

The Board's proposal regarding an automatic share redemption procedure including a) amendment of the articles of association, b) share split 2:1, c) reduction of the share capital through redemption of shares and d) increase of the share capital through a bonus issue

Background

Boliden has generated substantial cash flows over the past year and the financial position is strong. The net debt/equity ratio at the year-end was 11 percent, which is lower than Boliden's target of 20 percent during an economic upturn. The Board proposes that the Annual General Meeting resolves on an automatic share redemption, which will not jeopardise the ability to handle any deterioration in market terms nor the ability to finance additional growth. Through this, each existing share is split into two shares (share split 2:1), whereof one of those shares will automatically be redeemed at SEK 5.75. In addition to the proposed ordinary dividend of SEK 2,256,467,144.25, SEK 1,572,689,221.75 will be distributed to the shareholders through this procedure. The ordinary dividend and the redemption amount to a total of SEK 3,829,156,366, or SEK 14 per share. To achieve a quick and efficient redemption procedure the Board further proposes that the Company's share capital is restored to its current amount by means of a bonus issue. In view of hereof, the Board proposes that the meeting resolves in accordance with the following proposal.

a) amendment of the articles of association

The Board proposes that the Company's articles of association be amended as set out below.

§ 4 to be amended from current wording "The share capital shall be not less than SEK 150,000,000 and not more than SEK 600,000,000." to "*The share capital shall be not less than SEK 200,000,000 and not more than SEK 800,000,000.*"

§ 5 to be amended from current wording "The number of shares shall be not less than 75,000,000 and not more than 300,000,000." to "*The number of shares shall be not less than 200,000,000 and not more than 800,000,000.*"

§ 11 to be amended from the current wording "The company's shares shall be registered in a Central Securities Depository register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479)." to "*The company's shares shall be registered in a Central Securities Depository register in accordance with the Swedish Central Securities Depository and Financial Instruments Accounts Act (1998:1479).*"

b) share split 2:1

The Board proposes that the Annual General Meeting resolves on a share split 2:1, meaning that each existing share is divided into two shares, of which one is to be referred to as redemption share in the Euroclear system and be redeemed in the manner described under item c) below. The suggested record date at Euroclear for the share split is May 17, 2018. The last trading day for the Company's shares including the right to receive redemption shares will therefore be May 15, 2018 and the first trading day for the Company's shares excluding the right to receive redemption shares will be May 16, 2018. After the share split, the number of shares in the Company will increase from 273,511,169 to 547,022,338, each share with a quota value of approximately SEK 1.06.

c) reduction of the share capital through redemption of shares

The Board proposes that the Annual General Meeting resolves that the Company's share capital shall be reduced by SEK 289,457,169 (the reduction amount) for repayment to the shareholders. The reduction of the share capital will be made by means of redemption of 273,511,169 shares.

The shares so redeemed shall be those shares that, after the share split in accordance with item b) above, are referred to as redemption shares in the Euroclear system, whereby the record date for the right to receive redemption shares according to item b) above is May 17, 2018. Trading in the redemption shares is estimated to take place as from May 18, 2018 up to June 8, 2018.

For each redeemed share a redemption amount of SEK 5.75 will be paid, of which approximately SEK 4.69 exceeds the quota value of the share. The total redemption amount is estimated to SEK 1,572,689,221.75. In addition to the reduction amount of SEK 289,457,169, a total estimated amount of SEK 1,283,232,052.75 will be distributed, by use of the Company's non-restricted equity. The record date for the right to receive the redemption amount is proposed to be June 12, 2018. Payment of the redemption amount is estimated to be made by Euroclear on June 15, 2018.

Following the reduction, the Company's share capital will amount to SEK 289,457,169, allocated on in total 273,511,169 shares, each share with a quota value of approximately SEK 1.06. Apart from the reduction of the share capital, the Company's restricted equity will not be affected.

Pursuant to Chapter 20, Section 13, fourth paragraph of the Swedish Companies Act, the Board hereby states the following.

It follows from the proposal on reduction of share capital that the Board proposes that the Company's share capital shall be reduced by SEK 289,457,169 through redemption of 273,511,169 shares, for repayment to the shareholders.

To achieve a quick and efficient redemption procedure without the requirement of obtaining the Swedish Companies Registration Office's or a general court's permission, the Board has also proposed that the Annual General Meeting resolves on restoring the Company's share capital to its current amount by increasing the share capital with SEK 289,457,169 by way of a bonus issue without issuance of new shares. The amount is to be transferred from the Company's non-restricted equity to the Company's share capital, in accordance with item d) below.

Through the reduction of the share capital for repayment to the shareholders, the Company's share capital is reduced by SEK 289,457,169 and through the bonus issue the Company's share capital is increased by the same amount. The Company's restricted equity and share capital will therefore remain unchanged after the implementation of the bonus issue.

d) increase of the share capital through a bonus issue

Further, to achieve a quick and efficient redemption procedure without the requirement of obtaining the Swedish Companies Registration Office's or a general court's permission, the Board proposes that the Annual General Meeting resolves on a bonus issue to increase the Company's share capital by SEK 289,457,169, to SEK 578,914,338, through a transfer of SEK 289,457,169 from the Company's non-restricted equity. No new shares are to be issued in connection with the bonus issue.

The number of shares in the Company will, after implementation of the increase of the share capital, be 273,511,169, each share with a quota value of approximately SEK 2.12.

The resolutions by the Annual General Meeting in accordance with items a) – d) above are conditional upon each other and shall therefore be adopted as one resolution. In order for the resolution by the Annual General Meeting to be valid, the resolution must be approved by shareholders representing at least two thirds of the votes cast as well as the shares represented at the Annual General Meeting.

Finally, the Board proposes that the Annual General Meeting authorises the Company's CEO to make the minor adjustments to the resolutions that may be required in connection with the registration of the resolutions with the Swedish Companies Registration Office or Euroclear.

The Board's statement pursuant to Chapter 20, Section 8 of the Swedish Companies Act as well as the Auditor's statements pursuant to Chapter 20, Section 8 and Section 14 of the Swedish Companies Act are provided separately.

A separate information brochure regarding the proposed automatic share redemption procedure will be provided before the Annual General Meeting.

Stockholm in February 2018
Boliden AB (publ)
The Board of Directors