

Corporate Governance Report

Efficient corporate governance is a prerequisite for generating added value for our shareholders and maintaining confidence amongst our stakeholders at large.

A group, essentially comprising Swedish institutional investors, have held their shareholding and been long-term owners in Boliden since we were relisted in Sweden almost 15 years ago, but there is no clear principal owner. This places special demands on the Board as the owners' ambitions must be "interpreted". We work in an industry that is characterised by high volatility, i.e. rapid and vigorous fluctuations – both up and down – in profits, and this is something that our shareholders must understand. The volatility also makes significant demands on the company's management and Board in terms of their ability to handle these rapid changes without suffering either from hubris when the trend is upwards or dejection when the trend is downwards. The Board of Directors and the management must, at the same time, successfully handle large and long-term investment projects, such as the upscaling of our Garpenberg operations. The decision to invest almost SEK 4 billion in this project was taken by the Board in January 2011 and the investments in the mine and concentrator were put into use in 2014 and will influence our operations for many years to come. This type of project naturally also entails a large number of risks, which are discussed over a relatively long period of time by the Board before any decision is taken, and are vital in terms of value generation within the company. One of the prerequisites for value-generating work by the Board is that the Board has a firm grasp on the operations and on events in the outside world. We achieve this by, amongst other things, monthly reports and a well-structured body of material for the Board. We also usually visit two of Boliden's operating facilities each year in order to learn about those operations in real depth and to meet with the local management and employees. In addition, in order to ensure that we spend sufficient time on the more forward-looking issues, we agree every year on a number of themes that we incorporate into our Board agenda. The Corporate Governance Report details the themes we have addressed during the past year. Some of them are recurring themes, e.g. CSR issues, which we address specifically at our October meeting, and leadership development, which is the focus of our December meeting. The evaluation of the Board's work that we carried out in 2014 shows that the Board is functioning efficiently. This evaluation forms the basis for the work of the Nomination Committee and it is an important tool for the Board's efforts to ensure continuous improvement in our work.

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Anders Ullberg
Chairman of the Board