining Participants are entitled to allotment of the maximum number of Performance Shares in the Programme, (v) a tax rate for social security contributions of 30 per cent under the Programme, and (vi) a total maximum of 100,000 Performance Shares available for allotment.

Based on the above assumptions, the *total* costs for the Programme under IFRS 2 are estimated to amount to approximately SEK 17.1 million, excluding social security contributions. Assuming an annual share price increase of 15 per cent during the term of the Programme, the costs for social security contributions are estimated to amount to approximately SEK 11 million. Assuming instead an annual share price increase of 30 per cent during the duration of the Programme, the costs for social security contributions are estimated to amount to approximately SEK 15.9 million.

Based on the above assumptions (and an annual share price increase of 15 per cent for calculation of the social security contributions), the *yearly* costs are estimated to amount to approximately SEK 9.4 million, including social security contributions. This corresponds to approximately 0.2 per cent of the Boliden Group's total personnel costs for the financial year 2023.

Dilution

The allotment of repurchased shares to fulfil the obligations under the Programme would result in the following dilution effects (under the assumptions stated below). At the maximum allotment of Performance Shares, the number of shares to be allotted free of charge in the Programme amounts to 100,000 shares in Boliden, which corresponds to approximately 0.04 per cent of the shares and votes (calculated based on the number of outstanding shares in Boliden as of 29 December 2023). The effects on key ratios and earnings per share are thus marginal.

Hedging arrangements

In order to be able to implement the Programme in a cost-efficient and flexible manner, the Board of Directors has considered different methods for delivery of Performance Shares. The Board of Directors has thereby found the most cost-efficient alternative to be, and therefore proposes that the Annual General Meeting as a main alternative resolves on, repurchase and transfer of treasury shares. The Company currently holds 40,000 treasury shares. The detailed terms and conditions for the Board of Directors' main alternative are set out in section 21.b.i below.

Should the required majority for item 21.b.i below not be reached, the Board of Directors proposes that Boliden shall be able to enter into equity swap agreements with third parties in accordance with item 21.b.ii below.

Preparation of the proposal

The proposed Programme has, according to guidelines issued by Boliden's Board of Directors, been prepared by Boliden's Remuneration Committee, with the assistance of external advisors. The Remuneration Committee has presented the work to the Board of Directors, after which the Board of Directors has decided to propose that the Programme is adopted at the Annual General Meeting 2024.

b) Hedging arrangements in respect of the Programme

i. Decisions on acquisitions and transfers of treasury shares

The Board of Directors proposes that the Annual General Meeting (a) authorise the Board of Directors to resolve on acquisitions of treasury shares on Nasdaq Stockholm and (b) resolve that treasury shares may be transferred to the Participants in the Programme.

- a) The acquisition of treasury shares is subject to the following terms:
 - i. Purchases of treasury shares may only be made on Nasdaq Stockholm.
 - ii. A maximum of 100,000 shares may be acquired to ensure delivery of shares to Participants.
 - iii. Acquisitions of shares in Boliden on Nasdaq Stockholm may only be made at a price within the price interval applicable from time to time on Nasdaq Stockholm, i.e. the interval between the highest buying price and the lowest selling price on Nasdaq Stockholm from time to time.
 - iv. The authorisation may be exercised on one or more occasions until the Annual General Meeting in 2025.

- b) The transfer of Boliden's treasury shares to the Participants may take place under the following terms:
- i. A maximum of 100,000 shares in Boliden may be transferred free of charge to the Participants.
 - ii. The right to acquire shares in Boliden free of charge shall, with deviation from the shareholders' preferential rights, be granted to the Participants, with a right for each Participant to acquire a maximum number of shares in accordance with the terms of the Programme. Furthermore, with deviation from the shareholders' preferential rights, subsidiaries of Boliden shall be entitled to acquire shares in Boliden free of charge, whereby such company shall be obliged to, according to the terms of the Programme, immediately transfer the shares to the Participants.
 - iii. Transfers of shares in Boliden shall be made free of charge at the time and on the other terms and conditions that the Participants are entitled to be allocated shares.
 - iv. The number of shares in Boliden that may be transferred under the Programme shall be subject to recalculation to take into account any intervening bonus issues, splits, rights issues, dividend exceeding 15 per cent of the Group's equity for a given financial year and/or other similar corporate events.

The transfer of own shares is part of the proposed Programme and the Board of Directors considers it to be beneficial to Boliden and the shareholders that Participants in the Programme are offered the opportunity to become shareholders under the terms of the Programme.

ii. Equity swap agreement with a third party

The Board of Directors proposes that the Annual General Meeting, in the event that the required majority for item 21.b.i above cannot be reached, resolve to hedge the financial exposure that the Programme is expected to entail by enabling Boliden to enter into an equity swap agreement with a third party on terms in accordance with market practice, whereby the third party undertakes, in its own name and in exchange for a fee, to acquire and transfer shares in Boliden to the Participants in accordance with the terms of the Programme.

Majority requirements, etc.

The Annual General Meeting's resolution to implement the Programme in accordance with item 21.a. above is conditional upon the Annual General Meeting resolving either in accordance with the proposal under item 21.b.i or the proposal under item 21.b.ii.

The Annual General Meeting's resolution under item 21.a above requires a simple majority of the votes cast. A valid resolution under item 21.b.i above requires that shareholders representing not less than nine-tenths of the votes cast as well as of the shares represented at the Annual General Meeting approve the resolution. A valid resolution under item 21.b.ii above requires a simple majority of the votes cast.

Previous incentive programmes

Since 2023, Boliden has a long-term share saving programme (LTIP 2023/2026) which is mainly based on the same conditions as the above proposed LTIP 2024/2027. LTIP 2023/2026 is described in more detail under note 5 in Boliden's annual report for the financial year 2023.

Stockholm in March 2024
Boliden AB (publ)
The Board of Directors