BOLIDEN

Competition Law Policy

1 INTRODUCTION

Competition law compliance is a top priority for Boliden. Responsibility for observing the competition rules lies with every Boliden employee. Therefore, all employees have an obligation to understand the competition rules and to report any competition law concerns.

2 COMPETITION RULES

The objective of competition law is to promote free and fair competition. The underlying principle is that competitive markets will provide consumers with the highest quality goods at the lowest prices while the most innovative and efficient firms survive and prosper. This reflects Boliden's attitude to business.

Broadly speaking, competition laws around the world contain three main rules:

- *Prohibition of agreements and other arrangements that have as their objective or effect to restrict competition*. This applies in particular to agreements or arrangements between competitors, but also to relations with distributors, customers and suppliers.
- *A special obligation is imposed on companies in a dominant position (in any particular market) to not abuse their market power*, for example through behaviour that would unfairly exclude competitors or otherwise exploit their market strength.
- *Mergers and acquisitions of businesses, and formation of "full function" joint ventures, may be subject to merger control.* This involves making a detailed submission to one or more competition authorities to explain the impact of the proposed transaction on competition. Approval from the relevant competition authority (-ies) is required before the transaction can close.

3 CONSEQUENCES OF NON-COMPLIANCE

Non-compliance with competition law can have severe consequences for the company, and potentially for individuals found to be responsible.

Infringements of competition law are regularly subject to massive *corporate fines* imposed by competition authorities, in particular the European Commission.

Private civil damages actions by customers harmed by competition infringements are increasingly common in Europe and are well established in the United States.
Compensation payable by the company as a result of such court actions can also be very significant. | |

In addition to corporate financial penalties a number of countries provide for *sanctions on individuals found responsible* for competition law infringements (fines, director disqualification or even imprisonment).

Finally, *agreements that violate competition law are deemed void*, which in itself can have a significant financial impact on the company.

4 CONTACTS WITH COMPETITORS

Whenever you interact with competitors, there is risk of breaching competition rules. Make sure you understand the competition rules before any contact with competitors, and speak to Group Legal Affairs if in doubt.

- **Each company shall determine its own commercial conduct on the market**.
    - Competitors must therefore never discuss or agree their respective prices, terms of supply, allocation of customers or markets, or any other matters that could limit competition between them.
    - Exchange or disclosure of commercially sensitive information (e.g. individual pricing strategy, capacity utilisation, supply and demand balance, etc.) between competitors also risks infringing competition rules and shall be avoided.
- Boliden has **customer and supplier relationships** with a number of companies that are also competitors. Particular caution is required in this regard:
    - Make sure there is a clear commercial justification for customer/supplier relations with competitors;
    - All physical meetings should ideally follow a pre-agreed agenda;
    - Discussions should stick to the agenda and avoid any "spillover" into potentially anti-competitive topics; and
    - Detailed notes should be taken of discussions and other contacts and kept for future reference.
- Caution is also required in **trade associations and other industry gatherings**:
    - Request and check agenda before every meeting and limit meeting discussions to agenda topics.
    - Do not disclose, discuss or receive commercially sensitive information.
    - If sensitive issues arise at a meeting, make your objections known. If the discussion of sensitive issues continues, leave the meeting and ensure your departure and reasons are recorded. Report to Boliden's Group Legal Affairs.
    - Request and check minutes of every meeting. These should also be saved for

future reference.

- Restrict participation in meetings with competitors to an absolute minimum and only where participation is of substantial benefit to Boliden and justified by technical, environmental or similar reasons.

- Remain vigilant also during informal discussions and meetings.

- Also **passive receipt of sensitive commercial information** about its competitors through a common distributor/customer (or indeed through a common supplier) is potentially unlawful for a company. Direct contact with competitors is therefore not needed in order for competition issues to arise.

5 RELATIONS WITH DISTRIBUTORS/CUSTOMERS

Competition rules may also be infringed in the context of relations between suppliers and their distributors/customers. Be particularly aware of the following:

- Distributors must be free to:

  - *export* products in response to customer demand, even where exclusive distribution territories have been established.

  - set their own *retail price* without interference from the supplier of the products concerned.

- Be careful with *exclusivity* in customer/supplier contracts, as this can restrict competition:

  - If Boliden and/or the supplier/customer may have a market share above 25% for the products in question, always discuss with Group Legal Affairs.

  - In any case, exclusivity terms lasting five years or more should always be checked with Group Legal Affairs.

6 ABUSE OF A DOMINANT POSITION

A company that is dominant in any given market is under a special obligation to behave fairly so as not to exclude competitors or exploit customers.

Markets may be defined narrowly: for example a specific product and/or a single country or region. It is therefore not always obvious when a company has a dominant position.

In situations where Boliden may be dominant, contact Group Legal Affairs before concluding

contracts and/or taking commercial decisions that impact the market.

7 CONTACT INFORMATION

Issues related to trade association meetings: Contact person appointed by Boliden Commercial.

For legal advice: Boliden's Group Legal Affairs.

All other matters: Boliden's Corporate Responsibility Department.