



Boliden AB (publ)

Base Prospectus for Swedish medium term note programme

guaranteed by Boliden Mineral AB (publ)

Arranger

Swedbank AB (publ)

Dealers

Swedbank AB (publ)

Danske Bank A/S, Danmark, Sverige Filial

DNB Bank ASA, filial Sverige

Nordea Bank Abp

Skandinaviska Enskilda Banken AB (publ)

Aktiebolaget Svensk Exportkredit (publ)

This Base Prospectus is valid for twelve months after the date of the approval of the Base Prospectus. The obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Base Prospectus is no longer valid.

Important information

Words and expressions defined in the general terms and conditions for medium term notes (the “**Terms and Conditions**”) beginning on page 17, and, as the case may be, in the final terms, the form of which beginning on page 36 (the “**Final Terms**”) have the same meanings when used in this Base Prospectus, unless expressly stated or the context requires otherwise.

In this Base Prospectus, the “**Issuer**”, the “**Company**” or “**Boliden**” means Boliden AB (publ) or, depending on the context, the group in which Boliden AB (publ) presently is a parent company. The “**Guarantor**” or “**Boliden Mineral**” means Boliden Mineral AB (publ). The “**Group**” means the Issuer with all its subsidiaries (including Boliden Mineral) from time to time (each a “**Group Company**”). The “**Arranger**” means Swedbank AB (publ). The “**CSD**” or “**Euroclear Sweden**” means Euroclear Sweden AB. “**SEK**” refers to Swedish kronor, “**EUR**” means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union, “**USD**” means U.S. dollars. “**m**” means millions and “**k**” means thousand.

Complete information regarding the Company and the Loan may only be obtained through a reading of the Final Terms together with the Base Prospectus (as supplemented).

Notice to investors

This Base Prospectus has been prepared by the Issuer and contains information about its programme for senior unsecured notes (the “**Programme**”). The Programme has been established by Boliden to constitute a framework under which the Issuer from time to time may issue senior unsecured notes (“**Notes**”) in SEK or EUR in a minimum Nominal Amount corresponding to an amount of EUR 100,000, and with a minimum term of one year. The payment obligations under the Notes are guaranteed by Boliden Mineral. The Issuer has undertaken towards the Arranger that the total outstanding Nominal Amount of Notes under the Programme shall not exceed an amount corresponding to an amount of SEK 5,000,000,000 (five billions) at any time. Boliden and the Arranger may agree to increase or decrease such amount. This Base Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell Notes.

The Base Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the “**SFSA**”) pursuant to Article 20 in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”) and is valid for a period of twelve months from the day of approval.

This Base Prospectus is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Base Prospectus.

This Base Prospectus may not be distributed in any jurisdiction where such distribution would require any additional prospectus, registration or measures other than those required under Swedish law, or otherwise would conflict with regulations in such jurisdiction. Persons into whose possession this Base Prospectus may come are required to inform themselves about, and comply with such restrictions. Any failure to comply with such restrictions may result in a violation of applicable securities regulations. The Notes have not been, and will not be, registered under the United States Securities Act of 1933 (the “**Securities Act**”) or the securities laws of any state or other jurisdiction outside Sweden. The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

No person has been authorised to provide any information or make any statements other than those contained in this Base Prospectus. Should such information or statements nevertheless be furnished, it/they must not be relied upon as having been authorised or approved by the Issuer and the Issuer assumes no responsibility for such information or statements. Neither the publication of this Base Prospectus nor the offering, sale or delivery of any Note implies that the information in this Base Prospectus is correct and current as at any date other than the date of this Base Prospectus or that there have not been any changes in the Issuer’s or the Group’s business since the date of this Base Prospectus. If the information in this Base Prospectus becomes subject to any material change, such material change will be made public in accordance with the provisions governing the publication of supplements to prospectuses in the Prospectus Regulation.

Each potential investor in the Notes must in light of its own circumstances determine the suitability of the investment.

The Final Terms in respect of any Notes will include the target market assessment in respect of the Notes and appropriate channels for distribution of the Notes. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment. However, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

For the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), a determination will be made in relation to each issue about whether the Arranger or any Dealer participating in the issue of the Notes is a manufacturer in respect of such Notes. Neither the Arranger nor the Dealers nor any of their respective affiliates that do not participate in an issue will be a manufacturer for the purpose of the MiFID Product Governance Rules.

The Base Prospectus contains certain forward-looking statements that reflect the Issuer’s current views or expectations with respect to future events and financial and operational performance. Although the Issuer believes that these statements are based on reasonable assumptions and expectations, the Issuer cannot give any assurances that such statements will materialise. Because these forward-looking statements involve known and unknown risks and uncertainties, the outcome could differ materially from those set out in the forward-looking statement.

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DESCRIPTION OF THE PROGRAMME

The following is a description of the Programme and is qualified in its entirety by the full Conditions included in the section “Terms and Conditions” and “Form of Final Terms”.

General

The Programme has been established by Boliden for the issuance of medium term notes in SEK or EUR. A Note may be issued in a minimum Nominal Amount of EUR 100,000 (or the equivalent in SEK) and with a minimum term of one year. MTN may be issued with fixed rate, floating rate or as zero couponing notes. The Issuer has undertaken towards the Dealers that the total outstanding Nominal Amount of Notes under the Programme shall not exceed SEK 5,000,000,000 at any time. The Issuer and the Dealers may agree to increase or decrease such amount.

The Issuer has appointed Swedbank AB (publ) as Arranger, and Danske Bank A/S, Danmark, Sverige Filial, DNB Bank ASA, filial Sverige, Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ), Aktiebolaget Svensk Exportkredit (publ) and Swedbank AB (publ) as Dealers, in respect of the Programme. Further Dealers may be appointed.

Terms and Conditions and Final Terms

Notes issued under the Programme will be governed by the Terms and Conditions as well as the applicable Final Terms. The Terms and Conditions are standardised and apply to all Notes issued under the Programme. For each Loan, Final Terms are prepared that include supplementary terms and conditions for the relevant Loan. Applicable Final Terms must therefore be read in conjunction with the Terms and Conditions. The Final Terms will be submitted to the SFSA and published on the webpage of the Issuer. Any amendments (other than adjustments to clear and obvious errors) to the Terms and Conditions will not be effective to Notes issued prior to such amendment, unless a Noteholders’ Meeting resolves otherwise.

Form of Notes

Notes will be issued in dematerialised book-entry form and registered on a Securities Account (maintained with Euroclear Sweden) on behalf of the relevant Noteholder. Hence, no physical notes will be issued. Notes will be registered in accordance with the Swedish Financial Instruments Accounts Act (*lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*). Registration requests relating to Notes shall be directed to an Account Operator.

Status of Notes

Upon issuance, Notes will constitute direct, unconditional, unsubordinated and unsecured debt obligations of the Issuer and rank *pari passu* and without any preference among themselves and shall rank at least *pari passu* with all other present and future unsubordinated and unsecured obligations (except those obligations preferred by law) of the Issuer.

Pricing and interest

The Pricing of the MTN cannot be established in advance but set in connection with the relevant issue on the bases of the prevailing market conditions. MTN may be issued at a price below or exceeding the relevant Nominal Amount. The interest (if any) applicable to MTN depends on several factors, one of which is the interest applicable to other investments with a corresponding term. Interest (if any) may be set at a floating interest rate based on EURIBOR or STIBOR, plus a margin, or at a fixed interest rate.

Admission to trading

Notes issued may be listed on a Regulated Market. If relevant, any intended listing of Notes will be set out in the applicable Final Terms. The estimated costs associated with such listing will also be set out in the applicable Final Terms. Although the Issuer has undertaken to apply for registration on a Regulated Market for Loans which according to the Final Terms must be admitted to trading on a Regulated Market, and, as long as permitted under applicable laws and regulations, to take any measures that may be required to maintain the admission as long as the relevant Loan is outstanding, there is no assurance that such application will be accepted, that Notes will be so admitted or that an active trading market will develop.

Prescription

Claims for the repayment of the principal of Notes will be prescribed and become void ten (10) years after the Maturity Date. Claims for the payment of interest will be prescribed and become void three (3) years from the

relevant Interest Payment Date. Upon prescription, the Issuer will be entitled to keep any funds that may have been reserved for such payments.

If the prescription period is duly interrupted in accordance with the Swedish Limitations Act (*preskriptionslagen (1981:130)*) a new prescription period of ten years will commence for claims in respect of principal and three years for claims in respect of interest amounts, in both cases calculated from the day indicated by provisions laid down in the Swedish Limitations Act concerning the effect of an interruption in the limitation period.

Governing law

The Loan Terms and any non-contractual obligations issues which arise in connection therewith, shall be governed by the laws of Sweden. Disputes shall be settled by Swedish courts. The Stockholm District Court (*Stockholms tingsrätt*) shall be the court of first instance.

Product description

Interest structures

Notes issued under the Programme may have a fixed or floating interest rate. The interest structure applicable to a specific Loan will be stated in the Final Terms. Below is a short description of the available interest structures.

Fixed interest rate

If the relevant Final Terms of a Loan specify fixed interest rate as applicable to it, the Loan shall bear interest on its Nominal Amount at the Interest Rate from, but excluding, the Interest Commencement Date up to and including the Maturity Date.

Interest accrued during an Interest Period is calculated using the Day Count Convention 30/360 and paid in arrears on the relevant Interest Payment Date or, to the extent such day is not a Business Day, the first following day that is a Business Day. Day Count Convention 30/360 means that the amount is to be calculated based on a year with 360 days consisting of twelve months each consisting of 30 days and, in the event of a partial month, the actual number of days which have elapsed in the month. Interest is calculated and payable, however, only up to and including the Interest Payment Date.

Floating interest rate (FRN)

If the relevant Final Terms of a Loan specify ‘floating interest rate’ as applicable to it, the Loan shall bear interest on its Nominal Amount from, but excluding, the Interest Commencement Date up to and including the Maturity Date.

The Interest Rate applicable to each respective Interest Period shall, when possible, be calculated by the Calculation Agent on the respective Interest Determination Date and is the sum of the Base Rate and the Margin for the relevant period. The relevant Interest Base Margin will be set out in the relevant Final Terms and the Base Rate will be either of EURIBOR and STIBOR (as defined in the Terms and Conditions).

Interest accrued during an Interest Period is calculated using the Day Count Convention Actual/360 and paid in arrears on the relevant Interest Payment Date or, to the extent such day is not a Business Day, the Interest Payment Date shall instead be the next Business Day provided that such Business Day does not fall in the new calendar month, in which case the Interest Payment Date shall be the preceding Business Day. Interest is calculated and payable up to and including each relevant Interest Payment Date.

Zero Coupon

Zero Coupon Loans do not bear interest.

European Benchmarks Regulation

Interest payable for Notes issued under the Programme may be calculated by reference to certain benchmarks, being EURIBOR and STIBOR, as defined in the Terms and Conditions. The benchmarks are provided by the European Money Market Institute (EURIBOR) and Financial Benchmarks Sweden AB (STIBOR). It was noted that Financial Benchmarks Sweden AB have agreed to transfer the administration of STIBOR to the Swedish Financial Benchmark Facility (a subsidiary of Global Rate Set Systems). At the date of this Base Prospectus, Financial Benchmark Sweden AB are not registered as an administrator in the register provided by the European Securities and Markets Authority (ESMA) pursuant to Article 36 of Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “**Benchmarks Regulation**”). The European Money Market Institute was registered 2 July 2019.

Repayment of Loans and payment of interest

Repayment at maturity

MTN become due and payable in the Nominal Amount including interest (if applicable) on the Maturity Date as set out in the relevant Final Terms. Interest shall be paid on each Interest Payment Date set out in the relevant Final Terms. If the due date in respect of a repayment or payment (other than interest) falls on a day which is not a Business Day, the Loan is not repaid until the following Business Day (and, in respect of interest, as set out above in section “Interest structures”).

Repurchase of Notes by the Issuer

Following agreement with the Noteholder, the Company may repurchase MTN from time to time provided that repurchase is in compliance with applicable law. MTN owned by the Company may, in the discretion of the Company, be retained, transferred, or redeemed.

Mandatory repurchase

Each Noteholder is entitled to demand repurchase of all, or some, of the MTN held by the Noteholder in accordance with the Terms and Conditions, provided that (i) the shares in the Company cease to be admitted to trading on the Regulated Market at Nasdaq Stockholm; or (ii) an event, or series of events, occurs which leads to a natural or legal person, itself or together with a closely associated person as set forth in the Stock Market (Takeover Bids) Act (*lagen (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*), directly or indirectly, at any time acquiring or otherwise controlling more than 50% of the shares or votes in the Company.

Termination of Loans

The Calculation Agent shall declare in writing a relevant Loan, together with accrued interest (if any), immediately due and payable, or payable at such time as the Calculation Agent or the Noteholders' Meeting (as applicable) decides, upon the occurrence of any circumstance stated in section 10.2 in the Terms and Conditions and if:

- i. so decided by the Noteholders under a Loan at the Noteholders' Meeting; or
- ii. so demanded in writing by Noteholders who, at the time of demand, represent not less than 1/10 of the total outstanding Nominal Amount for the relevant Loan. Upon demand, a Noteholder shall provide evidence that the Noteholder is a Noteholder on the relevant Business Day. Demand for acceleration may only be made by a Noteholder who alone represents 1/10 of the total outstanding Nominal Amount or jointly by Noteholders who, together, represent 1/10 of the total outstanding Nominal Amount on the relevant Business Day.

RISK FACTORS

In this section, material risk factors are illustrated and discussed, including Boliden's market and industry risks, operational risks, financial risks, legal risks as well as risks relating to the Notes. Boliden's assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. The description of the risk factors below is based on information available and estimates made on the date of this Base Prospectus. The risk factors are presented in categories where the most material risk factors in a category are presented first under that category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor.

Risks relating to Boliden and the Group

Market and industry risks

Risks related to commodity prices

Boliden's revenues derive primarily from the sale of metals, as refined and non-refined products such as concentrates and intermediate metal products, and charges for treating raw materials and refining the valuable metals into refined metals (treatment and refining charges). Boliden's profits are thus directly linked to the price of relevant metals and magnitude of the charges. Metal prices and raw material charges are volatile and cyclical, and may fluctuate widely depending on supply and demand. The pricing terms for Boliden's metals are primarily determined on commodity exchanges such as the London Metal Exchange ("LME") for base metals, the London Bullion Market Association ("LBMA") for precious metals, and the currency and money market. Gold, silver, platinum and palladium prices are set by the LBMA, while copper, lead, nickel and zinc prices are set on the LME. Metal customers pay the metal price plus a premium, which comprises surcharges whose levels are determined by the local market balance between metal demand and supply, customisation costs, transport costs and payment terms. Boliden's products are largely priced in USD and costs are mainly in SEK/EUR/NOK. Fluctuations in the USD/SEK/EUR/NOK exchange rates thus have a significant impact on Boliden's profits and cash flow, particularly since individual sales transactions may represent significant amounts (see further "Currency risk" below). Based on closing day listings on 31 December 2019 and on Boliden's planned production volumes for the coming twelve months, a change in metal prices by +/- 10% on copper, zinc, gold, silver, nickel and lead would affect Boliden's operating profit by +/- SEK 785 m, SEK 750 m, SEK 400 m, SEK 185 m, SEK 150 m and SEK 110 m, respectively.

Commodity price volatility is caused by numerous factors, such as the business cycle as well as changes to global metals demand and supply and factors that impact the trade flow between countries and regions. Commodity prices are also affected by general economic development, and in weaker economic markets, commodity prices have often reached a low point when they equate to the cash cost level for high-cost producers. The Group is not, nor is it currently contemplating, hedging all commodity risk that might arise from its operations (including, but not limited to, maintenance of inventories required for optimal smelting processes). Therefore, in respect of its exposure to any commodity risk that is (i) hedged but such hedging transpires to be imperfect or insufficient; and (ii) not hedged, if the market prices of metal produced by the Group fall below the Group's total production costs (including the cost of externally purchased raw materials), and remain at this level for any sustained period, it would have a material adverse impact on the Group's profitability and results.

Furthermore, the Group purchases metals in raw materials as concentrates and secondary raw materials, which it processes into refined metals, and where the acquisition value of the metals in raw materials as well as the exchange rates may differ from the final sales value. Such differences arise as a result of variations in quantities purchased, processed and sold over time. When Boliden undertakes to participate in a transaction at a fixed value and that is not compensated for by a simultaneous opposite transaction of a corresponding size and nature, a transaction risk arises.

Macro-economic and political risks

Boliden's market is global, where prices are set by the global supply and demand balance, while Boliden's metals and products are sold predominantly in Europe. Accordingly, the Group is affected by macro-economic factors and international, national and regional economic conditions. Economic downturns and uncertainty in the international financial markets may affect the financial position of customers and suppliers and thus impact their ability to conduct business with the Group. Other factors that impact demand for metals and which consequently impact pricing include technical developments and new inventions, population growth, urbanisation, industrial

activity levels, investments in infrastructure and automotive market trends. Furthermore, the smelting industry is sensitive to impacts on supply and demand in the metal concentrates market as it is a key determining factor in treatment and refining charges, which make up a significant part of smelters' gross profit. Significant deterioration in the global economy or decreases in demand for the Group's products would have a material adverse impact on the Group's operations, financial position and results.

The Group operates and owns assets in several countries and, as a result, is exposed to various political environments and risks. Political decisions, such as changes to different types of taxes, costs related to the carbon footprint, reclamation management, licensing processes, recycling requirements, and environmental and climate regulations, can have an impact in Sweden and the countries in which Boliden and its business partners operate. For example, any future taxes or other measures taken by any state or any other party as regards the carbon footprint may impact the price of raw materials purchased by Boliden in the market or sales of metals and other products. Such taxes or other costs may also impact Boliden through its purchasing of electricity and fuels.

Moreover, there are uncertainties as to the current political climate globally, including the introduction of duties and other measures by the U.S. administration, which could impact the global economy and thus the markets where the Group operates. Furthermore, the short- and long-term effects of the United Kingdom's withdrawal from the EU, which among other things entails risks to transport flows in Europe, potential customs tariffs, duties or administrative requirements on marking and marketing of products, and uncertainty pertaining to sales on the LME, are uncertain and could have unpredictable consequences and adversely affect the business of Boliden. The degree to which macro-economic and political factors may affect Boliden is uncertain, and presents a significant risk to its operations.

Customer-related risks

Boliden operates both mines and smelters; selling raw materials from its mines to primarily its own smelters and selling metals produced by its smelters. Boliden's metals are sold to industrial customers, primarily in the automotive, steel and construction industry, but some also to base metal traders. Accordingly, the Group generates a significant portion of its revenue from sales to industrial customers. In particular, significant reliance is placed on a small number of large copper customers. Boliden has three customers within segment Smelters who, in 2019, accounted for 15%, 13% and 8%, respectively of Boliden's external revenue. There is a risk that, on expiration, existing contracts will not be renewed, resulting in either (i) increased sales via traders or over the LME, at the daily spot or forward rates, which could be less than rates agreed with industrial customers; or (ii) the need to enter into replacement contracts with new customers who may be located further away, thus giving rise to increased transportation costs.

Boliden's product portfolio comprises copper, zinc, lead, nickel matte, gold, silver and platinum and palladium concentrates, together with a number of by-products. Boliden also offers a variety of different lead and zinc alloys that are customised in line with different customers' requirements. Furthermore, reduced sales to industrial customers in Europe means that the Group will be required to sell larger volumes via traders or the LME, with slightly lower margins as a result. Accordingly, significant decrease in sales to industrial customers, or a loss of a customer who accounts for a large part of the Group's revenue, would have a material adverse effect on the Group's operations, financial position and results.

Risks related to supply of raw materials and energy

Boliden sources mined concentrate globally, and uses external suppliers to supplement its own production to enable its smelters to produce at high levels of capacity utilisation and ensure consistent quality. Accordingly, a stable and reliable supply of raw materials such as copper, zinc and nickel concentrates, and secondary raw materials such as electronic scrap or used lead batteries, is crucial for Boliden's operations. The Group is exposed to both price and supply risk with respect to raw materials sourced from the global market. In 2019, the Group's raw material costs (including inventory) totalled SEK 21,291 m. Furthermore in 2019, the Group's mined concentrate feed (primary material) used in its operations totalled 2,281 ktonnes. Significant increases in prices on raw materials and mined concentrate feed thus adversely affect Boliden's operating costs and thereby its results. If there is a shortage of concentrate in Boliden's internal concentrate supply, Boliden may be in a situation where a larger proportion of total concentrate need has to be purchased externally, through traders or in the spot market in order to maintain metal production levels. Even though the internal feed is purchased on market terms, the terms on which externally supplied concentrates can be purchased, may be less favourable compared to annual contracts, or may render higher transportation costs. Therefore, if internal sourcing of concentrates declines significantly, the profitability of Boliden's smelters may be impacted substantially negatively.

Furthermore, treatment and refining charges make up a large part of the smelters' gross profit and are determined by the supply/demand of metal concentrates and the processing abilities of the smelters, being able to treat more complex concentrates, containing certain impurities. There is a risk that the Group does not have access to adequate concentrates in the market at competitive terms, which could lead to lower smelter production capacity utilisation, thus having a negative impact on the Group's earnings. Failure by external and internal suppliers to supply raw materials in the amounts required or with the qualities that make up the most efficient mix for the Group's smelters or on reasonable terms may require the Group to source alternative supplies or amend production, which could result in lower output quantities, thus adversely affecting the production and profitability in Boliden's smelting operations.

Moreover, smelters are energy-intensive operations, which means that stable access to electricity is crucial. The Group's costs for energy totalled SEK 2,982 m in 2019, corresponding to approximately 14% of its operating costs (11% for Mines and 19% for Smelters). Accordingly, as energy costs continue to be a significant part of the Group's total production costs, the Group is exposed to the risk of reduced profitability and disruptions in operations if long-term agreements at attractive prices cannot be secured, if the cost of energy increases significantly or in the event of shortages in supply. Hence, significant increases in energy costs or shortages in supply of energy would adversely impact the Group's, operations, financial position and results.

Risks related to increased competition

Boliden's industry is characterised by strong competition. The Group competes with other mining and smelting companies and traders, many of whom have larger financial resources. These companies may also expand and diversify their commodity sourcing, processing or marketing operations or engage in pricing or other financial or operational practices that could increase competitive pressure on the Group across each of its business segments (including the search for and acquisition of mineral rich property). Boliden's operations are concentrated to the northern half of Europe, entailing longer and more expensive transportations of both raw materials and sale of produced metals, which could lead to certain disadvantages compared to other mines and smelters that may be more well positioned geographically, i.e. closer to suppliers and customers.

Boliden competes both with large international global mining companies such as Glencore, Anglo American, Antofagasta and BHP Billiton, and mid-sized and smaller mining companies such as Lundin Mining. Boliden also competes with smelting companies in purchasing of concentrates and metal sales, such as Glenore, Aurubis and Nyrstar. In addition, there has been a rapid growth in copper smelter construction over the past 10–15 years, particularly in China, and as a result, a global overcapacity has arisen, thus increasing the competition within the relevant industry segment. Moreover, in sales of sulphuric acid, there is a risk that demand locally and regionally does not match the Group's production, and that volumes have to be shipped on the international market at a certain cost. If the international market demand is low, there is also a risk that smelters have to store sulphuric acid, which can only be stored for a limited period of time, at a certain cost. A situation with persistently low sulphuric acid demand could also lead to a need to reduce the smelter production, which would have a negative impact on the Group's earnings. The degree to which competition may affect Boliden is uncertain, and presents a significant risk to the Group's ability to maintain profitable pricing, retain market shares and expand operations.

Operational risks

Health and safety-related risks

Boliden handles large material flows, both below and above ground. Employees and contractors are periodically exposed to heavy machinery and lifting, to high temperatures and to substances that are hazardous to health. Deviations from established health and safety routines or inadequate maintenance risk creating dangerous situations and increase the risk of personal injury. In 2019, the number of accidents leading to absence from work per one million hours worked (LTI frequency) was 4.4 for Boliden's own personnel and contractors. Furthermore, the sick leave rate averaged 4.3% during 2019. For example, in February 2020, smoke development was caused by a work machine in Boliden's mine in Garpenberg, as a consequence of which 130 employees who were underground were evacuated in accordance with routines to the rescue chambers. Accordingly, if Boliden fails to reduce the risk of accidents or is unsuccessful in preventing accidents and rehabilitating employees in conjunction with ill health, it would adversely affect its operations.

The occurrence of health and safety-related risks and the costs associated with remediating them (including prevention measures, restoration of own or third party property, compensation to third parties for loss and/or payment of fines or damages, loss of production or affecting operating permits) could adversely impact the Group's operations, financial position and results. Health and safety-related events may also lead to property or environmental damage at any of the Group's facilities or surrounding areas. Such events may also harm

Boliden's reputation, both as an industrial player and as an employer, undermining various stakeholders' confidence in the Group's safety and work environment efforts. The degree to which health and safety-related risks may affect Boliden is uncertain, and presents a significant risk to the Group's operations and reputation.

Environmental and climate risks

Boliden's operations have an environmental impact through the emission of green-house gases, nitrogen and the discharge of metals and other contaminants into air, water and land/soil. The extraction of metals also creates waste products that must be processed or disposed of safely, both during ongoing operations and after decommissioned operations. Mining and smelting operations are subject to rigorous environmental permit requirements, established by supervisory authorities and courts of law. Accordingly, Boliden's various operations are widely subject to licensing requirements and to wide-ranging environmental and other regulations.

Furthermore, external environmental risks, changes to regulations and environmental related taxes, such as requirements relating to CO₂ emissions from production processes, may affect the Group. For example, the EU's Emissions Trading System scheme, under which Boliden has been allocated a number of quotas setting the allowed amount of CO₂ emissions per year, may require the Group to purchase allowances (exchangeable quotas), if certain levels of CO₂ emissions are exceeded. This may result in cost increases and put Boliden at a competitive disadvantage in relation to non-EU competitors, since Boliden may be required to incur costs for acquiring allowances that non-EU competitors do not have to. Boliden's operations are generally subject to environmental regulations, such as the EU Industrial Emissions Directive (2010/75/EU), the EU Mining Waste Directive (2006/21/EC), the Restriction of Hazardous Substances (RoHS) Directive and the REACH regulation (EC 1907/2006). Environmental regulations, limits and quotas may require the Group to temporarily decrease its production levels or lead to increased costs or delays, whereas non-compliance with such regulations and restrictions may lead to fines, sanctions and increased costs, thus adversely impacting the Group's operations and results.

In addition, climate change can increase the risk of more extreme weather events. Changes in precipitation might lead to heavier snowfall or flooding that can affect open pit mining operations. Flooding and changes in groundwater levels could impact Boliden's operations. Higher (or lower) temperatures and storms in the future might also have negative implications on Boliden's operations, increasing the need to reinforce dams and introduce further measures to limit dust emissions.

Boliden is responsible for approximately 40 dam facilities that are either currently in use, or decommissioned, to store tailings sand or other waste and for water management. Tailings ponds account for one of the risk scenarios for the mining industry. The risks comprise both the environmental impact when a dam is constructed and the risk of a dam failure. For example, in 1998, a dam accident occurred in a tailings pond at the Los Frailes mine in Spain, which was then owned by Boliden's subsidiary, Boliden Apirsa S.L. ("**Apirsa**"). It was established that the likely cause of the accident was design and construction errors by the building companies. Nevertheless, various legal proceedings are still ongoing in Spain in order to determine the liability for certain costs associated with the accident, totalling approximately EUR 142 m in relation to which Boliden has not made any provisions. Environmental risks may have a material adverse effect on Boliden's operations, financial position and results.

Boliden is dependent on the supply of goods and services and maintaining an adequate infrastructure

Boliden's mining, processing and exploration activities depend on an adequate infrastructure. Water and electricity supply, as well as reliable transport infrastructure and services are essential for the conduct of the operations (including the transportation of raw materials, assets and commodities between the mine, the smelter, own and external and the end-user) and the availability and cost of this infrastructure affects capital and operating costs. Interference with this infrastructure may adversely impact the Group's ability to conduct operations and increase its costs. For example, during the third quarter 2019, deliveries of lead from the Tara mine in Ireland were delayed due the Dublin harbour being under reconstruction. Moreover, deliveries to the Rönnskär smelter were delayed due to disruptions in rail traffic. This resulted in high concentrate stocks, which adversely affected cash flows in the quarter (free cash flow totalled SEK -653 m compared to SEK 822 m in the corresponding quarter 2018).

Furthermore, the Group may be required to make significant investments in its infrastructure in order to comply with, and be proactive in terms of expected changes to, environmental and climate regulations, for example, to remain within permitted CO₂-emission levels. For example, in 2018, Boliden decided to invest almost SEK 900 m in new "electric-ready" mine trucks for the Kevitsa and Aitik mines, and, in 2019, Boliden decided to invest an additional SEK 300 m with the aim of expanding electrified transportation in Aitik and implementing the

corresponding technology in Kevitsa. Maintaining and developing an adequate infrastructure that complies with environmental regulations and sustainability priorities may thus be costly and require substantial capital expenditures.

In order to conduct its business and maintain an adequate infrastructure, Boliden is dependent on a timely supply of a variety of goods and services. Boliden has a total of around 6,700 suppliers, with approximately 280 of this total accounting for 80% of the volumes purchased. Boliden's purchasing volumes, excluding concentrate purchases, totalled SEK 18.4 billion in 2019, with Mines and Smelters accounting for 59% and 41%, respectively, of this total. For most of Boliden's purchasing categories, the costs increased in 2019. For example, with respect to services (representing 30% of the Group's purchasing volumes in 2019), prices have risen in the consultancy market. Within the Bulk goods & chemicals category (representing 13% of the Group's purchasing volumes in 2019), including fuels, coal, coke and sodium hydroxide prices increased overall in 2019. The cost of transport services has increased due to for example higher fuel prices, taxes and charges. If the costs of goods and services continue to increase without corresponding price increases of Boliden's products, it would adversely affect the Group's operating costs and thereby its profitability.

Boliden can also be negatively affected if an important supplier is lost, which can occur if a supplier runs into financial difficulties or for other reasons ceases in its supply, or if a supplier needs to be terminated due to non-compliance with laws, regulations, code of conduct or other applicable reason and a replacement cannot be arranged without undue delay. There is a risk that Boliden in such cases will not be able to contract a new supplier on reasonable time or at similar costs, which would adversely affect the Group's operations.

Risks related to unplanned stoppages and maintenance shutdowns

Boliden's business is subject to numerous operating risks and hazards normally associated with the mining and smelting industries. The Group's production essentially comprises continuous processes, and planned as well as unplanned stoppages can affect production, emissions and discharges and consequently financial results.

Major maintenance shutdowns are planned and carried out generally every one and a half to every second year within the smelting operations. In addition, maintenance is, albeit conducted on a less comprehensive scale, an integral part of day-to-day operations for the mines. There is a risk that planned maintenance shutdowns take longer time than expected or become more expensive than estimated, thus negatively affecting the Group's operations and results. Furthermore, unplanned stoppages could occur due to, for example, technical problems, fires, accidents, strikes, or breakdowns caused by lack of or inadequate maintenance. Unplanned stoppages may have a negative impact on production and thus adversely affect the Group's operations and results.

As an example, in the second quarter 2019, maintenance shutdown affected earnings negatively by SEK 315 m. Furthermore, in the third quarter 2019, planned maintenance shutdowns in smelters and a breakdown in the Harjavalta smelter, located in south west Finland (leakage in a nickel smelter furnace, which caused extra maintenance work for seven weeks), combined affected earnings negatively by SEK 360 m. In addition, the production of copper, lead and sulphuric acid at the Rönnskär smelter was lower in the third quarter 2019 than the previous quarter and the last year due to an extensive maintenance shutdown and certain production disruptions. In the fourth quarter 2019, planned maintenance shutdowns totalled approximately SEK 70 m. Accordingly, unplanned stoppages, breakdowns and maintenance shutdowns adversely affect the production at mines and smelters, thus negatively impacting earnings and profitability.

IT related risks

Boliden's mining and smelter processes are highly automated and IT dependent in terms of process control, monitoring, logistic planning and trading. IT incidents may lead to unplanned stoppages and maintenance shutdowns, and are unpredictable in terms of recovery times. For example, an encryption of a system may cause multiple shut downs, i.e. encompassing more than one site. IT incidents may also spread to businesses elsewhere and therefore present a significant risk to the Group. Moreover, a logistic system shut down may hinder Boliden from shipping goods to customers. Such logistic delays would negatively affect Boliden's reputation and confidence amongst customers. IT attacks, errors and damage to IT systems, operational disruptions, defective or incorrect deliveries of IT services from Boliden's IT providers are other risk factors in this regard. The degree to which IT related risks may affect Boliden is uncertain, and presents a significant risk to the Group's business and results of operations.

Employee-related risks

Boliden's operations are complex and technically advanced. Consequently, mines and smelters require committed and creative employees with specific expertise in a number of areas. A comprehensive technology

shift towards automation is currently taking place within Boliden, generating requirements for employees to work with innovation and technological development in many different areas. The conditions for Boliden to recruit, develop, retain and replace appropriately skilled employees are affected by global competition for relevant and skilled labour as well as the current employee age distribution across the Group. A large number of Boliden's employees will retire over the next few years, at the same time as technology will develop through digitalisation and the competition for skilled manpower is increasing in many of the areas in which Boliden operates. The shortage of people with relevant training and experience increases the difficulty of recruitment work. Such shortages may also require Boliden to increase its salaries, which, in 2019 (including other remuneration and social security expenses) amounted to SEK 3,829 m. Failure to meet the challenges related to a predominantly senior workforce could impact the Group's ability to run the operations effectively, which would adversely impact the Group's competitiveness and profitability.

As of 31 December 2019, Boliden had 5,969 employees in eight countries. Many of the Group's employees are represented by trade union organisations under various collective labour agreements. The Group may not be able to satisfactorily renegotiate its collective labour agreements when they expire and may face tougher negotiation or higher wage demands. In addition, existing labour agreements may not prevent a strike or work stoppage in the future. A failure to renegotiate labour agreements on reasonable terms and a failure to maintain positive employee relations could adversely impact the Group's reputation, operations, financial position and results. For example, in December 2019, the Finnish Industrial Union launched industrial actions at national level that affected Boliden's copper and nickel smelter in Harjavalta, the zinc smelter in Kokkola and the nickel and copper mine in Kevitsa. The zinc smelter in Kokkola was also affected by industrial actions taken by electricians. The industrial actions had a negative impact on operating profits amounting to approximately EUR 10 m. Industrial measures may also be taken by employees by way of solitary actions in order to support strikes initiated by other unionised employees, thus adversely affecting Boliden's operations even if Boliden as an employer is not involved.

Risks related to access to land and water

Boliden's operations utilise land (the Group manages approximately 23,100 hectares of forests and land) for exploration, mining, concentrating, smelter operations and transport. Accordingly, access to land is fundamental for Boliden's ability to carry out exploration and conduct mining and smelting operations. In order to continue or expand its operations, the Group may need, from time to time, access to new land for production facilities, waste facilities or for infrastructure or other activities. Such access may also be required to waterbodies. Water is also essential as a resource in the production, for example as a cooling agent or as a medium in the ore concentration process. Such required access to land or water may sometimes not be obtainable on reasonable terms. Failure to procure necessary access to land or water or access at costs higher than anticipated could adversely impact the Group's expansion opportunities and operational costs.

Access to land or water may also be in conflict with other competing interests (such as environmental conservation interests, the interests of indigenous people and competing exploitation interests). Violation of such interests may thus harm Boliden's reputation and lead to penalties and fines or to Boliden being prevented from starting up or proceeding with certain operations.

The Group's operations can also have an impact on local communities, including the need, from time to time, to relocate communities or infrastructure such as railways, roads and utility services. For example, any future expansion of production at the Aitik mine (Sweden's largest open pit copper mine with ore that contains copper, gold and silver, located in Gällivare municipality in northern Sweden), will require relocation of the villages Liikavaara and Sakajärvi and the E10 road. Relocation of communities and infrastructure may lead to negative publicity and deterioration in relationships with local communities, government and non-governmental organisations, which may adversely impact the Group's reputation and ability to expand its operations.

Risks related to Mineral Resources and Mineral Reserves

Mineral Reserves are those parts of a mineral resource that can be mined and processed in accordance with the Group's profitability requirements and taking into account factors such as waste rock dilution. The percentage of metal in an ore that can be extracted in the concentration process is transferred to Mineral Reserves and thus eliminated from the Mineral Resources. Mineral Reserves are divided into two categories: probable Mineral Reserves and proven Mineral Reserves. Mineral Resources are a concentration of minerals in the bedrock that may become commercially extractable. Mineral Resources are divided into three categories: inferred Mineral Resources, indicated Mineral Resources and measured Mineral Resources.

Mineral Resources and Mineral Reserves are the basis for the future viability of a mining company's operations. They form the basis for the mines' long-term plans and are the underlying data for many of the Group's major investments. Mineral Reserves are reduced every year through mining activities, and need to be replaced by new additions in order to maintain the operations over time. Accordingly, sufficient Mineral Resources and Reserves in the Group's mines to secure production for many years are crucial for the mining operations. In 2019, the Group's Mineral Resources and Mineral Reserves totalled 1,809 megatonnes and 1,433 megatonnes, respectively. Some of the mine areas have shorter life spans or other complexities, such as the Boliden Area, where the mines have secured lifespans of between 7 and 10 years (and where the Mauriliden open pit was mined for the last time in April 2019). Also the Kylylahti mine, located in the mining district of Outokumpu in Finland, has short-term remaining Mineral Reserves. A lack of sufficient Mineral Resources and Reserves will have a material adverse effect on the Group's future mining operations and prospects.

The Group's mineral resources and ore reserves have been estimated and compiled in accordance with applicable rules and regulations. The estimates are subject to a number of assumptions such as the price of commodities, production costs, recovery rates, extraction levels, other geological aspects and numerous additional factors. Fluctuations in the variables underlying the Group's estimates may result in changes to the Group's mineral resources and ore reserves. Accordingly, if the Group's mineral resources and ore reserve are less than currently estimated, it may have an adverse impact the Group's financial position and results.

Exploration and geological risks

Considering that all mines have limited lifespans, successful exploration is the key to all mining operations. Boliden's exploration work focuses on identifying and upgrading mineralisation in the vicinity of existing mining operations. Exploration includes flight measurements, rock surface finds and geophysical and seismic methods, where core drilling is the final stage in confirming a mineralisation. As of 31 December 2019, the Group's exploration rights totalled SEK 254 m.

Since exploration and development programmes require permissions, the possibility of discovering new resources and bringing new mines into production may be impacted by decisions by governments, courts, authorities and other parties. Exploration and development programmes are by their nature costly, uncertain and often unproductive, but are necessary for the Group's business and ability to add mineral resources and ore reserve. The permission to perform exploration work may be negatively impacted by decisions taken by governments, courts, authorities and other parties. Failure to discover (or acquire) new reserves, to maintain the Group's existing mineral rights, to enhance existing reserves or to extract resources from such reserves may adversely impact the Group's operations and profitability.

The Group's ability to successfully conduct mining operations is also dependent on the geological conditions of the mining sites, such as water levels and soil porosity. The mining sites are exposed to risks relating to geotechnical instability, including mine cave-ins, slope failures, pit collapses, landslides and other types of ground movements, which, if the Group fails to implement sufficient safety measures, may lead to environmental harm, personal injuries, unplanned stoppages and large costs. The degree to which geotechnical risks may affect Boliden is uncertain, and presents a significant risk to the Group's operations and results, as well as to the environment and employees.

Financial risks

Refinancing and liquidity risk

The mining and smelting business is capital intensive. Specifically, the exploration and exploitation of reserves, operational costs, maintenance of machinery and equipment and compliance with laws and regulations requires substantial capital expenditure. Failure to maintain production levels, generate sufficient cash flow or maintain access to financing alternatives may impact the amounts of capital available for necessary expenditure and this, in turn, may adversely impact the Group's liquidity and financial position. Accordingly, the Group is exposed to liquidity risk arising from the need to finance its on-going operations, growth and working capital requirements when payment obligations cannot be met as a result of insufficient liquidity. Refinancing risks arise when the requisite financing cannot be obtained to refinance the Group's financial liabilities. The Group's ability to meet its future capital needs is highly dependent on the successful operations of the Group and the availability of capital, which in turn depends on factors such as market conditions, general credit availability within the financial markets and the Group's credit capacity.

Boliden's loan agreements carry loan covenants which oblige the Group to comply with certain defined key ratio conditions in order to avoid early repayment. If, in the future, Boliden would be unable to satisfy covenants in its financing agreements and not be granted waivers, loans may be terminated pursuant to the terms of the financing

agreements. Any such termination can, in turn, lead to outstanding amounts under other financing agreements also becoming immediately due and payable (so-called cross default). As of 31 December 2019, total financial liabilities amounted to SEK 12,291 m. A deterioration in the global economic climate may entail increased risks in respect of profit performance and financial position, and the risk of Boliden coming into conflict with loan terms and conditions. If access to capital which is required to operate its business or to refinance the Group's financial liabilities were to become limited, it would materially adversely impact the Group's financial position and results.

Credit and counterparty risk

Credit and counterparty risk refers to the risk that a counterparty in a transaction may fail to fulfil its obligation, thus causing the Group to incur a loss. Boliden's financial exposure to counterparty risk mainly occurs when trading in derivative instruments. Credit risks in trade and other receivables are the risk of the Group's customers failing to fulfil their obligations. The majority of the Group's trade and other receivables relate to European customers. On 31 December 2019, the credit risk in derivative instruments corresponded to a market value of SEK 93 m, which relates to Boliden's receivables from external counterparties. Furthermore on 31 December 2019, total trade and other receivables amounted to SEK 2,119 m, of which trade and other receivables that had fallen due for payment more than 30 days ago totalled SEK 10 m, corresponding to 0.5% of the total trade and other receivables, but may vary significantly over time. A significant increase in trade and other receivables falling due without the counterparty honouring its obligations in due time or at all would have a material adverse effect on the Group's liquidity and financial position.

Currency risk

The Group's accounts are consolidated in SEK, but certain operating costs and income are denominated in other currencies. A translation difference arises when converting net investments in overseas operations into SEK, which affects Other comprehensive income for the Group. Also, the Group may have all or parts of its financing in currencies other than SEK. Moreover, Boliden's products are largely priced in USD.

For these reasons, the Group is exposed to currency risk if unfavourable fluctuations in currency exchange rates between relevant currencies were to occur resulting in a negative impact on cash flows, income statements and/or balance sheet. The Group is not, nor is it currently contemplating, hedging all currency risk that might arise from its operational cash flows in foreign currencies. Therefore, in respect of its exposure to any currency risk that is (i) hedged but such hedging transpires to be imperfect or insufficient; and (ii) not hedged, unfavourable fluctuations in relevant foreign currencies may adversely impact the Group's operations, financial position and results. Based on closing day listings on 31 December 2019 and on Boliden's planned production volumes for the coming twelve months, a +/- 10% change in USD/SEK, EUR/USD and USD/NOK would affect the Group's operating profit by +/- SEK 1,600 m, SEK 1,065 m and SEK 165 m, respectively. Fluctuations in currencies, particularly the USD/SEK/EUR exchange rates, thus have a significant impact on Boliden's operating profits and cash flows.

Interest rate risk

Interest charged on the Group's borrowings may be subject to changes in the market rates of interest, and any increase in such interest rates will increase the Group's interest payments and may adversely impact the Group's interest costs and thereby its results. In 2019, the Group's total interest paid amounted to SEK 132 m. Changes in market interest rates also affect the Group's profits and cash flows. The rapidity with which a change in interest rate levels affects the Group's net financial items depends on the fixed term of the loans and the duration of the loans. The Group's loan portfolio had, on 31 December 2019, an average fixed interest term of 1.1 years. Furthermore in 2019, Boliden's average interest rate was 1.1%, weighted against rolling debt, while the debt portfolio's average interest rate was 1.05%. Increased market rates that, to a significant extent, affect Boliden's interest costs would have a material adverse effect on the Group's results and financial position.

Risks relating to the financial reporting and changes in accounting standards

In preparing the financial statements of the Group, Boliden's management is obliged to make certain judgements and estimates that can have an impact on the Group's financial statements. Failure to use accurate assumptions in calculations for such estimates could adversely impact the Group's financial position and results. For example, under IFRS 6 Exploration for and Evaluation of Mineral, impairment testing in respect of exploration rights is carried out. If estimates are not deemed justified in such tests, it can result in impairment, thus affecting the Group's results.

In addition, for Boliden, key audit matters include, *inter alia*, recognition of revenues from sales of metals at the appropriate price and in the correct period (which requires good practices to ensure that revenues are recognised at agreed prices adjusted for the effects from hedging and that revenues are recognised in the correct period), valuation of inventory (which is complex and requires judgment about stock levels, metal content, metal prices, exchange rates and internal profits), valuation of intangible and tangible assets (as changes in market prices for metals, treatment and refining charges and exchange rates have a significant impact on the Group's future cash flows and thus the estimated recoverable value of intangible and tangible assets and any impairment needs) as well as capitalisation and depreciation of deferred mining costs (as the carrying value and depreciation of deferred mining costs are dependent on a number of complex assumptions and estimates).

Furthermore, from time to time, the International Accounting Standards Board (the "IASB"), EU and other regulatory bodies change the financial accounting and reporting standards that govern the preparation of the Group's financial statements. These changes can be difficult to predict and can materially impact how the Group's records and reports its results of operations and financial position. For example, as from 1 January 2019, the Group applies IFRS 16, Leases. IFRS 16 primarily changes the reporting method for leasing agreements previously not reported in the Balance Sheet. The effect on the balance sheet, as of 1 January 2019, was SEK 226 m, which sum breaks down into SEK 66 m for buildings and land and SEK 160 m for machinery and other technical installations, and with a corresponding leasing liability. Accordingly, new IFRS and other financial accounting and reporting standards may have a significant impact on the Group's results and financial position.

Reclamation risks

Reclamation is the process of restoring land that has been mined to a natural or economically usable state. Mine reclamation creates useful landscapes that meet a variety of goals ranging from the restoration of productive ecosystems to the creation of industrial and municipal resources. Although the process of mine reclamation is finalised once mining is completed, the planning of mine reclamation activities occurs prior to a mine being permitted or started. Hence, the Group's operations often result in a need to reclaim areas which have been disturbed, polluted or otherwise affected. Boliden has a reclamation responsibility for some 30 active and closed down mining areas. Ongoing reclamation projects include Simonstown borrow pit, near the Tara mine in Ireland, which is currently being restored by planting a kilometre-long hedge, and the Maurlidén open-pit mine in the Boliden Area, where separation of moraine, runoff waste, waste rock and acid-generating rock has been initiated.

Boliden has commitments for reclamation of closed mines and for reclamation costs that are expected to arise for mines when the mine operations are decommissioned. As of 31 December 2019, Boliden's provisions for reclamation costs totalled SEK 5,086 m. Provisions for reclamations are made on the basis of an assessment of future costs based on current conditions. Hence, the provisions are based on estimated parameters and dependent on several factors including cost estimates for different reclamation measures, life of mine, regulatory decisions, future inflation and discount rates. For example, in the second quarter 2019, a new environmental ruling was handed down regarding future reclamation work at the Kevitsa open-pit mine in northern Finland, which set high standards regarding the methods for the future capping of mining waste in order to prevent oxidation and minimise environmental impact after mine closure, thus entailing higher costs. As a result, the reclamation reserve and reclamation asset in Kevitsa were both increased by EUR 56 m, which will impact the result before tax by EUR 6.5 m per year for the remainder of the mine's lifespan. Furthermore, there is a pending case in the Land and Environment Court (*Mark- och miljödomstolen*) regarding future reclamation of the Aitik mine, including financial security requirements for the reclamation. In the event of a court ruling that requires additional financial security requirements for the reclamation, both the reclamation provision and the corresponding asset at Aitik need to be increased. Accordingly, changes in underlying estimates and assumptions, new or expanding operations and regulatory decisions or court rulings may have a significant impact on the Group's reclamation provisions, thereby affecting its financial position and results.

Legal risks

Disputes and legal proceedings

The Group is from time to time involved in disputes and legal proceedings that arise in the course of its business and operations. Boliden's various operations are also widely subject to licensing requirements and to wide-ranging environmental and other regulations. Claims against Boliden or its involvement in legal proceedings could result in considerable costs and use of resources, which may adversely impact the Group's operations, financial position and results.

For example, in April 1998, a dam accident occurred in a tailings pond at the Los Frailes mine in Spain, which was then owned by Boliden's subsidiary Apirsa. The accident led to several years of criminal, insolvency, civil

and administrative proceedings against Boliden entities and representatives, some of which are still ongoing (see “*Environmental risks*” above). Another litigation emanating from Boliden’s export of certain materials from its Rönnskär smelter in the 1980’s to Arica, Chile, resulted in a several years’ long litigation in the courts of Sweden. Even though both the court of first instance and the court of appeals found in Boliden’s favour (and the Supreme Court denied further appeal), the dispute gave rise to negative publicity and required management attention and other resources, including litigation costs which will most likely not be recovered (see also “*Reputational risks*” below). Tax disputes is another risk area. In 2013, Boliden was obliged to pay SEK 212 m in diesel tax due to mistakenly having utilised the wrong type of fuel for its Aitik trucks. There is also an ongoing tax dispute with the Finnish tax authorities who have increased Boliden Kevitsa Oy’s tax assessment for the years 2012 to 2016, a period predating Boliden’s acquisition (see “*Tax risks*” below). The degree to which disputes and legal proceedings may affect Boliden is dependent on their outcome and thus uncertain. If negatively determined, certain litigation can present a significant risk to the Group’s operations and results.

Boliden is dependent on receiving permits for its operations

The Group’s activities are subject to extensive laws and regulations, both general and industry-specific, including, most notably, environmental, property, labour and occupational health and safety standards and tax laws, in each of the geographical markets in which Boliden operates. There is a trend towards stricter regulation, in particular in the field of environmental law. Compliance with such laws and regulations or the enactment of new laws and regulations and changes to existing laws and regulations that impact the Group and its operations may result in reduced revenues and/or increased costs (see also “*Environmental risks*” above).

Boliden’s smelting operations in Sweden require permits under the Swedish Environmental Code (*miljöbalken* (1998:808)), whereas exploration and mining is mainly regulated by the Swedish Minerals Act (*minerallagen* (1991:45)) that applies in parallel with other legislation, including the Swedish Environmental Code. The Chief Mining Inspector (*bergmästaren*) is the head of the Swedish Mining Inspectorate (*Bergsstaten*), which is the supervisory authority dealing with matters relating to exploration, mining and extraction of minerals. Any search for minerals requires an exploration permit issued by the Chief Mining Inspector. The Swedish Minerals Act regulates both who gets the exclusive right to investigate the bedrock geology and who gets preferential rights to mining. If a viable mineral deposit is found, a long application process for various permits involving several decision-making bodies follows before any mining may commence. Among other things, the operator must apply for a mining concession from the Swedish Mining Inspectorate.

Regulatory approvals, such as environmental permits and mineral concessions, are required in all countries where Boliden has mining or smelting operations. Accordingly, regular permit assessments are required and, if the Group seeks to increase or change its operations, it must in some cases apply for new or amended permits covering the affected operations. There is a risk that necessary permits will not be awarded to the Group or renewed at the relevant time or on reasonable terms. For example, Boliden applied in 2014 for a mining concession covering the Laver deposit in Norrbotten county, Sweden. However, as of year-end 2019, a final decision on the mining concession application is still pending. As a result of the uncertainty surrounding the Swedish permit process, there is a risk that investments in the mining industry will diminish, thus adversely affecting Boliden’s mining operations. Failure to obtain or renew necessary permits could also result in the Group being unable to continue or carry out certain operations.

Insurance-related risks

There is a risk that Boliden’s insurance coverage will not account for every potential risk associated with the Group’s operations. For example, discussions are ongoing with insurance companies regarding possible compensation for the breakdown in the Harjavalta smelter during the third quarter 2019 (see “*Risks related to unplanned stoppages and maintenance shutdowns*” above). Moreover, a fire accident occurred at the Bergsöe smelter during the first quarter 2018, which damaged a facility for separating and recovering plastic from automotive batteries. There is a risk that the costs associated with the Harjavalta breakdown (approximately SEK 180 m) and the Bergsöe fire accident (approximately SEK 50 m) will not be fully covered by insurance. Some of the Group’s insurances also include high deductibles and limitations in maximum amounts payable. Accordingly, if the Group is unable to maintain the insurance coverage on terms acceptable, or if future requirements exceed or fall outside the Group’s insurance coverage, or if the Group’s provisions for uninsured costs are insufficient to cover the final costs or an event occurs which is not fully or partially covered by insurance, it may adversely impact the Group’s financial position and results.

Reputational risk

Boliden plays an important role in the communities and regions in which the Group's mines and smelters are located. Good relationships and mutual understanding are important components of the ability to conduct and develop Boliden's operations. Boliden's operations are often scrutinised by, and in focus of, several stakeholders such as municipalities and other governmental bodies, local communities and inhabitants as well as environmental organisations. Expansion of mining operations sometimes requires surrounding villages or infrastructure to be relocated. For example, the relocation of the villages Liikavaara and Sakajärvi and the E10 road in relation to any future expansion of the Aitik mine has caused negative publicity and dissatisfaction amongst the concerned.

Disputes and litigation concerning individuals or the environment impact the Group's operations and whether or not Boliden is perceived as a good corporate citizen. A case that attracted public attention was Boliden's sale of smelter material from its Rönnskär smelter in the 1980's to Arica, Chile, for further processing by a local company. Notwithstanding that the case was tried by competent courts and decided in Boliden's favour in all instances concerned, public perceptions were influenced by negative media coverage and may continue to be so.

Accordingly, it is important for the Group to limit the risks associated with adverse effects on the environment, health and safety, human rights and business ethics in its business operations. In addition, the Group also needs to ensure that its business partners – both customers and suppliers – conduct their business operations in compliance with applicable legal, regulatory, ethical, environmental and quality based and sustainability standards. Failure by the Group or its commercial counterparties to operate at a sufficiently high standard in these regards may adversely affect the Group's reputation and prejudice the forging of future business relationships. The degree to which a harmed reputation may affect Boliden is uncertain, and presents a significant risk to the Group's ability to recruit employees and maintain a good relationship with the society and people affected by its operations.

Compliance-related risks

Boliden's mining and smelting operations are generally located in northern Europe. However, in particular with respect to sourcing of raw materials, Boliden operates in a global market, which can expose the Group to risks related to sustainability factors including bribery and corruption. For Boliden, the risk of corruption is deemed to be greatest in relation to sourcing and supply of raw materials from countries which are generally deemed to perform poorly in various corruption indices. Furthermore, as some of Boliden's operations are located in small communities, there is a risk that local suppliers are preferred over others who may offer more competitive terms. Violations of anti-corruption legislation that lead to extensive fines and other criminal, civil or administrative sanctions would have a material adverse effect on Boliden's reputation, business, results of operations and financial position. Corruption-related incidents or accusations against suppliers and other third parties with whom Boliden has a commercial relationship risk leading to adverse publicity that would damage Boliden's reputation, even if Boliden is not involved.

Boliden does not conduct operations in countries subject to international sanctions. However, sanctions compliance encompasses not only the own operations, but it also requires evaluation and monitoring of counterparties in this respect. In addition, sanctions compliance regimes are complex and constantly changing.

Breaches of, or non-compliance with, sanctions or other applicable laws and regulations would adversely affect Boliden's business and reputation. Such behaviour include, for example, non-compliance with laws and regulations related to fair competition, money laundering, IT security and data protection (including GDPR), IFRS and other rules relating to accounting and financial reporting, the environment, the work environment, business ethics and equal treatment. There is also a risk that internal governance documents, policies and codes of conduct are not at all times adequate and fully effective, particularly if the Group is confronted with risks that it has not fully or adequately identified or anticipated. The degree to which compliance-related risks and risks related to internal control may affect Boliden is uncertain, and presents a significant risk to the Group's reputation and operations.

Tax risks

Boliden's operations, including transactions between group companies, are conducted in accordance with applicable tax legislation, tax treaties and other tax law provisions, and in accordance with the Group's understanding and interpretation of the demands of relevant tax authorities. However, tax laws and regulations can be complex and need to be interpreted and applied. There is a risk that the tax authorities in the relevant countries may make assessments and take decisions that differ from Boliden's understanding and interpretation of the aforementioned laws, tax treaties and other provisions. Boliden's tax status, in respect of both previous

years and the current year, may thus be changed as a consequence of the decisions that relevant tax authorities take, or as a consequence of amended laws, tax treaties or other provisions. For example, the Finnish tax authorities have increased Boliden Kevitsa Oy's tax assessment for the years from 2012 to 2016, which would result in an increase in tax expenses of EUR 29 m. The increased assessment is attributable to the period prior to Boliden's acquisition of Kevitsa. No provision has been made in the accounts based, among other things, on the fact that the ruling is under appeal and remains to be determined and in reliance on applicable compensation provisions in the acquisition agreement. As another example, the Swedish Tax Agency imposed an increased energy tax liability on Boliden of SEK 212 m in 2013 due to improper use of dyed diesel at the Aitik mine during the period from April 2009 to October 2012.

In 2019, the Group's paid corporate income tax totalled SEK 2,060 m. Boliden's total direct tax expenditure also includes for example social security contributions, energy- and environmental taxes, property tax and value-added tax. There is a risk that amended laws, tax treaties or other provisions, which also may apply retroactively, lead to increased tax expenses and higher effective tax rate for Boliden, which negatively affect its results of operations. For example, on 1 August 2019, the tax on diesel in mining industry operations was changed, leading to an increase in annual operating costs for Boliden of approximately SEK 120 m, SEK 100 m of which relates to Aitik.

Risks relating to the Notes

Dependence on, and subordination in relation to, subsidiaries

The Issuer holds no significant assets other than the shares in its direct subsidiaries and receivables against other Group companies and as such the Issuer is dependent on the ability of its subsidiaries (including, but not limited to, the Guarantor) to make payments to it so as to enable it to make payments under the Notes.

The Issuer's subsidiaries are legally separate and distinct from the Issuer and have no obligation to make payments to the Issuer of any surpluses generated from their respective businesses. The ability of such Subsidiaries to make payments to the Issuer is restricted by, among other things, the availability of funds, corporate restrictions and local law.

If any subsidiary of the Guarantor or the Issuer (other than the Guarantor) is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceeding, the creditors of such subsidiary of the Issuer or the Guarantor will generally be prioritised due to their position in the capital structure and will generally be entitled to payment in full from the sale or other disposal of the assets of such a subsidiary before the Issuer or the Guarantor, as a direct or indirect shareholder, will be entitled to receive any distributions from such a subsidiary.

Risks relating to the Guarantee

Although the Notes are unsecured, the Noteholders benefit from an upstream guarantee issued by the Guarantor for the Issuer's payment obligations under the Notes (the "Guarantee"). If the Guarantor does not derive sufficient corporate benefit from the Guarantee, the Guarantee is only valid up to the amount the Grantor legally could have distributed as dividend to its shareholders in accordance with the Swedish Companies Act (*aktiebolagslagen (2005:551)*) at the time the Guarantee is given. Also, there are no provisions in the Guarantee that prevent the Guarantor from taking up loans or to provide security for other loans (including other Market Loans). The Noteholders' right to payment from the Guarantor under the Guarantee is subject to, amongst other things, the availability of funds, corporate restrictions, the terms of the Guarantor's indebtedness and local law. In the event of insolvency, liquidation or a similar event relating to the Guarantor, all other unsecured creditors of the Guarantor would be entitled to receive any proceeds from the realisation of the Guarantor's assets *pari passu* with the Noteholders' claim under the Guarantee but only once prioritised creditors (including secured creditors (if any)) of the Guarantor have been paid in full.

Since neither the obligations of the Issuer under the Notes nor the Guarantor's obligations under the Guarantee are secured, there is a risk that the proceeds of any enforcement sale of assets in connection with any insolvency procedure or winding-up of the Issuer or the Guarantor would not be sufficient to satisfy all amounts then due on or in respect of the Notes. Accordingly, there is a risk that an investor loses its investment or parts thereof in the event of the Issuer's or Guarantor's liquidation, company reorganisation or bankruptcy.

Risks relating to interest rate constructions

Notes with a fixed interest rate bear interest at a fixed rate until the Maturity Date for such Notes. The value of such Notes is highly influenced by the market interest rate level. As the market interest rate level changes, the

value of the Notes with a fixed interest rate typically changes in the opposite direction, i.e. if the market interest rate level increases, the market value of such Notes falls and if the general interest rate level falls, the market value of such Notes increases. Since the price of Notes is adversely affected by changes in the market interest rate level, there is a risk that Noteholders may lose all or a significant part of their investment in such Notes.

Notes with Zero Coupon bears no interest and may be issued at a discount, par or premium. The price is normally determined by the market interest rate level. When there is a positive market interest rate, the Notes with Zero Coupon are normally issued at a discount. The market value of such notes may be adversely affected by changes in the market interest rate level. If the market interest rate level increases in relation to the level at the issue date, the market value of Zero Coupon Notes will typically decrease. Hence, there is a risk that changes in the market interest rate will result in Noteholders losing all or a significant part of their investment in such Notes. Notes issued at a discount or premium tend to fluctuate more as a result of a change in the market interest rate than Notes issued at par.

European Benchmarks Regulation

The process of the calculation of EURIBOR, STIBOR and other interest rate benchmarks have been subject to a number of legislative measures, whereof some have been implemented and others are pending implementation. The most important initiative on the subject matter is the so called Benchmarks Regulation (Regulation (EU) 2016/1011) that entered into force 1 January 2018 and which regulates the provision of a benchmark, contribution of input data for the purpose of determining a benchmark and the operation of benchmarks within the EU. The regulation has not been applicable for a period of time sufficient to assess its effects. There is, however, a risk that the Benchmarks Regulation may affect how interest rate benchmarks are calculated and developed. This in turn may give rise to increased volatility for some interest rate benchmarks. In addition, the increased administrative requirements and the associated regulatory risks may decrease the will of some parties to participate in the determination of interest rate benchmarks or to the fact that certain interest rate benchmarks will cease to be published. The degree to which amendments to and application of the European Benchmarks Regulation and/or any cessation of interest rate benchmarks may affect Noteholders is uncertain and presents a significant risk to the return on a Noteholder's investment.

TERMS AND CONDITIONS

**TERMS AND CONDITIONS FOR NOTES ISSUED UNDER
BOLIDEN AB (PUBL)'S MTN PROGRAMME**

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Appendices

Appendix 1 – Form of Final Terms

Appendix 2 - Guarantee

TERMS AND CONDITIONS FOR NOTES ISSUED UNDER BOLIDEN AB (PUBL)'S MTN PROGRAMME

The following terms and conditions (“**Terms and Conditions**”) shall apply to loans which Boliden AB (publ) (Reg. No. 556051-4142) (the “**Company**”) issues on the capital market under this MTN Programme (“**MTN Programme**”) by issuing bonds in SEK or EUR with varying terms, however not less than one year, commonly referred to as medium term notes (“**MTN**”).

1. DEFINITIONS

1.1 In addition to the definitions set forth above, as used in these terms and conditions, the following terms shall have the meanings set forth below.

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator pursuant to the Swedish Financial Instruments Accounts Act (1998:1479) and through which a Noteholder has opened a Securities Account in respect of its MTN.

“**Adjusted Loan Amount**” means the total outstanding Nominal Amount of MTN in respect of a particular Loan less the amount of all MTN held by a Group Company, whether or not the Group Company is directly registered as owner of such MTN.

“**Business Day**” means a day in Sweden other than a Sunday or other public holiday or, with respect to the payment of promissory notes, a day which is not the equivalent of a public holiday in Sweden. Saturdays, Midsummer’s Eve, Christmas Eve and New Year’s Eve shall for the purpose of this definition be deemed to be public holidays.

“**Calculation Agent**” means (i) if a Loan has been issued by two or more Issuing Dealers, the Issuing Dealer designated by the Company to be responsible for certain administrative tasks regarding the Loan in accordance with the Final Terms; and (ii) if a Loan has been issued by only one Issuing Dealer, the Issuing Dealer.

“**Day Count Convention**” means, when calculating an amount for a certain period, the basis of calculation stated in the Final Terms and which:

- (a) if the calculation method “30/360” is specified as applicable, means that the amount is to be calculated based on a year with 360 days consisting of twelve months each consisting of 30 days each and, in the event of a partial month, the actual number of days which have elapsed in the month; and
- (b) if the calculation method “Actual/360” is specified as applicable, means that the amount is to be calculated on the actual number of days elapsed in the relevant period divided by 360.

“**Dealers**” means Aktiebolaget Svensk Exportkredit (publ), Danske Bank A/S, Danmark, Sverige Filial, DNB Bank ASA, filial Sverige, Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ), and Swedbank AB (publ) and every other

dealer specially authorized by Euroclear Sweden to process and register issues in the Euroclear Sweden system that accedes to this MTN Programme in accordance with section 12.3, however only as long as such institution has not retired as a dealer.

“**EUR**” means the single currency of the participating member states in accordance with the European Union’s framework for the Economic and Monetary Union (EMU).

“**EURIBOR**” means:

- (a) the applicable percentage rate per annum displayed on Reuters screen EURIBOR01 (or through another system or another screen which replaces such system or screen) as of or around 11.00 a.m. on the relevant day for loans or deposits in EUR for a period comparable to the relevant Interest Period; or
- (b) if no such interest rate is available for the relevant Interest Period according to paragraph (a), the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Calculation Agent at its request quoted by the Reference Banks (which are appointed by the Calculation Agent), for deposits of EUR 10,000,000 for the relevant Interest Period; or
- (c) if no such interest rate is available pursuant to paragraphs (a) and (b), the interest rate which, according to the reasonable assessment of the Calculation Agent, best reflects the interest rate for deposits in EUR offered for the relevant Interest Period.

“**Euroclear Sweden**” means Euroclear Sweden AB (Reg. No. 556112-8074).

“**Final Terms**” means the final terms established for a particular Loan under this MTN Programme in accordance with Appendix 1 (Form of Final Terms).

“**Framework Amount**” is the framework amount which the Company and the Dealers agree on from time to time.

“**Group**” means the corporate group of which the Company is the parent company (where the terms corporate group and parent company have the meanings as defined in Chapter 1, section 11 of the Swedish Companies Act (*Sw. aktiebolagslag (2005:551)*) (or such other legislation which replaces the aforementioned legislation).

“**Group Company**” means any and all legal entities which from time to time that are part of the Group.

“**Guarantee**” means the Guarantor’s undertaking, according to Appendix 2 to these Terms and Conditions, as for its own debt (*Sw: *proprieborgen**) for all of the Company’s obligations under the Loans taken up by the Company under the MTN Programme.

“**Guarantor**” means Boliden Mineral AB (publ), company registration number 556231-6850.

“Interest Commencement Date” means, according to the Final Terms, the date from which interest (where applicable) begins to accrue.

“Issuing Dealer”, means, in accordance with the Final Terms, that or those Dealers through which MTN will be or have been issued.

“Licensing Obligation” means a mandatory obligation to apply for a license, permit, authorisation, or similar with a governmental authority or similar entity in order to conduct the business that is the objects of the obliged entity, such as an authorisation from the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) to offer financial services to the general public, an authorisation from the Swedish Data Protection Authority (Sw. Datainspektionen) to conduct debt collection (Sw. inkassoverksamhet) or a license from the Swedish Radiation Safety Authority (Sw. Strålsäkerhetsmyndigheten) to conduct nuclear activities (Sw: kärnteknisk verksamhet). For the avoidance of doubt, operations which an entity may engage in when the operation (but not the object of the business itself) requires a license, permit, authorisation or similar from a governmental authority or similar entity, such as an environmental permit, does not constitute a License Obligation.

“Loan” means every Loan, comprising of one or more MTN, issued by the Company under this MTN Programme.

“Loan Terms” means, for a particular Loan, these Terms and Conditions and the Final Terms for such Loan.

“Market Loan” means loans taken up through the issuance of commercial paper, bonds or other securities (including loans under MTN or other market loan programmes) which are sold, brokered, or invested in an organized form and which are, or may be, admitted to trading on a Regulated Market.

“Material Group Company” means (a) the Company and (b) every Group Company whose total assets or revenue (excluding intra-Group items) are equal to or exceed ten per cent (10%) of the total assets or revenues of the Group as set out in the most recently published annual report.

“Maturity Date” means, in accordance with the Final Terms, the date when MTN shall be repaid.

“MTN” means a unilateral debt instrument in the Nominal Amount which has been registered in accordance with the Swedish Financial Instruments Accounts Act (Sw. lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument) and which is part of a Loan issued by the Company under this MTN Programme.

“Nominal Amount” means the amount of each MTN as stated in the Final Terms.

“**Noteholder**” means the person who is registered on a Securities Account as direct registered owner (Sw: *direktregistrerad ägare*) or nominee (Sw: *förvaltare*) with respect to an MTN.

“**Noteholders’ Meeting**” means a meeting among the Noteholders held in accordance with Section 11 (*Noteholders’ Meeting*).

“**Record Date**” means the fifth Business Day (or another Business Day prior to the relevant day which is market practice on the Swedish bond market), prior to (i) the payment date for interest or principal in accordance with the Loan Terms; or (ii) another day on which payment is to be made to Noteholders; (iii) the date of the Noteholders’ Meeting; (iv) dispatch of notice; or (v) another relevant date.

“**Reference Banks**” means Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ) and Swedbank AB (publ).

“**Regulated Market**” means any regulated market as defined in Directive 2014/65/EU on markets in financial instruments.

“**Securities Account**” means the account maintained by Euroclear Sweden in accordance with the Swedish Financial Instruments Accounts Act in which (i) an owner of securities is directly registered as the owner of securities; or (ii) an owner’s holding of securities is registered in the name of a nominee.

“**SEK**” means the lawful currency of Sweden.

“**Spanish Litigation**” means the legal process initiated in Spain against members of the Group involving an amount of approximately EUR 141,000,000 (or a corresponding value in other currencies).

“**STIBOR**” means:

- (a) the applicable percentage rate per annum displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the relevant day for the offering of deposits in SEK and for a period comparable to the relevant Interest Period; or
- (b) if no such interest rate is available for the relevant Interest Period according to paragraph (a), the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Calculation Agent at its request quoted by the Reference Banks (or such replacement banks as appointed by the Calculation Agent), for deposits of SEK 100,000,000 for the relevant Interest Period; or
- (c) if no quotation is available pursuant to paragraphs (a) and (b), the interest rate which according to the reasonable assessment of the Calculation Agent best reflects the interest rate for deposits in SEK offered in the Stockholm interbank market for the relevant period.

- 1.2 Additional definitions, such as Interest Structure, Base Rate, Interest Determination Date, Interest Payment Date(s) and Interest Period are set forth (where applicable) in the Final Terms.
- 1.3 The definitions set forth in these Terms and Conditions also apply to the Final Terms.
- 1.4 Upon calculation of whether a limit described in SEK has been reached or exceeded, an amount in another currency shall be calculated based on the exchange rate applicable on the Business Day immediately preceding the relevant point in time and which is published on Reuters' screen "SEKFIX=" (or through another system or another screen which replaces such system or screen) or, where such rate is not published, according to the rate for SEK for the relevant currency on the aforementioned day which is published by the Swedish Central Bank on its website (www.riksbank.se).

2. ISSUANCE OF LOANS

- 2.1 Under this MTN Programme, the Company may issue MTN, denominated in SEK or in EUR, with a maturity of at least one year. Under a Loan, MTN may be issued in multiple tranches without the approval of any Noteholder.
- 2.2 By subscribing to MTN, each initial Noteholder approves that its MTN shall have the rights and be subject to the conditions set forth in, and be governed by, the provisions of the Loan Terms. By acquiring MTN, each new Noteholder confirms such approval.
- 2.3 The Company undertakes to make payments in respect of issued MTN and to otherwise comply with the Loan Terms for the Loans issued under this MTN Programme.
- 2.4 If the Company wishes to issue MTN under this MTN Programme, the Company shall enter into a separate agreement for this purpose with one or more Dealers which shall be the Issuing Dealer for such Loan.
- 2.5 Final Terms shall be established in relation to each particular Loan which together with these Terms and Conditions shall constitute the complete Loan Terms for the Loan.

3. REGISTRATION OF MTN

- 3.1 MTN will be registered on a Securities Account on behalf of Noteholders and, accordingly, no physical securities will be issued. Registration requests relating to MTN shall be directed to an Account Operator.
- 3.2 Any person who on the basis of an assignment, pledge, the provisions of the Children and Parents Code (Sw: *föräldrabalken*), the terms of a will or deed of gift or otherwise is entitled to receive payment in respect of an MTN must cause their rights to be registered with Euroclear Sweden in order to receive such payment.
- 3.3 The Calculation Agent shall be entitled to obtain information from Euroclear Sweden regarding the contents of its debt register for MTN for the purpose of carrying out its duties in accordance with these Terms and Conditions. The Calculation Agent shall

not be responsible for the content of such excerpt nor is it in any other way obligated to verify who is a Noteholder.

4. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER

4.1 Any person other than a Noteholder wishing to exercise the Noteholder's rights under the Loan Terms or vote at a Noteholders' Meeting must present a power of attorney or other proof of authorization from the Noteholder or a successive, coherent chain of powers of attorney or proof of authorisation starting with the Noteholder.

4.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some, or all, of the MTN held by the Noteholder. Any such representative may act independently.

5. PAYMENTS

5.1 MTN become due and payable in the Nominal Amount including interest (if applicable) on the Maturity Date. In the event the Maturity Date is a day which is not a Business Day, the Loan is not repaid until the following Business Day. Interest according to section 6 (*Interest*) shall be paid on the relevant Interest Payment Date.

5.2 Payment in respect of MTN denominated in SEK shall be made in SEK and, in respect of MTN denominated in EUR, shall be made in EUR and made to the person who is registered as a Noteholder on the Record Date for the respective payment date or to such person who is registered with Euroclear Sweden in accordance with section 3.2 above as being entitled to receive such payment.

5.3 If a Noteholder has registered, through an Account Operator, that principal or interest shall be deposited into a certain bank account, such deposit shall be effected by Euroclear Sweden on the relevant payment date. In all other cases, Euroclear Sweden shall transfer the amount on the respective payment date to the Noteholder to the address registered with Euroclear Sweden on the Record Date.

5.4 Should Euroclear Sweden not be able to effect payments as aforesaid due to an impediment attributable to the Company or due to any other impediment, the Company shall ensure that such payments are made to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such impediment no longer exists. In such case, interest shall be payable according to section 7.1.

5.5 In the event the Company is unable to perform a payment obligation through Euroclear Sweden due to an impediment attributable to Euroclear Sweden, the Company shall be entitled to postpone the payment obligation until such time as the impediment no longer exists. In such case, interest shall be payable according to section 7.2.

5.6 If payment is made in accordance with this section 5 to a person not entitled to receive such amount, the Company and Euroclear shall nonetheless be deemed to have fulfilled their payment obligations. However, the aforementioned shall not apply if the Company or Euroclear Sweden were aware that payment was made to a person not entitled to receive the payment or if the Company or Euroclear Sweden did not act with normal care.

6. INTEREST

6.1 For Loans on which interest accrues, interest shall be calculated on the Nominal Amount.

6.2 Interest on a certain Loan is calculated and payable (where applicable) in accordance with the Final Terms. The relevant Interest Structure shall be stated in the Final Terms according to one of the following alternatives:

(a) Fixed Rate

If a Loan is specified as a Loan with a Fixed Rate, the Loan will bear interest according to the Interest Rate from, but excluding, the Interest Commencement Date up to and including the Maturity Date.

Interest is calculated using the Day Count Convention 30/360.

(b) Floating Rate (FRN)

If a Loan is specified as a Loan with Floating Rate, the Loan will bear interest at the Interest Rate from, but excluding, the Interest Commencement Date up to and including the Maturity Date. The Interest Rate for the relevant Interest Period shall be calculated by the Calculation Agent on the respective Interest Determination Date and is the sum of the Base Rate and the Margin for the relevant period.

If the Interest Rate cannot be determined on the Interest Determination Date due to such impediment as referred to in Section 15.1, interest shall continue to accrue on the Loan at the interest rate applicable to the preceding Interest Period. As soon as the impediment no longer exists, the Calculation Agent shall calculate a new Interest Rate which shall be effective from the second Business Day following the day of the calculation until the expiration of the current Interest Period.

Interest is calculated using the Day Count Convention Actual/360.

(c) Zero Coupon

If the Loan is specified as a Zero Coupon it bears no interest. Loans with Zero Coupon may be issued at a discount, par or premium.

6.3 Accrued interest (where applicable) is paid in arrears on the relevant Interest Payment Date.

6.4 If the Interest Payment Date for a Loan bearing a Fixed Rate is not a Business Day, interest will be paid on the next Business Day. Interest is calculated and accrued only up to and including the Interest Payment Date.

6.5 If the Interest Payment Date for a Loan with a Floating Rate is not a Business Day, the next Business Day shall be the Interest Payment Date provided that such Business Day does not occur in a new calendar month, in which case the Interest Payment Date shall be the previous Business Day. Interest is calculated and payable up to and including the Interest Payment Date.

7. DEFAULT INTEREST

- 7.1** In the event of any default in payment, default interest shall be payable on the overdue amount from its due date up to and including the date on which payment is made at a rate corresponding to the average of one week STIBOR for MTN denominated in SEK and one week EURIBOR for MTN denominated in EUR for the duration of the delay, plus two percentage points in each case. For this purpose, STIBOR and EURIBOR shall be determined on the first Business Day in each calendar week for the duration of the period of default. Default interest in accordance with this section 7.1 for interest-bearing Loans shall never be paid at an interest rate lower than the interest rate applicable to the relevant Loan on its relevant due date plus two percentage points. Default interest shall not be capitalised.
- 7.2** If the default in payment is due to an impediment affecting a Dealer or Euroclear Sweden, default interest shall accrue at a rate corresponding to (i) for interest-bearing Loans, the interest rate applicable to the relevant Loan on its relevant due date; or (ii) for Zero Coupon Loans, the average of one week STIBOR or EURIBOR respectively for the duration of the delay (whereby STIBOR and EURIBOR shall be determined on the first Business Day of each calendar week for the duration of the period of default).

8. REPURCHASE

- 8.1** Following agreement with the Noteholder, the Company may repurchase MTN from time to time provided that repurchase is in compliance with applicable law. MTN owned by the Company may, in the discretion of the Company, be retained, transferred, or redeemed.
- 8.2** Each Noteholder is entitled to demand repurchase of all, or some, of the MTN held by the Noteholder, if:
- (a) the shares in the Company cease to be admitted to trading on the Regulated Market at Nasdaq Stockholm; or
 - (b) an event, or series of events, occurs which leads to a natural or legal person, itself or together with a closely associated person as set forth in the Stock Market (Takeover Bids) Act (*lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*), directly or indirectly, at any time acquiring or otherwise controlling more than 50% of the shares or votes in the Company.
- 8.3** As soon as the Company obtains knowledge of such an event according to section 8.2, the Company shall be obligated to notify the Noteholders of such event through a press release published on the Company's website and in accordance with section 14 (*Notices*). The notice shall contain instructions regarding how a Noteholder wishing to have an MTN repurchased must proceed as well as specifying the Repurchase Date.
- 8.4** The Repurchase Date shall occur no earlier than 20 and no later than 40 Business Days after notice of change mentioned in 8.2 a) and b) has been sent to the Noteholder in accordance with section 8.3. However, in the event the Repurchase Date is not a Business Day, the Repurchase Date shall be deemed to be the Business Day immediately following.

- 8.5** Where a right to repurchase exists, the Company shall, upon demand by a Noteholder, repurchase the relevant MTN on the Repurchase Date at its Nominal Amount together with accrued interest (if any) which would have been repaid on the final Maturity Date, together with accrued interest (where applicable). For MTN with Zero Coupon, an amount per MTN calculated in accordance with section 10.5 shall be paid instead.
- 8.6** Notices from Noteholders regarding demands for repurchase of MTN's shall be drafted in accordance with the instructions set forth in the notice provided to the Noteholders in accordance with section **Error! Reference source not found..** The Notice from the Noteholder must be received by the Company at least 10 Business Days before Redemption Date.

9. GENERAL UNDERTAKINGS

9.1 Status of the Loan

The Company shall ensure that its payment obligations under the Loan rank at least *pari passu* with its other unsubordinated and unsecured payment obligations, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

9.2 The Company's operations and assets

The Company undertakes, for as long as any MTN is outstanding, not to materially change the nature of the Group's operations or to sell or otherwise dispose of any asset where such sale or disposition has a material adverse effect on the Company's ability to perform its obligations towards the Noteholders.

9.3 Framework amount

The Company may not issue additional MTN under this MTN Programme where such would entail that the aggregate Nominal Amount of the MTN outstanding under this MTN Programme, including those MTN's intended to be issued, exceeds the Framework Amount on the day on which the agreement regarding the issuance of MTN was entered into between the Company and the Issuing Dealer.

9.4 Securing of other Market Loans

The Company undertakes, as long as any MTN is outstanding:

- a) not to provide security or cause any Group Company to provide security for any other Market Loan which has been taken up or may be taken up by the Company, except as set forth in subsection c) below and for the guarantee by the Guarantor;
- b) not to provide security for Market Loans in any form other than through a contingent liability (which, in turn, may not be secured) which has been taken up or which may be taken up by a party other than the Company; and
- c) to ensure that Group Companies, when taking up Market Loans, comply with the provisions applicable to the Company according to subsections a) – b) above, subject to the exception however that Group Companies may provide contingent liabilities for other Group Companies' Market Loans and may cause

the Company and other Group Companies to issue contingent liabilities (which, in turn, may not be secured) for Market Loans.

9.5 Admission to trading on a regulated market

The Company undertakes to apply for admission on the relevant Regulated Market for Loans which according to the Final Terms must be admitted to trading on a Regulated Market, and to take any measures that may be required to maintain the admission as long as the relevant Loan is outstanding, however, not longer than as permitted under applicable laws and regulations.

9.6 Governing law

The Company undertakes to comply in all material respects with any rules and instructions issued from time to time by Swedish or relevant foreign governmental authorities, central banks, or other public authorities or Regulated Markets to which the MTN have been admitted to trading.

9.7 Availability of Loan Terms

The Company undertakes to make the current version of these Terms and Conditions, the Guarantee, and the Final Terms for all outstanding Loans admitted to trading on a Regulated Market available on the Company's website and to ensure that the Guarantee is valid for all outstanding Loans.

10. TERMINATION OF LOANS

10.1 The Calculation Agent shall declare in writing a relevant Loan, together with accrued interest (if any), immediately due and payable, or payable at such time as the Calculation Agent or the Noteholders' Meeting (as applicable) decides, upon the occurrence of any circumstance stated in section 10.2 and if:

- (i) so decided by the Noteholders under a Loan at the Noteholders' Meeting; or
- (ii) so demanded in writing by Noteholders who, at the time of demand, represent not less than 1/10 of the total outstanding Nominal Amount for the relevant Loan. Upon demand, a Noteholder shall provide evidence that the Noteholder is a Noteholder on the relevant Business Day. Demand for acceleration may only be made by a Noteholder who alone represents 1/10 of the total outstanding Nominal Amount or jointly by Noteholders who, together, represent 1/10 of the total outstanding Nominal Amount on the relevant Business Day.

10.2 Loans may only be declared due and payable in accordance with section 10.1 provided that:

- a) the Company fails to make timely payment of principal or interest regarding the relevant Loan under this MTN Programme, unless the delay (i) is a result of a technical or administrative error; and (ii) does not continue for more than three Business Days;

- b) the Company in any respect other than as stated in subsection (a) above fails to perform its obligations under the Loan Terms regarding relevant Loans under this MTN Programme and, where rectification is possible and the Company receives a written demand therefore by the Calculation Agent, Issuing Dealer, or a Noteholder to effect rectification, such rectification has not occurred within 20 Business Days after the Company receives a demand for rectification by the Calculation Agent, Issuing Dealer, or Noteholders representing not less than 1/10 of the total outstanding Nominal Amount of the relevant Loan as set forth in section 10.1 (ii);
- c) (i) a Material Group Company or the Guarantor fails within due time or within the applicable grace period to make payment regarding another loan and the loan in question, as a consequence thereof, has been accelerated, or could have been accelerated or, where no notice of acceleration provision exists or the non-payment would have constituted final payment, where the late payment continues for 10 Business Days, provided that the total outstanding liability under the relevant loans amounts to not less than EUR 10,000,000 (or an equivalent value in another currency), or (ii) another loan to a Material Group Company or the Guarantor has been declared due and payable in advance as a consequence of an event of default (regardless of the nature), provided that the total of due and payable liabilities under such terminated loans is at least EUR 10,000,000 or a corresponding value in another currency;
- d) A Material Group Company or the Guarantor fails, within 15 Business Days after the day on which such company receives a legitimate claim, to make performance under any guarantee or surety which the relevant company has provided for the financial obligations of a third party, provided that the total legitimate claims not satisfied within such time amount to not less than EUR 10,000,000 (or a corresponding value in another currency);
- e) Assets owned by a Material Group Company with a value in excess of EUR 1,000,000 (or the equivalent value in another currency) are attached or become the subject of similar foreign proceedings and such attachment or other foreign proceedings are not terminated within 30 Business Days from the date of the attachment decision or the decision regarding similar foreign proceedings other than any sequestration of assets for a maximum amount of EUR 141,000,000 (or its equivalent in other currencies) as a result of the Spanish Litigation;
- f) The Guarantor, the Company, or a Material Group Company suspends payments;
- g) A Material Group Company applies for, or admits an application for, company reorganization according to the Swedish Companies Reorganization Act (*Jag (1996:764) om företagsrekonstruktion*) or similar proceedings;
- h) A Material Group Company or the Guarantor is placed in bankruptcy;
- i) A decision is taken to place the Company in liquidation or to place a Material Group Company or the Guarantor in compulsory liquidation; or
- j) A circumstance occurs which entails that the Company is replaced as the debtor under a relevant Loan by another party (or a decision to do so has

been adopted, for example by the Company's board of directors preparing a merger plan under which the Company will be the transferring company) and such decision has not been approved by the Noteholders in accordance with section 11.9;

- k) The Company or a Group Company which conducts operations subject to a Licensing Obligation (*Sw: tillståndspliktig verksamhet*) does not hold, or no longer holds, a license for such operations;
- l) The Company does not own 100% of the shares in the Guarantor; or
- m) The Guarantee is not valid for any outstanding Loan.

The term "loan" as used in subsection c) above also includes overdraft accounts and sums which are not received as a loan, but which must be paid on the basis of a debt security obviously intended for public trading.

10.3 The Calculation Agent may not declare the relevant Loan together with interest (if any) due for payment in accordance with this section 10 by reference to circumstances constituting an event of default if a Noteholders' Meeting has resolved that the relevant circumstances shall not give rise (temporarily or permanently) to an acceleration pursuant to section 10.

10.4 The Company shall be obligated to immediately notify the Issuing Dealers and the Noteholders in accordance with section 14 (*Notices*) in the event grounds for acceleration exist as stated in section 10.2. In the absence of such notice, neither the Calculation Agent nor the Issuing Dealer, irrespective of actual knowledge, shall be deemed to be aware of grounds for acceleration. Neither the Calculation Agent nor the Issuing Dealer is obligated itself to monitor whether the conditions for acceleration exist according to section 10.2.

10.5 Upon redemption of loans following acceleration in accordance with section 10.1:

- (a) interest-bearing Loans shall be redeemed at an amount per MTN which, together with accrued interest, would have been redeemed on the final Maturity Date; and
- (b) non-interest-bearing Loans shall be redeemed at an amount per MTN determined by the following formula as per the date of acceleration of the Loan:

$$\frac{\text{Nominal Amount}}{(1 + r)^t}$$

- r = the ask rate quoted by the Calculation Agent for Swedish government bonds with an outstanding term to maturity corresponding to the remaining term of the relevant Loan. In the absence of such ask rate, the bid rate shall be used instead, as reduced by a market bid/ask spread, expressed in percentage points. The calculation shall be based on the closing quotation.
- t = the remaining term for the relevant Loan, expressed in the Day Count Convention Actual/360 for MTN denominated in SEK or EUR.

11. NOTEHOLDERS' MEETING

- 11.1** The Calculation Agent is entitled to convene a Noteholders' Meeting for the Noteholders under the relevant Loan, and must convene a Noteholders' Meeting for the Noteholders under the relevant Loan at the request of the Issuing Agent, the Company, or Noteholders who at the time of the request represent at least one-tenth of the Adjusted Loan Amount under the relevant Loan (such request may only be made by Noteholders who are registered in the debt register maintained by Euroclear Sweden on the next Business Day after the day the request was received by the Calculation Agent and must be made together if a request is made by several Noteholders).
- 11.2** The Calculation Agent shall convene a Noteholders' Meeting by written notice to each Noteholder, the Company, and the Issuing Dealer within five (5) Business Days from the date when a request was received from the Company, Noteholders, or the Issuing Dealer in accordance with Section 11.1 (or such later date as necessary for technical or administrative reasons).
- 11.3** The Calculation Agent may refrain from convening a Noteholders' Meeting if (i) the proposed resolution must be approved by a person in addition to the Noteholders, and this person has notified the Calculation Agent that such approval will not be given; or (ii) the proposed resolution is not compatible with applicable law.
- 11.4** The notice in accordance with Section 11.2, shall contain (i) the time of the meeting; (ii) the place of the meeting; (iii) an agenda (including each request by a Noteholder for a resolution); and (iv) a proxy form. A decision may not be made at the Noteholders' Meeting in respect of any matter that is not listed in the notice. If Noteholders are required to announce their intention to participate in the Noteholders' Meeting, the notice shall contain information regarding such requirement.
- 11.5** The Noteholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days after the notice. Noteholders' Meetings for several Loans under the MTN Programme may be held on the same occasion.
- 11.6** Without deviating from the provisions in these Terms and Conditions, the Calculation Agent may stipulate further provisions, as it deems appropriate, regarding the convening and holding of the Noteholders' Meeting. Such provisions may, among other things, include provisions enabling Noteholders to vote without attending the meeting in person, or to allow the voting to take place electronically or through written voting procedures.
- 11.7** Only a person who has been issued a power of attorney in accordance with section 4 (*Right to act on behalf of a Noteholder*) by someone who is a Noteholder on the Record Date for the Noteholders' Meeting may exercise voting rights at such Noteholders' Meeting, provided that the relevant MTN is covered by the Adjusted Loan Amount. The Calculation Agent may attend the Noteholders' Meeting and shall ensure that an extract from the debt register maintained by Euroclear Sweden on the Record Date for the Noteholders' Meeting is available at the Noteholders' Meeting.
- 11.8** The Noteholders and the Calculation Agent, and their respective representatives or assistants, are entitled to attend a Noteholders' Meeting. The Noteholders' Meeting may resolve that other persons may attend. Representatives shall submit a duly issued power of attorney to be approved by the chairperson of the Noteholders'

Meeting. The Noteholders' Meeting shall commence with the appointment of a chairperson, a secretary to take the minutes, and persons to attest the minutes. The chairperson shall prepare a list of Noteholders that are present and entitled to vote at the meeting, with information on the proportion of the Adjusted Loan Amount that is held by each respective Noteholder (the "Voting Register"). The Voting Register shall thereafter be approved by the Noteholders' Meeting. When applying these provisions, Noteholders who have cast their vote via electronic voting, ballot paper or the equivalent shall be deemed to be present at the Noteholders' Meeting. Only those who were Noteholders or representatives for such Noteholders on the fifth Business Day prior to the Noteholders' Meeting, and who are covered by the Adjusted Loan Amount, are entitled to vote and shall be included in the Voting Register. The Company shall be granted access to relevant voting calculations and the basis for these. The minutes shall be completed as soon as possible and made available to Noteholders, the Company, and the Calculation Agent.

- 11.9** Decisions on the following matters require the approval of Noteholders representing at least 90 per cent of that portion of the Adjusted Loan Amount for which Noteholders are voting under the relevant Loan at the Noteholders' Meeting:
- (a) any change in the Maturity Date, reduction of the Nominal Amount, change in terms relating to interest or the amount to be repaid (other than in accordance with the Loan Terms);
 - (b) any change in the provisions governing the Noteholders' Meeting according to this section 11; and
 - (c) substitution of debtor.
- 11.10** Matters which are not covered by Section 11.9 require the approval of Noteholders representing more than 50 per cent of that portion of the Adjusted Loan Amount for which Noteholders are voting under the relevant Loan at the Noteholders' Meeting. This includes, but is not limited to, amendments and waivers of rights in relation to the Loan Terms which do not require a greater majority (other than changes in accordance with section 12 (*Amendments of terms etc.*) and acceleration of Loans.
- 11.11** A quorum at a Noteholders' Meeting requires the presence of Noteholders, in person or via telephone (or by a representative with a power of attorney), representing at least 50 per cent of the Adjusted Loan Amount for matters listed in section 11.9 and for any other matter 20 per cent of the Adjusted Loan Amount
- 11.12** If the Noteholders' Meeting has not met the necessary quorum requirements, the Calculation Agent shall convene a new Noteholders' Meeting (in accordance with section 11.2) provided that the relevant proposal has not been withdrawn by the initiator of the Noteholders' Meeting. The quorum requirement in section 11.11 is not applicable to such new Noteholders' Meeting. If the Noteholders' Meeting has met the quorum requirement for some, but not all, matters which are to be resolved on in the Noteholders' Meeting, decisions shall be made on those matters for which a quorum is present, and any other matter shall be referred to a new Noteholders' Meeting.
- 11.13** A decision at a Noteholders' Meeting which imposes new obligations on, or limits the rights of, the Company or an Issuing Dealer under the Terms and Conditions requires the written approval of the relevant party.

- 11.14** A Noteholder which holds more than one MTN need not vote for all, or vote in the same way for all, MTN held.
- 11.15** The Company may not, directly or indirectly, pay or contribute to the payment of any compensation to any Noteholder for its approval under the Loan Terms unless such compensation is offered to all Noteholders who provide their consent at the relevant Noteholders' Meeting.
- 11.16** A decision made at a Noteholders' Meeting shall be binding on all Noteholders under the relevant Loan, whether or not they were present at the Noteholders' Meeting. Noteholders shall not be held liable for any damage that the decision may cause another Noteholder.
- 11.17** The Company shall reimburse the Calculation Agent for costs and disbursements incurred by it in connection with the Noteholders' Meeting including reasonable compensation for the Calculation Agent.
- 11.18** At the request of the Calculation Agent, the Company shall provide the Calculation Agent with a certificate, without delay, stating the Nominal Amount for MTN owned by Group Companies on the relevant Record Date before a Noteholders' Meeting, regardless of whether such Group Company is directly registered as an owner of MTN. The Calculation Agent shall not be held responsible for the content of such certificate or otherwise for determining whether an MTN is owned by a Group Company.
- 11.19** Noteholders under the relevant Loan shall be notified, without delay, of any and all decisions made at a Noteholders' Meeting through a press release published on the Company's website and in accordance with Section 14 (*Notices*). At the request of a Noteholder or the Issuing Dealer, the Calculation Agent shall provide the Noteholder with the minutes from the relevant Noteholders' Meeting. Failure to notify the Noteholders as stated above in this section does not affect the validity of the decision.
- 12. AMENDMENT OF TERMS, ETC.**
- 12.1** The Company and the Dealers may agree on adjustments to clear and obvious errors in these Terms and Conditions.
- 12.2** The Company and the Calculation Agent may agree on adjustments to clear and obvious errors in the Final Terms for certain Loans.
- 12.3** Appointment of a Dealer to the MTN Programme may be made through an agreement between the Company, the relevant Dealer, and other Dealers. A Dealer may retire as a Dealer. However, a Calculation Agent under a particular Loan may only retire as such if a new Calculation Agent is simultaneously appointed in its place.
- 12.4** Changes to, or waivers of, Loan Terms in cases other than those set forth in sections 12.1 to 12.2 must be made through a decision taken at a Noteholders' Meeting according to section 11 (*Noteholders' Meeting*) with approval by the Company and any relevant parties in accordance with section 11.13 and other relevant provisions.
- 12.5** An approval at a Noteholders' Meeting of an amendment of the terms may cover the substantive content of the change and need not contain a specific drafting of the change.

12.6 A decision regarding an amendment of the terms shall also include a decision in respect of when the amendment enters into force. However, an amendment shall not enter into force before it has been registered with Euroclear Sweden (where applicable) and published on the Company's website.

12.7 Notice of amendments or waivers of Loan Terms in accordance with this section 12 must be given to the Noteholders in accordance with section 14 (*Notices*) and published on the Company's website.

13. PRESCRIPTION

13.1 Claims for repayment of principal shall be subject to a time bar of 10 years from the Maturity Date. Claims for interest shall be subject to a time bar of 3 years after each relevant Interest Payment Date. In the event a claim is barred, any funds set aside for payment of such claim shall vest in the Company.

13.2 If a period of limitation is tolled, a new limitation period will commence of ten years with respect to the right to receive repayment of the principal, and of three years with respect to the right to receive payment of interest, in both cases calculated from the date of the tolling of the limitation period, as such date is determined pursuant to the provisions of the Swedish Limitations Act (*Sw: Preskriptionslag (1981:130)*).

14. NOTICES

14.1 Notices shall be given to the Noteholders of the relevant Loan at the address registered with Euroclear Sweden on the Record Date prior to dispatch. A notice to the Noteholders shall also be published through a press release and published on the Company's website.

14.2 Notice shall be given to the Company and each Dealer at the address registered with the Swedish Companies Registration Office at the time notice is given.

14.3 A notice to the Company or the Noteholders according to the Loan Terms which is sent by normal mail to the stated address shall be deemed to have been received by the recipient on the third Business Day after dispatch and notice sent by courier shall be deemed to have been received by the recipient when handed over at the stated address.

14.4 The failure to send notice to a particular Noteholder in the correct manner shall not have any impact on the legal effect of notice to other Noteholders.

15. LIMITATION OF LIABILITY, ETC.

15.1 The Dealers shall not be liable for any damage as a consequence of Swedish or foreign legislation, actions by Swedish or foreign public authorities, acts of war, strikes, blockades, boycotts, lockouts, or any other similar circumstance. The reservation in respect of strikes, blockades, boycotts, and lockouts applies notwithstanding that the Dealer itself takes such measures or is subject to such measures.

15.2 Damage which arises in other cases shall not be compensated by the Dealer provided the Dealer acted with normal care.

15.3 Neither the Company nor the Dealer shall be obligated in any circumstance to pay compensation for indirect loss.

15.4 In the event a Dealer is prevented from taking a measure as a consequence of a circumstance set forth in section 15.1, the measure may be postponed until such time as the impediment no longer exists.

15.5 The provision set forth above shall apply unless otherwise required by the Swedish Financial Instruments Accounting Act.

16. GUARANTEE

In accordance with Appendix 2, the Guarantor has provided a guarantee as for its own debt (*Sw: proprieborgen*) for all of the Company's obligations under the Loans issued under the MTN Programme.

17. GOVERNING LAW AND JURISDICTION

17.1 Swedish law shall apply to the Loan Terms and any non-contractual issues which arise in conjunction with the Loan Terms.

17.2 Any dispute shall be resolved by a Swedish court of law. The Stockholm District Court shall be the court of first instance.

It is hereby confirmed that the above terms and conditions are binding on us.

Stockholm 19 October 2018

BOLIDEN AB (PUBL)

FORM OF FINAL TERMS

The following form is used for the Final Terms for each Loan issued under the MTN Programme.

Boliden AB (publ)
Final Terms
for Loan number [●]
under Boliden AB (publ)'s ("Company") Swedish MTN Programme

The Terms and Conditions dated 19 October 2018 and the Final Terms set forth below shall apply to the Loan. Unless otherwise stated, definitions used in these Final Terms are set forth in the Terms and Conditions or otherwise in the Company's Base Prospectus, approved and registered with the Swedish Financial Supervisory Authority on [●], including any published supplemental prospectus prepared for the MTN Programme from time to time in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, referred to as the "**Prospectus Regulation**" ("**Base Prospectus**"). This document constitutes the Final Terms for the Loan and has been prepared in accordance with Article 8 of the Prospectus Regulation. Complete information regarding the Company and the Loan may only be obtained through a reading of the Final Terms together with the Base Prospectus (as supplemented).

The Base Prospectus and any supplemental prospectus are available on the Company's website (www.boliden.com).

[[These Final Terms replace the Final Terms dated [date], whereupon the Nominal Amount has been increased from [SEK]/[EUR] [amount in words] to [SEK]/[EUR] [amount in figures].]

GENERAL

1.	Loan number:	[●]
	(i) Tranche name:	[●]
2.	Aggregate Nominal Amount:	
	(i) For [the Loan:]	[SEK]/[EUR] [●]
	(ii) Tranche 1:	[SEK]/[EUR] [●]
	(iii) [Tranche 2:]	[SEK]/[EUR] [●]
3.	Price per MTN:	[●] % of the Nominal Amount [plus accrued interest]

			from and including [●]
4.	Currency:		[SEK]/[EUR]
5.	Nominal amount:		[SEK]/[EUR] [●] (the stated amount may not be less than EUR 100,000 or an equivalent amount in SEK)
6.	Loan Date:		[●]
7.	Interest Commencement Date:		[Loan Date]/[●]
8.	Settlement Date:		[Loan Date]/[●]
	(i)	[Tranche 1:]	[●]
	(ii)	[Tranche 2:]	[●]
9.	Maturity Date:		[●]
10.	Interest Structure:		[Fixed Rate]/ [Floating Rate (FRN)]/ [Zero Coupon]
11.	Amount as basis for calculation of interest:		[Nominal Amount]/[●]
BASIS FOR CALCULATION OF RETURN			
12.	Fixed Interest Rate:		[Applicable]/[Not applicable] <i>(if not applicable, delete the remaining subheadings under this heading)</i>
	(i)	Interest Rate:	[●] % per year
	(ii)	Interest Period:	Period from [●] up to and including [●] (the first Interest Period) and thereafter each period of approximately [●] months with the final day on an Interest Payment Date <i>(Correct the above in the event of a short or long first coupon)</i>
	(iii)	Interest Payment Date(s):	[Annually [●]] [Semi-annually [●] and [●]] [Quarterly [●], [●], [●] and [●]], the first time on [●] and the last time on [●], however if such a day is not a Business Day, interest will not be paid until the following Business Day. Interest is calculated and payable, however, only up to and including the Interest Payment Date.

	(iv)	Day Count Convention:	30/360 [Adjusted]/[Unadjusted]
	(v)	Risk factors:	In accordance with the Risk Factor with the heading Risks relating to interest rate constructions in the Base Prospectus.
13.	Floating Rate (FRN:)		[Applicable]/[Not applicable] <i>(if not applicable, delete the remaining subheadings under this heading)</i>
	(i)	Base Rate:	[●] months [STIBOR]/[EURIBOR] [The Interest Base for the first coupon will be [[●]/a linear interpolation between [●] months [STIBOR]/[EURIBOR] and [●] months [STIBOR]/[EURIBOR]]
	(ii)	Interest Base Margin:	[+/-] [●] % per year
	(iii)	Interest Determination Date:	[Second] Business Day prior to the start of each Interest Period, the first time on [●]
	(iv)	Interest Period:	The period from [●] up to and including [●] (the first interest period) and thereafter each period of about [●] months with the final day on an Interest Payment Date
	(v)	Interest Payment Date(s):	[●], [●], [●] and [●] of each year, the first time on [●] and the last time on [●]. However, if such a day is not a Business Day, the Interest Payment Date shall instead be the next Business Day provided that such Business Day does not fall in the new calendar month, in which case the Interest Payment Date shall be the preceding Business Day. Interest is calculated and payable up to and including each relevant Interest Payment Date.
	(vi)	Day Count Convention:	Actual/360 [Adjusted]/[Unadjusted]
14.	Zero Coupon:		[Applicable]/[Not applicable] <i>(if not applicable, delete the remaining subheadings under this section)</i>
	(i)	Terms for Loans without interest:	[Specify details]
	(ii)	Risk Factors:	In accordance with the Risk Factor with the heading Risks relating to interest rate constructions in the Base Prospectus
REPAYMENT			
Miscellaneous			

15.	Issuing Dealer[s]:	[Aktiebolaget Svensk Exportkredit (publ)]/[Danske Bank A/S, Danmark, Sverige Filial]/[DNB Bank ASA, filial Sverige]/[Nordea Bank Abp]/[Skandinaviska Enskilda Banken AB (publ)]/[Swedbank AB (publ)]/[specify]
16.	Calculation agent:	[Aktiebolaget Svensk Exportkredit (publ)]/[Danske Bank A/S, Danmark, Sverige Filial]/[DNB Bank ASA, filial Sverige]/[Nordea Bank Abp]/[Skandinaviska Enskilda Banken AB (publ)]/[Swedbank AB (publ)]/[specify]
17.	Admission to trading:	[Applicable]/[Not applicable] <i>(if not applicable, delete the remaining subheadings under this section)</i>
	(i)	Relevant market: An application for registration will be submitted to [Nasdaq Stockholm]/[state other regulated market]
	(ii)	Estimate of all costs in conjunction with admission to trading: SEK [●]
	(iii)	Total number of securities admitted to trading: [●]
	(iv)	Earliest date for admission to trading: [Loan date]/[●] [Tranche 1:] [Tranche 2:]
18.	ISIN:	SE[●]
19.	Credit rating for the Loan	[Not applicable]/[specify]
20.	Resolution as basis for the Issue:	[In accordance with the Base Prospectus]/[specify]
21.	Interests of natural or legal persons involved in the Issue:	[Other than the compensation paid to the Issuing Dealers based on their participation in the MTN Programme and this Issue, the Company is not aware of any persons involved with any interest of significance to the Issue] <i>[description of the interests of significance to the Issue for any natural or legal persons involved in the issue, including conflicts of interest]</i>

22.	Information from third parties:	[Information contained in these Final Terms that comes from a third party has been accurately reproduced and, to the extent the Company is aware and is able to ascertain from a comparison with other information that has been published by the relevant third party, no facts have been omitted in a way that would render the reproduced information inaccurate or misleading]/[Not Applicable]
23.	The use of the proceeds:	[General financing of the Issuer's and the Group's business activities]/[specify]
24.	The estimated net amount of the proceeds:	[EUR]/[SEK] [●] less customary transaction costs and fees.

The Company confirms that it has disclosed all material events after the date of this MTN Programme regarding the Base Prospectus that could affect the market's perception of the Company.

The Company further confirms that the above Final Terms are applicable to the Loan, together with the Terms and Conditions, and undertakes accordingly to pay principal and, where applicable, interest.

[Place] [date for signing of Final Terms]

BOLIDEN AB (PUBL)

GUARANTEE

Between Boliden AB (publ) (Reg. No. 556051-4142) (the “**Company**”) and Danske Bank A/S, Danmark, Sverige filial, DNB Bank ASA, filial Sverige, Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ), Aktiebolaget Svensk Exportkredit and Swedbank AB (publ) (together the “**Dealers**”), an agreement was signed on 19 October 2018 (*Sw: emissionsavtal*) (the “**Agreement**”) regarding the establishment of a Swedish Medium Term Note Programme (“**MTN Programme**”) under which the Company intends to raise loans on the Capital Market by issuing notes in SEK or EUR.

With reference to the MTN Programme, Boliden Mineral AB (publ) (Reg. No. 556231-6850) (the “**Guarantor**”) hereby guarantees as principal obligor as for its own debt (*Sw: proprieborgen*) all of the Company’s obligations, as agreed in this guarantee (the “**Guarantee**”).

In addition to the definitions set forth in this Guarantee, the terms defined in the Agreement and in the Terms and Conditions (appended to the Agreement) shall have the same meaning when used in this Guarantee.

The Terms and Conditions and the relevant Final Terms shall apply to each MTN. The obligations set forth in paragraph 4-6 below shall apply to the Guarantor only in case the Company has not already fulfilled such obligations in accordance with the Terms and Conditions.

1. The Guarantor has reviewed and approved the conditions set forth in the Agreement and the Terms and Conditions (as amended from time to time).
2. All of the Company’s obligations according to the Agreement, the Terms and Conditions and all Loans issued under the MTN Programme are guaranteed by the Guarantor as principal obligor as for its own debt (*Sw: proprieborgen*). The Guarantee continues in force until all obligations under the Agreement, the Terms and Conditions and all Loans issued under the MTN Programme have been fulfilled. The obligations under this Guarantee shall be in force even if the Framework Amount has been exceeded.
3. The Guarantor’s obligations are limited to the extent (and only if a limitation applies) required to avoid breach of the provisions on unlawful value transfers according to chapter 17, paragraph 1-3 in the Swedish Companies Act (*Sw: aktiebolagslagen (2005:551)*) (as amended from time to time).
4. The Guarantor further guarantees that as long as there are outstanding MTN the Guarantor shall not sell or otherwise dispose of any material fixed assets if such disposal threatens the Guarantor’s ability to fulfill its payment obligations under this Guarantee.
5. The Guarantor hereby confirms that its execution of this Guarantee do not violate any law, agreement, other rules or regulations binding on the Guarantor.
6. All the notices to the Guarantor shall be made to the following address:

Postal address: P.O. Box 44
101 20 Stockholm
Sweden
Visiting address: Klarabergsviadukten 90
Telephone: +46 (0)8 610 15 00
www.boliden.com

If a notice has been sent by registered letter (*Sw. rekommenderat brev*), the notice shall be deemed to have been received by the recipient no later than the third Business Day following the dispatch. If a message has been sent by e-mail, the message shall be deemed to have reached the addressee when it is actually received. However, if the e-mail reaches the recipient after normal business hours, the message shall be deemed to have been received by the recipient at the beginning of the following Business Day.

7. This Guarantee, and any non-contractual obligations arising out of or in connection herewith, shall be governed by and construed in accordance with the laws of Sweden. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with the Guarantee. The City Court of Stockholm (*Sw. Stockholms tingsrätt*) shall be the court of first instance.

Stockholm 19 October 2018

BOLIDEN MINERAL AB (PUBL)

BUSINESS DESCRIPTION AND STRUCTURE

The business of the Group

Business idea and strategy

Boliden aims to be a leading metals company by establishing and operating competitive mines and smelters and by being the preferred choice for business partners. The primary focus for Boliden's mining operations is the creation of growth through exploration and investments in organic growth, coupled with improved productivity and acquisitions where Boliden's know how and competences can add value. For the smelters, the focus is on increasing profitability by concentrating on costs, improving process stability and the ability to process complex raw materials.

Main operations

The Group in total had as of 31 December 2019 approximately 5,969 employees. Its main business activities consist of mining, processing/producing and selling concentrates, metals, in particular the base metals zinc, copper, nickel and lead but also precious metal such as gold and silver, and certain by-products.

The Group's business is divided into two segments – mining and smelting. Boliden's main metals – zinc and copper – are primarily sold to industrial customers in Europe. Boliden also conducts recycling of electronic materials and is a substantial market participant when it comes to recycling lead from car batteries.

Mines

As of 31 December 2019, Boliden mines comprise nine mines in six mining areas: Aitik, the Boliden Area and Garpenberg in Sweden, Kevitsa and Kylylahti in Finland and the Tara mine in Ireland. The Aitik mine is a medium-sized copper mine by international standards in terms of metal production and a significant copper mine in terms of ore extracted. Aitik also earns income from its by-products gold and silver. Garpenberg is a medium-sized zinc mine which also generates income from silver and lead. The Boliden Area is a small mining area that contains three underground mines extracting and processing metals such as silver, gold, zinc, lead and copper. Kevitsa is an expanding copper-nickel mine with several by-products and Kylylahti is a small mine with short life-span currently reviewing the possibility of increased cobalt extraction. Tara is a large zinc mine by international standards and also earns minor revenues from lead.

Smelters

Boliden's five smelters are located in Sweden, Finland and Norway and comprise the Kokkola and Odda zinc smelters, the Rönnskär and Harjavalta copper smelters, and the Bergsöe lead smelter. The business area focuses on refining of concentrates and recycled raw materials, and sales of metals and by-products. The Kokkola zinc smelter is a major zinc producer by international standards, while the Odda zinc smelter is a small/medium-sized plant. The Rönnskär copper smelter is medium-sized, but has a material operation in electronic recycling. The Harjavalta copper smelter is small, but its nickel smelting operations are material by European standards.

Share information

Pursuant to the Issuer's Articles of Association, its share capital shall be no less than SEK 200,000,000 and no more than SEK 800,000,000, with its number of shares being no less than 200,000,000 and no more than 800,000,000. As at the date of this Base Prospectus, the Issuer's registered share capital was SEK 578,914,338 and the registered number of shares was 273,511,169.

Since December 2001, the shares in the Issuer have been listed on the regulated market of Nasdaq Stockholm under the short code BOL.

As at 31 December 2019, the Issuer had 82,919 shareholders.

Ten largest shareholders as at 31 December 2019

Name of shareholder	Percentage of votes and share capital
Norges Bank	5.2%
BlackRock	5.0%
Swedbank Robur Funds	4.8%
Vanguard	2.9%
Handelsbanken Funds	2.2%
AMF Insurance & Funds	2.0%
Söderbloms Factoringtjänst AB	1.8%
T. Rowe Price	1.5%
SEB Funds	1.4%
Invesco	1.4%
Total, ten largest shareholders	28.2%

Legal structure

The Issuer is the ultimate parent company of the Group. The Issuer conducts limited operations on what is, for fiscal purposes, commission from Boliden Mineral and has no employees (other than the CEO). The Issuer's operations mainly consist of owning shares in the operating subsidiaries and it is reliant of other entities within the Group to advance loans or make dividend distributions to the Issuer so as to enable it to make payments under the Notes. The Issuer is thus dependent upon receipt of sufficient income arising from the operations of the Group. The ability of the operating Group Companies to make payments is restricted by, among other things, the availability of funds, corporate restrictions and local law.

Save for some additional subsidiaries which are dormant or of lesser significance, the Issuer's shareholding of two directly owned and 21 indirectly owned subsidiaries as at 31 December 2019 is outlined in the below table.

Name of subsidiary, registered office	Registration number	Shareholding and votes
Boliden Limited, Toronto, Canada	3977366	100%
Boliden Power Ltd, Vancouver, Canada	700245	100%
3974677 Canada Inc, Toronto, Canada	3974677	100%
1393512 Ontario Inc, Toronto, Canada	1393512	100%
Boliden B.V., Drunen, Netherlands	18048775	100%
Boliden Mineral AB, Skellefteå, Sweden	556231-6850	100%
Boliden Harjavalta Oy, Harjavalta, Finland	1591739-9	100%
Boliden Kylylahti Oy, Polvijärvi, Finland	1925412-3	100%
Boliden Kevitsa Mining Oy, Petkula, Finland	2345699-1	100%
Boliden Finnex Oy, Petkula, Finland	2345662-5	100%
Boliden Kuhmo Oy, Petkula, Finland	1925450-2	100%
Boliden Kokkola Oy, Kokkola, Finland	0772004-3	100%
Kokkolan Teollisuusvesi Oy, Kokkola, Finland	2558533-2	65%
Boliden Commercial AB, Stockholm, Sweden	556158-2205	100%
Boliden Commercial UK Ltd, Warwickshire, UK	5723781	100%
Boliden Commercial Deutschland GmbH, Neuss, Germany	165903	100%
Tara Mines Holding DAC, Navan, Ireland	60135	100%
Boliden Tara Mines DAC, Navan, Ireland	33148	100%
Irish Mine Development Ltd, Navan, Ireland	174811	100%
Rennicks and Bennett Ltd, Navan, Ireland	34596	100%
Boliden Odda AS, Odda, Norway	911177870	100%

Name of subsidiary, registered office	Registration number	Shareholding and votes
Boliden Bergsöe AB, Landskrona, Sweden	556041-8823	100%
Boliden Bergsoe A/S, Glostrup, Denmark	20862149	100%

THE ISSUER

General corporate and Group information

The Issuer's legal and commercial name is Boliden AB (publ) with Swedish Reg. No. 556051-4142 and Legal Entity Identifier (LEI) Code 21380059QU7IM1ONDJ56. The registered office is at P.O. Box 44, SE-101 20 Stockholm, Sweden. The telephone number of the Issuer is +46 (0)8 610 15 00. The Issuer was incorporated in Sweden on 27 November 1947 and registered with the Swedish Companies Registration Office (*Bolagsverket*) on 23 December 1947. The Issuer is a public limited liability company (*publikt aktiebolag*) regulated by the Swedish Companies Act (*aktiebolagslagen (2005:551)*). The Issuer's website is www.boliden.com. The information on the website does not form part of the Base Prospectus unless that information is incorporated by reference into the Base Prospectus.

Boliden's history stretches back to the 1920s, when the Company established a position in the fields of exploration, mining operations, concentration, smelting and recycling operations. Pursuant to the Issuer's Articles of Association, the object of the Issuer's business shall be to, directly or indirectly, pursue mining and produce metals, and thereto related business activities.

Board of directors

Pursuant to Boliden's Articles of Association, the Board shall consist of no less than three and no more than ten members, with no deputy members, elected by the general meeting of the shareholders. Boliden's employees have a statutory entitlement to appoint three employee members and three employee deputy members to the Board. The Board currently consists of seven members elected by the Annual General Meeting held in 2019 until the Annual General Meeting in 2020 and three Employee Members with three Deputy Members appointed by trade union organisations.

Anders Ullberg

Born 1946. Chairman of the Board since 2005 and Board member since 2005.

Principal education: M.Sc. Economics.

Other on-going principal assignments: Chairman of the Boards of Eneqvist Consulting and Studsvik. Member of the Boards of Atlas Copco, Beijer Alma, Epiroc and Valedo Partners. Chairman of the Swedish Financial Reporting Board and Member of the Board of the European Financial Reporting Advisory Group.

Marie Berglund

Born 1958. Board member since 2003.

Principal education: M.Sc. Biology.

Other on-going principal assignments: Vice President, Raw Materials and Environment, NCC Industry. Member of the Boards of Sveaskog, Baltic Sea 2020 and the Advisory Council of the County Administrative Board of Västernorrland.

Tom Erixon

Born 1960. Board member since 2013.

Principal education: LL.B., MBA.

Other on-going principal assignments: President and CEO of Alfa Laval.

Michael G:son Löw

Born 1951. Board member since 2010.

Principal education: M.Sc. Economics.

Other on-going principal assignments: Member of the Boards of Concordia Maritime, Preem, Stena Bulk and Naturstenskompagniet International. Deputy Chairman of the Boards of the Swedish Chamber of Commerce for Russia & CIS, and the Swedish Association for Energy Economics. Member of the Royal Swedish Academy of Engineering Sciences (IVA).

Elisabeth Nilsson

Born 1953. Board member since 2015.

Principal education: M.Sc. Engineering.

Other on-going principal assignments: Dr. h.c. Luleå University of Technology. Chairman of the Board of Göta Kanalbolaget. Member of the Board of EKN. Member of the Royal Swedish Academy of Engineering Sciences (IVA), Skandia's council and Hanaholmen's Executive Board. Chairman of the Knowledge Foundation (KK-stiftelsen) and the Scandinavian Japan Sasakawa Foundation.

Perttu Louhiluoto

Born 1964. Board member since 2019.

Principal education: M.Sc. Economics, LL.B.

Other on-going principal assignments: CEO of Purmo Group.

Pia Rudengren

Born 1965. Board member since 2017.

Principal education: M.Sc. Economics.

Other on-going principal assignments: Chairman of the Board of Social Initiative. Member of the Boards of Duni and Academedia.

Marie Holmberg

Born 1963. Board member, employee representative since 2008.

Other on-going assignments: Representative of the Swedish Association of Graduate Engineers and PTK (the council for negotiation and cooperation).

Kenneth Ståhl

Born 1973. Board member, employee representative since 2014.

Other on-going assignments: Representative of IF Metall (the Swedish Metalworkers' Union). Chairman of the IF Metall Bergsöe branch.

Cathrin Öderyd

Born 1975. Board member, employee representative since 2018.

Other on-going assignments: Chairman of the IF Metall Aitik branch. Member of Boliden Workers Council.

Ola Holmström

Born 1965. Deputy Board member, employee representative since 2017.

Other on-going assignments: Chairman of the IF Metall Kristineberg branch, FSG (Trade union cooperation) and Boliden Workers Council.

Magnus Filipsson

Born 1974. Deputy Board member, employee representative since 2018.

Other on-going assignments: Representative of the Unionen trade union.

Gard Folkvord

Born 1969. Deputy Board member, employee representative since 2018.

Other on-going assignments: Chairman of Odda Kjemiske Arbeiderforening. Member of the competence committee for Industri Energi. Member of Odda municipality Board (A). Chairman of Oddaprodukt AS.

The Group Management**Mikael Staffas**

Born 1965. President & CEO since 2018.

Principal education: M.Sc. Engineering, MBA.

Other on-going principal assignments: Chairman of the Board of Eurometaux, the Employers' Association of the Mines (GAF) and Vice Chairman of the Board of SveMin (trade association for mines, mineral and metal

producers in Sweden). Board member of the International Zinc Association, the International Copper Association and the Swedish Industrial Employers.

Håkan Gabrielsson

Born 1967. CFO since 2016.

Principal education: M.Sc. Business Administration.

Other on-going principal assignments: N/A

Åsa Jackson

Born 1964. Senior Vice President Corporate Responsibility since 2019.

Principal education: M.Sc. Business and Economics.

Other on-going principal assignments: N/A

Stefan Romedahl

Born 1967. President – Boliden Mines since 2018.

Principal education: M.Sc. Geotechnology.

Other on-going principal assignments: Member of the Board of the Mining Employers' Association (GAF), SveMin (trade association for mines, mineral and metal producers in Sweden) and Euromines.

Daniel Peltonen

Born 1971. President – Boliden Smelters since 2019.

Principal education: M.Sc. Chemical Technology & Industrial Economy.

Other on-going principal assignments: N/A

Additional information on the Board and the Group Management

Business address

The address for all members of the Board and the Group Management is c/o Boliden Mineral AB, P.O. Box 44, SE-101 20 Stockholm, Sweden.

Conflicts of interest

No members of the Board or Group Management of the Issuer has any private interest that might conflict with the Issuer's interests.

Auditor

Deloitte AB (Rehngatan 11, SE-113 79 Stockholm, Sweden) is the Issuer's auditor since 2015. Jan Berntsson, born 1964, is auditor in charge. Jan Berntsson is an authorised public accountant and member of FAR, the professional institute for accountants in Sweden.

THE GUARANTOR

General corporate information

The Guarantor's legal and commercial name is Boliden Mineral AB (publ) with Swedish Reg. No. 556231-6850 and Legal Entity Identifier (LEI) Code 213800X3MEX5WPW7DI33. The registered office is at SE-936 81 Boliden. The telephone number of the Guarantor is +46 (0)910 77 40 00. The Guarantor was incorporated in Sweden on 27 December 1982 and registered with the Swedish Companies Registration Office (*Bolagsverket*) on 13 July 1983. The Guarantor is a public limited liability company (*publikt aktiebolag*) regulated by the Swedish Companies Act (*aktiebolagslagen (2005:551)*). The Guarantor is a wholly-owned subsidiary of the Issuer.

Pursuant to the Guarantor's Articles of Association, the object of the Guarantor's business shall be to, directly or indirectly, conduct mining, concentration, metallurgic and chemical industrial business, own and manage real or personal property, and thereto related activities.

Business description

Boliden Mineral is the main operating entity of the Group and has on the date of this Base Prospectus approximately 3,200 employees, including most of Group Management. Boliden Mineral operates mines in the north of Sweden as well as the Rönnskär smelter close to Skellefteå and owns most of the groups other operating entities and also contains certain common functions.

Borrowing from external lenders is typically made directly by or through Boliden Mineral and thus Boliden Mineral has a function of an internal bank of the Group.

Board of directors

Stefan Romedahl

Born 1967. Chairman of the Boliden Mineral AB Board since 2018.

Principal education: M.Sc. Geotechnology.

Other on-going principal assignments: Member of the Board of the Mining Employers' Association (GAF), SveMin (trade association for mines, mineral and metal producers in Sweden) and Euromines.

Mikael Staffas

Born 1965. Board member of Boliden Mineral AB since 2011.

Principal education: M.Sc. Engineering, MBA.

Other on-going principal assignments: Chairman of the Board of Eurometaux, the Employers' Association of the Mines (GAF) and Vice Chairman of the Board of SveMin (trade association for mines, mineral and metal producers in Sweden). Board member of the International Zinc Association, the International Copper Association and the Swedish Industrial Employers.

Håkan Gabrielsson

Born 1967. Board member of Boliden Mineral AB since 2016.

Principal education: M.Sc. Business Administration.

Other on-going principal assignments: N/A

Åsa Jackson

Born 1964. Board member of Boliden Mineral AB since 2019.

Principal education: M.Sc. Business and Economics.

Other on-going principal assignments: N/A

Daniel Peltonen

Born 1971. Board member of Boliden Mineral AB since 2019.

Principal education: M.Sc. Chemical Technology & Industrial Economy.

Other on-going principal assignments: N/A

Group Management

For information on Boliden Mineral's Group Management, see "*The Group Management*" in "*The Issuer*" above.

Additional information on the Board

Business address

The address for all members of the Board is c/o Boliden Mineral AB, P.O. Box 44, SE-101 20 Stockholm, Sweden.

Conflicts of interest

No members of the Board of the Guarantor has any private interest that might conflict with the Issuer's interests.

Auditor

For information on Boliden Mineral's auditor, see "*Auditor*" in "*The Issuer*" above.

LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

Information about the Base Prospectus

The Base Prospectus has been approved by the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the “SFSA”) as a competent authority under Regulation (EU) 2017/1129. The SFSA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. The SFSA’s approval should not be considered as an endorsement of the Issuer that is the subject of this Base Prospectus, nor should it be considered as an endorsement of the quality of the securities that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

Authorisation and responsibility

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Notes and the performance of its obligations relating thereto. This Base Prospectus was approved by the Board of Directors of the Issuer on 12 February 2020 and approved by the SFSA on 25 February 2020.

The Issuer accepts responsibility for the information contained in this Base Prospectus and declares that, to the best of its knowledge, the information contained in the Base Prospectus is in accordance with the facts and that the Base Prospectus makes no omission likely to affect its import. The Board of Directors of the Issuer is, to the extent provided by law, responsible for the information contained in this Base Prospectus and declares that, to the best of its knowledge, the information contained in the Base Prospectus is in accordance with the facts and that the Base Prospectus makes no omission likely to affect its import.

Legal and arbitration proceedings

The Group is currently, and may from time to time be, subject to disputes, claims and administrative proceedings as a part of the ordinary course of business. Save for the on-going disputes described below, the Group is not a party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the previous twelve months which may have, or have had in the recent past, significant effects on the Issuer’s and/or the Group’s financial position or profitability.

Dam accident

In 1998, a dam accident occurred in a tailings pond at the Los Frailes mine in Spain, which was then owned by Boliden’s subsidiary, Boliden Apirsa S.L. (“Apirsa”). It was established that the likely cause of the accident was design and construction errors in the dam. Nevertheless, Apirsa was ordered to pay approximately EUR 45 m in clean-up costs, damages and fines to the Spanish Ministry of the Environment. In addition, as a consequence of the accident, the local government (Junta de Andalucía) brought a claim against Apirsa, Boliden BV and Boliden for reimbursement for clean-up related costs totalling slightly over EUR 89 m.

In 2005, Apirsa initiated insolvency proceedings to ensure a coordinated and orderly liquidation of the company. The receivers in the bankruptcy requested that Apirsa’s parent company, Boliden BV, together with Boliden Mineral and Boliden should be held liable for Apirsa’s total deficit of just over EUR 142 m, including the above mentioned clean-up costs of EUR 45 m and the alleged EUR 89 m claim from the Junta de Andalucía, which is still pending in the court of the first instance in Seville. Boliden has not made any provisions in relation to Apirsa related disputes.

Boliden Kevitsa Oy’s tax assessment increased

The Finnish tax authorities have increased Boliden Kevitsa Oy’s tax assessment for the years from 2012 to 2016, which would result in an increase in tax expenses of EUR 29 m. The increased assessment is attributable to the period prior to Kevitsa’s acquisition by Boliden. Based on the fact that the ruling will be appealed and on the guarantee provisions of the acquisition agreement, amongst other things, no provision has been made in the accounts.

Certain material interests

The Arranger has engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for Boliden in the ordinary course of business. In particular, it should be noted that the Arranger may be the lender under certain credit facilities with a member of the Group as borrower. Therefore, conflicts of interest may exist or may arise as a result of the Arranger had previously engaged, or will in the future engage, in

transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

The Arranger or its affiliates may be or become shareholders in the Issuer.

Trend information

There has been no material adverse change in the prospects of the Issuer since 8 March 2019, being the date of the publication of the last audited financial information of the Group.

There has been no significant change in the financial performance of the Group since 31 December 2019, being the end of the last financial period for which financial information has been published to the date of the Base Prospectus.

Significant changes since 31 December 2019

There have been no significant changes in the financial position of the Group since 31 December 2019, being the end of the last financial period for which interim financial information has been published.

Material contracts

Neither the Issuer nor the Guarantor are party to any material contracts that are not entered into in the ordinary course of business, which could result in any group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations under the Notes or the Guarantors ability to fulfil its obligation under the Guarantee.

Incorporation by reference

The following information has been incorporated into this Base Prospectus by reference and should be read as part of this Base Prospectus:

Annual Report for 2017¹	Page
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¹ <https://vp217.alertir.com/afw/files/press/boliden/201803060710-1.pdf>.

² <https://vp217.alertir.com/afw/files/press/boliden/201903076646-1.pdf>.

2019 Q4 Interim and Year-End Report³	Page
Consolidated Income Statements	17
Consolidated Statements of Comprehensive Income	18
Consolidated Balance Sheets	19
Consolidated Statements of Changes in Equity	19
Consolidated Statements of Cash Flow	20

Information in the above documents which is not incorporated by reference is either deemed by the Issuer not to be relevant for investors in Notes or covered elsewhere in the Base Prospectus.

The Issuer's Annual Reports for 2017 and 2018 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by EU and in accordance with the Swedish Annual Accounts Act (*årsredovisningslagen (1995:1554)*). The Annual Reports for 2017 and 2018 have been audited by the Issuer's auditor. The 2019 Q4 Interim and Year-End Report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act. The interim report has not been audited or reviewed by the Issuer's auditor. Save for the 2017 and 2018 financial statements as incorporated by reference herein, no information in this Base Prospectus has been audited or reviewed by the Issuer's auditor.

Documents on display

The Issuer's Certificate of Registration and Articles of Association are electronically available at <https://www.boliden.com/operations/about-boliden/corporate-governance> for the term of the Base Prospectus.

³ <https://vp217.alertir.com/afw/files/press/boliden/202002135021-1.pdf>.

ADDRESSES

The Issuer

Boliden AB (publ)

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SE-101 20 Stockholm
Sweden
Visiting address: Klarabergsviadukten 90
Telephone: +46 (0)8 610 15 00
www.boliden.com

The Arranger

Swedbank AB (publ)

Address: SE-105 34 Stockholm
Sweden
Telephone: +46 (0)8 700 99 85
www.swedbank.se

The Dealers

Swedbank AB (publ)

Address: SE-105 34 Stockholm
Sweden
Telephone: +46 (0)8 700 99 85
www.swedbank.se

Danske Bank A/S, Danmark, Sverige Filial

Address: SE-103 92 Stockholm
Sweden
Visiting address: Norrmalmstorg 1
Telephone: +46 (0)752-48 49 30
www.danskebank.se

DNB Bank ASA, Filial Sverige

Address: SE-111 56 Stockholm
Sweden
Visiting address: Regeringsgatan 59
Telephone: +46 (0)8 47 34 100
www.dnb.se

Skandinaviska Enskilda Banken AB (publ)

Address: SE-111 47 Stockholm
Sweden
Visiting address: Kungsträdgårdsgatan 8
Telephone: +46 (0)8 76 95 000
www.seb.se

Aktiebolaget Svensk Exportkredit (publ)

Address: P.O. Box 194
SE-101 23 Stockholm
Sweden
Visiting address: Klarabergsviadukten 61-63
Telephone: +46 (0)8 61 38 300
www.sek.se

Nordea Bank Abp

Postal address: P.O. Box 850
0900 Copenhagen C
Denmark
Visiting Address: Aleksis Kiven katu 7,
Helsinki, Finland
Telephone: +45 5547 1479/
1486/1487+358 9
www.nordea.com

Legal Advisor to the Issuer

Mannheimer Swartling Advokatbyrå

Postal address: P.O. Box 1711
SE-111 87 Stockholm
Sweden
Visiting address: Norrlandsgatan 21
Telephone: +46 (0)8 595 060 00
www.mannheimerswartling.se

The Guarantor

Boliden Mineral AB (publ)

Postal address: P.O. Box 44
SE-101 20 Stockholm
Sweden
Visiting address: Klarabergsviadukten 90
Telephone: +46 (0)8 610 15 00
www.boliden.com

Auditor to the Issuer

Deloitte AB

Postal address: Rehngatan 11
SE-113 79 Stockholm,
Sweden
Visiting address: Rehngatan 11
www.deloitte.com/se

Account Operator

Euroclear Sweden AB

Postal address: P.O. Box 191
SE-101 23 Stockholm,
Sweden
Visiting address: Klarabergsviadukten 63
SE-111 64 Stockholm, Sweden
Telephone: +46 (0)8 402 90 00
www.euroclear.com/sweden