
Remuneration report

This report constitutes Boliden's first remuneration report, prepared in accordance with the new legislation that came into effect in 2019. The purpose of the report is to clearly present the remuneration to the President and how it relates to our guidelines. The ambition is to give a transparent statement, ensuring that all shareholders gain an understanding of how the guidelines are applied in practice and how these contribute to the company's long-term value creation and sustainability. For information regarding the work of the Remuneration Committee, please refer to the corporate governance report in the annual report. Remuneration, social security expenses, pension costs and other benefits are presented in note 5 "Employees and personnel costs" in the annual report. The same note also includes remuneration paid to the Members of the Board of Directors.

Anders Ullberg, Chairman of the Board of Directors

1. Remuneration 2020

1.1 Overview of remuneration and compliance with remuneration guidelines

The total remuneration for 2020 follows the guidelines approved by the Annual General Meeting. The Board has not deviated from the guidelines in any respect and will propose to the 2021 Annual General Meeting that the guidelines be unchanged.

Below is a short summary of each remuneration element and how it corresponds to our guidelines. The summary is followed by a graph illustrating the distribution between fixed and variable remuneration. Boliden has currently no outstanding share-related or share price-related incentive programs. However, the President and the Group management have undertaken to use a certain part of their variable remuneration to buy shares in the company.

1.1.1 Base salary

As a consequence of the uncertainty arising from the global pandemic, the President had an unchanged fixed annual salary of SEK 8,000 thousand. The salary review in 2021 will take this into account and will be based on an evaluation of the President's performance together with other factors as described in our guidelines.

1.1.2 Pension

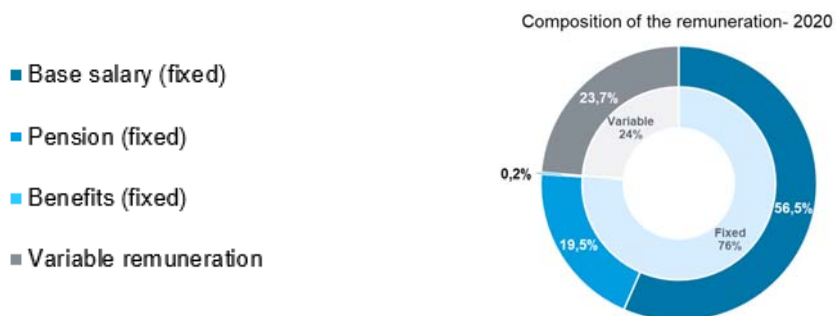
The President's pension has amounted to 35 % of the fixed salary, which is compliant with the guidelines.

1.1.3 Benefits

Other benefits amount to SEK 27 thousand, corresponding to 0.3% of the base salary.

1.1.4 Variable remuneration

The variable remuneration may not exceed 60% of the fixed salary. The outcome for 2020 was SEK 3,361 thousand, i.e. 42% of the fixed salary, and will be paid in 2021. Please refer to section 1.3 *Table of variable remuneration* for a detailed overview of performance criteria and goal fulfilment. The President has undertaken to buy shares in the company for a certain part of the variable remuneration (SEK 560 thousand).



1.2 Table of total remuneration

The table below presents the total remuneration paid to the President in 2019 and 2020.

SEK thousand	Financial year	Fixed remuneration			Variable remuneration		Total remuneration - earned
		Base salary	Pension	Benefits	Disbursed	Earned	
President	2020	8,000	2,766	27	2,941 ¹⁾	3,361	14,154
	2019	8,000	2,793	69	2,551 ²⁾	2,941	13,803

1) The amounts are attributable to 2019 but were disbursed in 2020

2) The amounts are attributable to 2018 but were disbursed in 2019

1.3 Table of variable remuneration

The table below sets out the performance measures used for the variable remuneration to the President in 2020. Bonus outcomes are calculated proportionally based on defined parameters.

	Maximal variable remuneration (% of base salary)	Performance criterias	Parameters (min/max)	Weight	Goal fulfilment (% of max)	Earned 2020		
						Total earned (SEK thousand)	% of max	% of base salary
President	60%	ROE	8%-18%	90%	77,8%	3,361	70,0%	42,0%
		Accident rate (LTIF)	4,4%-3,1%	10%	0,0%			

2. Yearly change of remuneration

In accordance with the European Commission’s draft normative guidelines, only data for the years when the new rules on remuneration guidelines and remuneration reports have been in force are reported. The table below thus illustrates the change in 2020 in comparison to 2019 only.

3. The President’s remuneration in relation to the average remuneration to the company’s employees

The calculation of the average remuneration to employees is based on the remuneration per full-time equivalent. The data used is presented in note 5 ”Employees and personnel costs” in the annual report, pension costs are excluded.

		Annual change	
		2020	2019
The President’s total remuneration (SEK thousand)		11,388 (+3.4 %)	11,010
Market capitalization at the end of the year (SEK billion)		79.7 (+17.2 %)	68.0
Company performance	Return on capital employed (%)	15.8	14.3
	Accident rate¹ (LTIF)	5.8	4.4
Average remuneration per full-time equivalent (SEK thousand)		642 (+0.6 %)	638

1. The frequency for the number of lost time injuries (LTIF) for employees and contractors