

---

## **Resolution regarding guidelines for remuneration to Group Management**

The Board of Directors proposes the following guidelines for remuneration to the company's Group Management. The proposed guidelines are essentially the same as those adopted by the Annual General Meeting in previous years, but in order to meet new legal requirements, the guidelines now proposed are more detailed:

These guidelines apply to the President and other members of Group Management. The guidelines set out the principles applied by the company with regard to their remuneration.

*The guidelines' promotion of the company's strategy, long-term interests and sustainability*

Information regarding the company's strategy can be found in the annual report. In order to successfully implement the strategy and safeguard the company's long-term interests, including its sustainability, the company must be able to recruit and retain qualified employees. To do so, the company must be able to offer competitive remuneration. These guidelines enable a competitive remuneration package to be offered to Group Management.

*Forms of remuneration, etc.*

The total remuneration shall be on market terms and shall comprise fixed salary, variable cash compensation, pension benefits and other benefits.

*(i) Fixed salary*

The fixed salary shall be determined on the basis of factors including competence, responsibilities, experience and performance. The Group uses an internationally recognised evaluation system to determine the scope and level of responsibility of executive positions. Comparisons are made with similar companies. Such evaluation is performed annually by the Remuneration Committee and forms the basis for its decisions and the proposed fixed salary for the President that the Committee submits to the Board of Directors for approval.

*(ii) Variable cash compensation*

The variable cash compensation shall not exceed 60 percent of the fixed salary and shall be linked to predefined, measurable criteria, which may be financial or non-financial. Some of the criteria may consist of quantitative or qualitative goals that are specific to the individual. The criteria shall be designed in such a way as to promote the company's strategy and long-term interests. In order to strengthen the link between remuneration and value creation for the company, an element of the variable cash compensation is linked to the individual investing a proportion of the variable cash compensation in additional shares in the company.

Once the annual accounts have been approved by the Board of Directors, an assessment is made of the extent to which the criteria have been met. The Board of Directors is responsible, following the preparatory work of the Remuneration Committee, for such assessment in respect of variable cash compensation to the President. The President is responsible for the assessment in respect of other executives.

*(iii) Pension benefits*

The pension benefits for the President and other members of the Group Management shall be defined contribution. The variable cash compensation shall not be included in the basis for calculation of pension. Pension contributions shall not exceed 35 percent of the fixed annual cash salary.

*(iv) Other benefits*

Other benefits may include health insurance and company car benefit. Premiums and other costs related to such benefits may not in total exceed 15 percent of the fixed annual cash salary.

*Mandatory legal and collective agreement provisions*

Nothing in these guidelines shall restrict mandatory legislation or collective agreement provisions, where these are applicable.

*Termination of employment*

A notice period of six months applies to termination of employment by a member of Group Management. On termination of employment by the company, the total remuneration during the notice period and severance compensation, if any, shall not exceed 18 months' fixed salary.

*Salary and terms of employment for employees*

In the preparation of the Board's proposal for these remuneration guidelines, the salary and terms of employment of the company's employees shall be taken into account by information concerning the total remuneration of employees, the components of the remuneration and the increase and rate of increase in remuneration over time having been part of the decision-making basis for the Remuneration Committee and the Board of Directors in evaluating the reasonableness of the guidelines and the limitations arising from them.

*The decision-making process for establishing, evaluating and implementing the guidelines*

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board's resolution on the proposed guidelines for remuneration to Group Management. The Board of Directors shall draw up proposals for new guidelines at least every four years and submit these proposals for resolution at the Annual General Meeting. The guidelines shall apply until new guidelines are adopted by the General Meeting.

The Remuneration Committee submits proposals to the Board of Directors regarding remuneration, etc. to the President. Furthermore, the Remuneration Committee prepares principles for remuneration to the Group Management and approves, on proposal from the President, remuneration, etc. to the Group Management.

The Remuneration Committee shall also monitor and evaluate variable compensation schemes for Group Management, the application of remuneration guidelines for Group Management and current remuneration structures and levels of remuneration within the company.

The President and other members of Group Management shall not be in attendance during the Board of Directors' consideration and decisions on matters relating to their remuneration.

*Departure from the guidelines*

The Board of Directors may decide to depart temporarily from the guidelines, in whole or in part, where there are particular reasons for doing so in an individual case and where such departure is necessary in order to safeguard the long-term interests of the company, including its sustainability, or to ensure the company's financial viability.

Stockholm, March 2020

**Boliden AB (publ)**

The Board of Directors