

Corporate governance report 2013

SSAB's organization is characterized by a decentralized work method in which responsibilities and powers are, to a large degree, delegated to the respective business areas and subsidiaries. SSAB is listed on Nasdaq OMX Stockholm and is subject to its rules and regulations, and also applies the Swedish Code on Corporate Governance (the "Corporate Code").

Organization

The Group's steel operations in 2013 comprised the three geographic business areas: SSAB EMEA (Europe, the Middle East and Africa), SSAB Americas (North and Latin America) and SSAB APAC (Asia, Australia and New Zealand), as well as distribution operations through the subsidiary, Tibnor. The processing business, Plannja, is part of SSAB EMEA.

The diagram below illustrates SSAB's corporate governance model as per December 31, 2013, and how the central bodies operate.

Deviations from the Corporate Code

During 2013, the Compensation Committee comprised Sverker Martin-Löf (Chairman), John Tulloch and Lars Westerberg. According to the main rule in Rule 9.2 of the Corporate Code, the members of the Compensation Committee who are elected by the general meeting must be independent in relation to the Company and company management. Since John Tulloch is considered to be dependent in relation to the Company, his participation in the Compensation Committee thus constitutes a derogation from the Code's rules. The Company currently conducts extensive international operations involving a large number of employees outside Sweden, not least in North America. John Tulloch possesses long experience from senior managerial positions in the North American steel industry. His knowledge of compensation

principles and compensation structures in, primarily, the North American steel industry, constitutes an extremely valuable contribution to the Committee's overall ability to address international compensation issues in a purposeful and rational manner. Thus, the Company has made the assessment that the value of John Tulloch's participation in the Compensation Committee outweighs any possible disadvantages resulting from him not being deemed independent in relation to the Company. For these reasons, the Company considers the derogation from Rule 9.2 of the Corporate Code to be justified.

Shareholders

SSAB's share capital consists of class A and class B shares, with class A shares carrying one vote and class B shares one-tenth of one vote. Both classes of shares carry the same rights to participate in the Company's assets and profits.

On December 31, 2013 there were 65,272 shareholders. In terms of votes, Industrivärden was the largest shareholder, followed by LKAB, Swedbank Robur fonder and Handelsbanken fonder. 68 percent of the shareholders held 1,000 shares or fewer, while the ten largest owners together owned just over 37 percent of the total share capital. Foreign owners accounted for 27 percent of shareholdings. For further information regarding the ownership structure, see page 10.



Important external and internal rules and policies which affect corporate governance:

Significant internal rules and policies

- By-laws
- The Board's rules of procedure, incl. instructions to the President and instructions to board committees
- Accounting manual Financial Guidelines and finance policy
- Code of Business Ethics

Significant external rules

- Swedish Companies Act
- Swedish Accounts Act
- Swedish Annual Reports Act
- Rule Book for Issuers Nasdaq OMX Stockholm, www.nasdaqomx.com
- Swedish Corporate Governance Code, www.bolagstyning.se

Owners as of December 31, 2013

	% of votes	% of share capital
Industrivärden	23.4	18.2
LKAB	5.0	3.8
Swedbank Robur Funds	4.6	4.4
Handelsbanken Fonder	3.7	3.5
Invesco Funds	1.6	1.2
Skandia Fonder	1.5	1.2
Danske Capital Sverige	1.4	1.1
AMF - Försäkring och Fonder	1.2	0.9
Avanza Pension	1.1	1.2
Skandia Liv	1.0	1.9
Other shareholders	55.7	62.7
Total	100.0	100.0
Where of foreign- registered shareholders	28.6	27.1

Source: Euroclear

General meeting

The General Meeting is the Company's highest decision-making body; it is where shareholder influence in the Company is exercised. At the Annual General Meeting (Ordinary General Meeting), the shareholders decide, among other things, on the following:

- Adoption of the annual report and consolidated financial statements
- Allocation of the Company's profit/loss
- Discharge from liability for the Board of Directors and the President
- Election of the Board, its Chairman and auditors
- Method of appointment of the Nomination Committee
- Compensation to the Board and the auditors
- Guidelines for compensation to the President and other senior executives

2013 Annual General Meeting

The 2013 Annual General Meeting adopted the annual report and consolidated financial statements for 2012 as presented by the Board and the President, decided on the allocation of the Company's profit/loss, and granted the directors and the President discharge from liability.

In addition, the Chairman of the Nomination Committee described the Committee's work during the year and the reasons for presented proposals. The General Meeting decided on compensation to the Board and auditors in accordance with the Nomination Committee's proposals. Anders G Carlberg, Jan Johansson, Martin Lindqvist (President and CEO), Annika Lundius, Sverker Martin-Löf (Chairman), Matti Sundberg, John Tulloch and Lars Westerberg were re-elected as directors. Pär Östberg was elected as a new director. The General Meeting decided that the number of auditors would comprise a registered firm of accountants. PricewaterhouseCoopers was re-elected for a term up to and including the 2014 Annual General Meeting. The General Meeting decided that the dividend would be SEK 1.00 per share. A quorate Board and the auditor-in-charge were present at the Annual General Meeting. Minutes from the Annual General Meeting are available on www.ssab.com.

Nomination Committee

THE NOMINATION COMMITTEE'S DUTIES

The Nomination Committee's duties include proposing to the

Annual General Meeting a Chairman of the Board, directors, auditors, a Chairman of the Annual General Meeting, Board fees and auditor fees.

PROCEDURE FOR THE APPOINTMENT OF THE NOMINATION COMMITTEE

The 2012 Annual General Meeting adopted a procedure regarding the appointment of the Nomination Committee. The procedure applies until amended through a resolution adopted at a future General Meeting. According to the procedure, the Chairman of the Board is charged with the task of requesting that no fewer than three and no more than five of the largest shareholders in terms of votes each appoint a member to constitute a Nomination Committee together with the Chairman of the Board. There may be no more than six members in total. The Chairman of the Nomination Committee shall be the representative of the largest shareholder. The composition of the Nomination Committee was announced on the Company's website, www.ssab.com, on October 8, 2013.

Nomination Committee for the 2014 Annual General Meeting

Appointed by, name	Share in percent of voting capital as per December 31, 2013
Industrivärden, Anders Nyberg, Chairman	23.4
LKAB, Lars-Eric Aaro	5.0
Swedbank Robur Fonder, Åsa Nisell	4.6
Handelsbanken Fonder, Frank Larsson	3.7
Sverker Martin-Löf, Chairman of the Board	–

Until December 31, 2013, shareholders have been able to submit proposals to the Nomination Committee, among other things by e-mail. The Nomination Committee's proposals are published not later than in connection with the notice to attend the Annual General Meeting. In connection with issuance of the notice to attend the Annual General Meeting, the Nomination Committee will publish on www.ssab.com a detailed statement regarding its proposal for a Board.

THE NOMINATION COMMITTEE'S WORK PENDING

THE 2014 ANNUAL GENERAL MEETING

Since being appointed in the autumn of 2013, the Nomination Committee has met two times.

The Chairman of the Board has described to the Nomination Committee the process applied in the Company in conjunction with the annual evaluation of the Board of Directors and the President, as well as the results of the evaluation. In addition, the Nomination Committee was informed of the results of the evaluation of the Chairman of the Board, at a meeting at which the Chairman was not present. At one of its meetings, the Nomination Committee also met the Company's President, who informed the members about the Company's operations and strategy.

The Nomination Committee has discussed the composition of the Board and agreed on the main demands which should be imposed on the directors, including the demand for independent directors. In this context, consideration has been given to the issue of a more equal gender division. The Nomination Committee engages in continuous work on identifying and evaluating potential new directors.

In producing proposals for fees to the Board and its committees, the Nomination Committee has, among other things, conducted a comparative study of the levels of board fees in similar companies.

The Board of Directors



Appointed by the Annual General Meeting

	Director	Elected to the Board	Shareholding ¹⁾	Previous appointments	Current appointments
①	Sverker Martin-Löf, Chairman since 2003 (1943) Licentiate of Technology, dr h.c.	2003	21,563 shares	Formerly President and CEO of SCA.	Board Chairman: Industrivärden and SCA. Deputy Board Chairman: Ericsson and Handelsbanken. Director: Skanska.
②	Anders G Carlberg (1943) M.Sc. in Economics.	1986	6,000 shares	Formerly President and CEO of Nobel Industrier, J.S. Saba and Axel Johnson International and Executive Vice President of SSAB.	Director: Axel Johnson Inc., Mekonomen, Beijer Alma, Sweco, Investment AB Latour and Sapa.
③	Jan Johansson (1954) LLM.	2011	5,000 shares	Formerly President and CEO of Boliden as well as senior positions within Telia, Vattenfall and the Shell Group.	President and CEO of SCA. Director: SCA and Handelsbanken.
④	Martin Lindqvist, President and CEO (1962) B.Sc. in Economics.	2011	17,109 shares	Employed at SSAB since 1998. Formerly Head of Business Area SSAB EMEA, CFO of SSAB and Chief Controller, NCC.	President and CEO of SSAB. Chairman: the Employers' organisation with focus on industry. Director: Indutrade and the Confederation of Swedish Enterprise.
⑤	Annika Lundius (1951) LLM.	2011	7,000 shares	Formerly Legal Director and Financial Council, Swedish Ministry of Finance and CEO, Confederation of the Swedish Insurance Industry and Employers Association.	Deputy Director-General of the Confederation of Swedish Enterprise. Director: AMF Pension.
⑥	Matti Sundberg (1942) Mining Counselor, M.Sc. in Business and Economics, Ph. and Econ. dr h.c.	2004	15,000 shares	Formerly President and CEO of Valmet/Metso and Ovako Steel.	Board Chairman: Chempolis. Director: Among others Skanska, Grängesberg Iron and the University of Jyväskylä, Financial Board.
⑦	John Tulloch (1947) Bachelor of Agricultural Science, M.Sc.	2009	15,000 shares	Formerly Executive Vice President, Steel & Chief Commercial Officer of IPSCO and Executive Vice President of SSAB & President Division IPSCO.	Director: Russel Metals Inc.
⑧	Lars Westerberg (1948) M.Sc. and MBA.	2006	10,000 shares	Formerly President and CEO of Gränges; President, CEO and Board Chairman of Autoliv.	Board Chairman: Husqvarna. Director: Volvo, Sandvik, Stena and Meda.
⑨	Pär Östberg (1962) M.Sc. in Business Administration.	2013	0 shares	Formerly Executive Vice President of AB Volvo, President Volvo Trucks Asia, CFO of AB Volvo and Renault Trucks.	Vice President: Industrivärden Director: Skanska and Ericsson.

¹⁾ Shareholdings include shares owned by closely-related persons.

Appointed by the employees

	Director	Elected to the Board	Current appointments
⑩	Sture Bergvall (1956)	2005	Electrician, SSAB EMEA
⑪	Uno Granbom (1952)	2008	Technician, SSAB EMEA
⑫	Peter Holmér (1958)	2012	Mechanic, SSAB EMEA
Alternates			
⑬	Bert Johansson (1952)	1998	Electrician, SSAB EMEA
⑭	Ola Parten (1953)	2005	Engineer, SSAB EMEA
⑮	Patrick Sjöholm (1965)	2011	Automation engineer, SSAB EMEA

In producing its proposals regarding the election of auditors and fees for audit work, the Nomination Committee has been assisted by the Audit Committee.

THE BOARD'S RESPONSIBILITIES

The overall task of the Board of Directors is to manage the Company's affairs on behalf of the shareholders in the best possible manner. The Board of Directors shall regularly assess the Group's financial position and evaluate the operational management. The Board of Directors decides, among other things, on questions concerning the Group's strategic focus and organization, and decides on important capital expenditures (exceeding SEK 50 million). Each year, the Board shall prepare proposals for guidelines regarding determination of salary and other compensation for the President and other members of the Company's senior management, to be decided upon at the Annual General Meeting.

THE BOARD'S RULES OF PROCEDURE

Each year, the Board adopts rules of procedure including instructions to the President which, among other things, govern the allocation of work between the Board and the President.

The rules of procedure also regulate the manner in which Board work is allocated among the directors, the frequency of Board meetings, and the allocation of work among Board committees. The rules of procedure state that there shall be a compensation committee and an audit committee. Prior to each Board meeting, the directors receive a written agenda and full documentation to serve as a basis for decisions. At each Board meeting, a review is conducted regarding the current state of the business, the Group's results and financial position, and prospects. Other issues addressed include competition and the market situation. The Board also regularly monitors the health and safety work, including the Group's accident statistics.

CHAIRMAN OF THE BOARD

The Chairman of the Board of Directors presides over the Board's work, represents the Company on ownership issues, and is responsible for the evaluation of the work of the Board. In addition, the Chairman is responsible for regular contacts with the President and for ensuring that the Board of Directors performs its duties.

COMPOSITION OF THE BOARD

According to the by-laws, the Board shall consist of no fewer than five and no more than ten directors elected by the General Meeting. The Board is quorate when more than one-half of the total number of directors are present. Taking into consideration the Company's operations, phase of development and circumstances in general, the Board must have an appropriate composition which is characterized by diversity and breadth as regards the expertise, experience and background of its members. New directors undergo an introduction course to acquire rapidly the knowledge which is expected in order to best promote the interests of the Company and its shareholders.

THE BOARD'S WORK IN 2013

In 2013, nine meetings were held at which minutes were taken and the Board was at all times quorate. SSAB's General Counsel, who is not a director, served as secretary to the Board.

As a consequence of the difficult situation in which the global steel

industry found itself in 2013, during the year SSAB's Board has focused its work on the measures which the company has taken with the aim of improving its competitiveness and securing its financial position. The Board has also addressed the most important long-term strategic issues for the Company as well as issues concerning safety in the workplace, the environment, control functions and corporate governance. The Board also monitors price trends as regards the Company's most important raw materials, namely iron ore, scrap metal and coal. The Board of Directors has also devoted a great deal of time to preparing the public share exchange offering to Rautaruukki's shareholders.

Auditors

According to the by-laws, SSAB shall have one or two external auditors, or one or two registered public accounting firms. At the 2013 Annual General Meeting, registered accounting firm PricewaterhouseCoopers was re-elected as auditor for a further year.

Authorized public accountant Magnus Svensson-Henryson has been auditor-in-charge since 2012. He also signs off on the audits of the listed companies SEB and Industrivärden. In all, PricewaterhouseCoopers are the elected auditors in 26 out of 61 companies in the Large Cap segment and 97 out of a total of 253 companies on Nasdaq OMX, Stockholm.

The external audit of the financial statements of the parent company and the Group, as well as management by the Board of Directors and President, is conducted in accordance with International Standards on Auditing and Generally Accepted Auditing Standards in Sweden. The Company's auditor-in-charge participates at all meetings of the Audit Committee. The auditor attends at least one Board meeting per year and goes through the audit for the year and discusses the audit with the directors, without the President or other members of the Company's senior management being present. For information regarding fees to the auditors, see Note 2.

Compensation Committee

DUTIES

In addition to the Chairman of the Board, the Compensation Committee shall comprise one or more directors elected by the General Meeting, who shall normally be independent in relation to the Company and company management. The members of the Compensation Committee shall possess the requisite knowledge and experience on issues relating to compensation to senior executives. The President shall attend meetings of the Committee in order to report on matters. The Compensation Committee's duties are stated in the Board's rules of procedure. The Compensation Committee presents proposals to the Board of Directors regarding the President's salary and other employment terms, establishes salaries and employment terms for other members of the Group Executive Committee, and establishes limits regarding salary and employment terms for other senior executives. The Compensation Committee's duties otherwise include preparing resolutions for adoption by the Board on issues concerning compensation principles, preparing the Board's proposal for guidelines for determination of salary and other compensation to the President and other members of the Company's senior management, as well as monitoring and evaluating the application thereof. The Compensation Committee shall also monitor and evaluate programs regarding variable compensation to members of the Company's senior management.

Name of director	Elected to the Board	Attendance statistics 2013			Independent in relation to	
		Board meetings	Compensation Committee	Audit Committee	The Company and its management	The Company's largest shareholders
Elected by the AGM						
Sverker Martin-Löf, Chairman	2003	9	4	5	Yes	No, Chairman of Industrivärden
Anders G Carlberg	1986	8		5	Yes	Yes
Jan Johansson	2011	9			Yes	Yes
Martin Lindqvist, President and CEO	2011	9			No, President of the Company	Yes
Annika Lundius	2011	9		5	Yes	Yes
Matti Sundberg	2004	9			Yes	Yes
John Tulloch	2009	8	4		No, former President IPSCO Division	Yes
Lars Westerberg	2006	9	4		Yes	Yes
Pär Östberg ¹⁾	2013	7			Yes	No, Vice President, Industrivärden
Employee representatives						
Sture Bergvall	2005	7			–	–
Uno Granbom	2008	8			–	–
Peter Holmér	2012	8			–	–
Alternates						
Bert Johansson	1998	9			–	–
Ola Parten	2005	9			–	–
Patrick Sjöholm	2011	8			–	–

¹⁾ Newly elected at the 2013 Annual General Meeting.
Two of the Board meetings were held per capsulam.
For information regarding fees, see Note 2. Honorary Chairman: Björn Wahlström since 1991.

WORK IN 2013

In 2013, the Compensation Committee held four meetings at which minutes were taken. The Compensation Committee comprised Sverker Martin-Löf (Chairman), John Tulloch and Lars Westerberg. The President is co-opted to the Committee but does not participate in discussions concerning his own salary and employment terms.

Audit Committee

DUTIES

According to the Board's rules of procedure, the Audit Committee shall comprise at least three directors elected by the General Meeting. The members of the Audit Committee may not be employees of the Company. Most of the members must be independent in relation to the Company and company management. At least one member who is independent in relation to the Company and company management must also be independent in relation to the Company's major shareholders and possess accounting or auditing skills. The Committee elects a chairman from among its members, who may not be the Chairman of the Board. The duties of the Committee are stated in the Board's rules of procedure. The Chairman of the Audit Committee is responsible for ensuring that the entire Board is kept regularly informed regarding the work of the Committee and, where necessary, shall submit matters to the Board for a decision. The main task of the Audit Committee is to support the Board in the work of ensuring the quality of the financial reporting. The Committee regularly meets the Company's auditors, evaluates the audit work and establishes guidelines as to which additional services the Company may procure from its external auditors. Such additional services, up to a maximum of SEK 100,000 per assignment, must be approved in advance by the Company's Chief Financial

Officer. Assignments in excess of SEK 100,000 must be approved in advance by the Chairman of the Audit Committee. All additional services must be reported to the Audit Committee each quarter.

There is an established risk management process in the Company which is based on processes and flows in production. In this process, the Audit Committee reviews and takes into account the risk areas that have been identified (both commercial risks and risks of errors in the financial reporting). Based on the results of the internal and external risk assessment, the Committee regularly analyses the focus and scope of the audit with the Company's external and internal auditors.

Each year, the Audit Committee adopts an internal audit plan which, among other things, is based on the risks that have arisen in the risk management process described above. The audit plan is discussed with the external auditors in order to enhance the efficiency and quality of the regular audit work. The Committee also analyses and elucidates significant accounting issues which affect the Group and assists the Nomination Committee in producing proposals as regards auditors and their fees.

WORK IN 2013

In 2013, the Audit Committee further developed and improved the presentation of the external financial reporting. The Audit Committee, together with the external auditors, reviewed and analyzed the risk analysis and audit plan prepared by the auditors as a basis for the statutory audit.

The Audit Committee's members were Anders G Carlberg (Chairman), Sverker Martin-Löf and Annika Lundius. In 2013, the Audit Committee held five meetings at which minutes were taken.

Group Executive Committee



	Name	Member of the Group Executive Committee	Shareholding ¹⁾	Education	Background
①	Martin Lindqvist, President and CEO (1962) ²⁾	2001	17,109 shares	B.Sc. in Economics, Uppsala University.	Employed at SSAB since 1998. Previously, Head of SSAB EMEA, Head of SSAB Strip Products, CFO at SSAB, CFO at SSAB Tunnpått, Chief Controller at NCC.
②	Jonas Bergstrand, Executive Vice President, Legal & Strategy (1965)	2006	7,300 shares	Master of Laws, Uppsala University.	Employed at SSAB since 2006. Previously, Corporate counsel at ABB, OM Gruppen and Ericsson Radio Systems.
③	Håkan Folin, Executive Vice President and Chief Financial Officer (1976) ³⁾	2013	1,723 shares	M.Sc., The Royal Institute of Technology, Stockholm.	Employed at SSAB since 2006. Previously CFO at SSAB APAC, CFO at Tibnor, Head of Business Development at SSAB
④	Monika Gutén, Executive Vice President and Head of Group Human Resources (1975)	2011	1,500 shares	M.Sc. in Business Administration, Stockholm University.	Employed at SSAB since 2007. Previously, Head of Human Resources at SSAB EMEA, Head of Business Development at SSAB.
⑤	Melker Jernberg, Executive Vice President and Head of Business Area SSAB EMEA (1968)	2011	10,000 shares	M.Sc., The Royal Institute of Technology, Stockholm	Employed at SSAB since 2011. Previously, Senior Vice President Buses and Coaches at Scania, Plant Manager at Scania.
⑥	Maria Långberg, Executive Vice President and Head of Group Communications (1970) ⁴⁾	2013	0 shares	Bachelor of Science, Uppsala University. MBA, Stockholm School of Economics	Employed at SSAB since 2013. Previously, Senior Vice President, Corporate Communications at Gambro, Senior Advisor, JKL Group
⑦	Gregoire Parenty, Executive Vice President and Head of Market (1962)	2012	0 shares	Maitrise de Sciences Economiques from the Sorbonne University, MBA, Dallas University.	Employed at SSAB since 2004. Previously, Head of Market at SSAB EMEA, several positions within ArcelorMittal.
⑧	Martin Pei, Executive Vice President and Head of Business Area SSAB APAC (1963)	2007	1,000 shares	Ph. D., The Royal Institute of Technology, Stockholm.	Employed at SSAB since 2001. Previously, Technical Director at SSAB, Manager R&D Department at SSAB, General Manager, Slab Production at SSAB Plate.
⑨	Charles Schmitt, Executive Vice President and Head of Business Area SSAB Americas (1959)	2011	0 shares	B.Sc. Business Admin/Finance, University of Texas at Arlington, two-year steel fellowship at the American Iron and Steel Institute.	Employed at IPSCO Inc. since 1990. Previously, VP of the Southern Business Unit for SSAB Americas, several positions with US Steel Corporation.

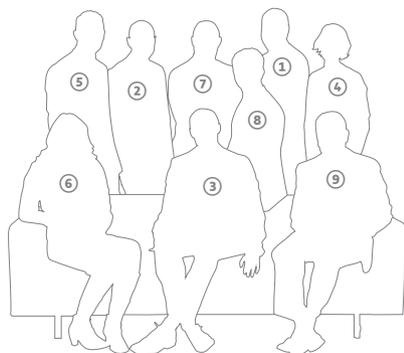
¹⁾ Shareholdings include shares owned by closely-related persons.

²⁾ Neither the President nor any related natural or legal persons have any shareholdings or part ownership in enterprises with which the company has significant business.

³⁾ Marco Wirén was Executive Vice President and CFO until April 30, 2013.

⁴⁾ Helena Stålnert was Executive Vice President and Head of Group Communications until September 30, 2013.

Karl-Gustav Ramström was Executive Vice President and Chief Technical Officer until March 31, 2013.



The Group Executive Committee's work and responsibilities

The Group Executive Committee is responsible for the formulation and implementation of the Group's overall strategies, and addresses issues such as acquisitions and divestments. These issues, as well as major capital expenditures (in excess of SEK 50 million), are prepared by the Group Executive Committee for decision by the Board of Directors of the parent company.

The President is responsible for the day-to-day management of the Company in accordance with the Board of Directors' instructions and guidelines. As per December 31, 2013, the Group Executive Committee consisted, in addition to the President, of the Heads of the SSAB EMEA, SSAB Americas and SSAB APAC business areas, the Chief Financial Officer, the Head of Market, the General Counsel, the Head of Group Human Resources, and the Head of Group Communications.

The Group Executive Committee holds monthly meetings in order to monitor the results and financial position of the Group and the business areas/subsidiaries. Other issues addressed at Group Executive Committee meetings include strategy issues and follow-up on budget and forecasts.

The head of each business area and subsidiary is responsible for the relevant income statement and balance sheet. Overall operational control of the business areas takes place through quarterly performance reviews and, in Tibnor, through its board of directors. In most cases, the President of the parent company is the Chairman of the Board of each of the directly-owned major subsidiaries and these boards also include other members from the Group Executive Committee, as well as employee representatives. The boards of the subsidiaries monitor the ongoing operations and adopt their respective strategies and budgets.

Compensation Guidelines

The 2013 Annual General Meeting decided that compensation to the President and other members of the Company's senior management shall comprise fixed salary, possible variable compensation, other

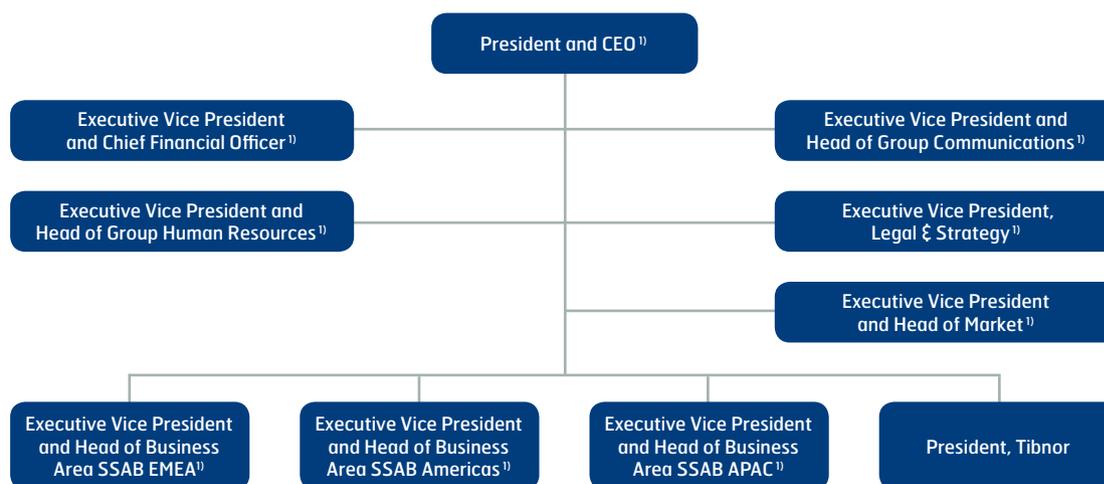
benefits such as company car, and pension. The total compensation package shall be on market terms and competitive in the employment market in which the executive works. Fixed salary and variable compensation shall be related to the executive's responsibilities and powers. The variable compensation shall be based on results as compared with defined and measurable targets and shall be subject to a cap in relation to the fixed salary. Variable compensation shall not be included in the basis for computation of pension, except in those cases where so provided in the rules of a general pension plan (for example the Swedish ITP plan). As regards senior executives outside Sweden, all or parts of the variable compensation may be included in the basis for pension computation due to legislation or practice on the local market. The Board shall be entitled to derogate from the guidelines where special reasons exist in an individual case.

Commencing 2011, a long-term incentive program for the entire Group has been introduced covering a maximum of 100 key employees, including the President and other senior executives. The program runs for rolling three-year periods, is cash-based, and linked to the total return on the SSAB share compared with a comparison group of the Company's competitors. The program has been introduced with the aim of promoting the Company's ability to recruit and retain particularly important employees. For more detailed information regarding current compensation, reference is made to Note 2. The Company currently has no share-related incentive programs.

Internal control and risk management

The overall objective of the internal control is to ensure, to a reasonable degree, that the Company's operational strategies and targets are monitored and that the owners' investments are protected. In addition, the internal control shall ensure with reasonable certainty that the external financial reporting is reliable and prepared in accordance with generally accepted accounting principles, and shall ensure compliance with applicable laws and regulations and the requirements imposed on listed companies.

The Group's operational management structure



¹⁾ Member of the Group Executive Committee.

The Group is charged with the task of endeavoring to ensure that risks do not materialize and, through various measures, mitigating the consequences of any events of damage or injury that do occur. The Group's Risk Management organization manages the work of preventing the occurrence of damage or injury at all, and mitigating the effects in the event such nevertheless occurs. Each business area and subsidiary is responsible for conducting rational damage/injury prevention work.

SSAB Risk Management manages risks relating to injury to the individual and damage to property and the environment (insurable risks) to which the Group is exposed and which are associated with the Company's operations. The possibility to take out insurance cover is to be regarded as one tool among several for mitigating the effects of any injury or damage which occurs.

The Group Risk Manager is functionally responsible for the Group's risk work and collaborates with a number of local risk managers on the business area and subsidiary level in order to optimize the work from a joint-Group perspective. The Group Risk Manager reports directly to the Company's General Counsel.

In order to further strengthen the internal control and risk management, a whistleblower function is in place through which serious improprieties and violations of the Group's Code of Business Ethics can be reported. This function is aimed, among other things, at guaranteeing safety in the workplace, maintaining sound business ethics and curbing economic irregularities within SSAB, to the benefit of employees, customers, suppliers and shareholders.

Internal audit

SSAB's internal audit function reports directly to the Audit Committee and is functionally subordinate to the Chief Financial Officer. The activities of the internal audit are aimed at supporting value creation in the Group by identifying risk areas, carrying out internal controls, and thereafter recommending improvements within these areas. The internal auditor participates at meetings of the Audit Committee.

The internal audit is organized on an overall Group level with audit plans drawn up for each business area. The overall Group audit activities are planned by the head of internal audit.

Most of the work is performed by means of audits in accordance with an audit plan decided upon by the Audit Committee. Other work largely comprises specific audits, as well as monitoring of self-assessments in the Group as regards internal control.

The internal audit function carries out and reports on audits in accordance with an audit plan adopted by the Audit Committee. These audits are carried out in accordance with a produced and adopted audit process which is regularly developed in order to optimize the work method and delivery of reports which generate added value. These reports describe observations, recommendations and improvement areas, with the aim of strengthening and enhancing efficiency in the risk management and internal control. In addition, the function also performs audits on instruction from management or as required for other reasons.

For a further description of the internal audit work in 2013, see the next section entitled "The Board's description of the internal control and risk management regarding financial reporting."

The Board's description of the internal control and risk management regarding financial reporting

In accordance with the Swedish Companies Act and the Swedish Code on Corporate Governance, the Board of Directors of SSAB is responsible for the internal control. This description has been prepared in accordance with the Annual Reports Act.

FRAMEWORK FOR INTERNAL CONTROL AS REGARDS THE FINANCIAL REPORTING

SSAB complies with the internationally established framework, Internal Control Integrated Framework, which is issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

In accordance with COSO, SSAB's internal control process regarding the financial reporting is based on five components: control environment, risk assessment, control activities, information and communication, and monitoring. SSAB's internal control process is structured in order to ensure, to a reasonable degree, the quality and accuracy of the financial reporting and to ensure that the reporting is prepared in accordance with applicable laws and regulations, accounting standards, as well as requirements imposed on listed companies in Sweden.

Prerequisites for this being achieved are that a sound control environment is in place; that reliable risk assessments are carried out; that established control activities are carried out; and that information and communication, as well as monitoring, function satisfactorily.

CONTROL ENVIRONMENT

The control environment is characterized by the organization structure, management's work methods and philosophy, as well as other roles and responsibilities within the organization. The Audit Committee assists the Board with respect to important accounting issues which the Group applies, and monitors the internal control with respect to financial reporting. In order to maintain an efficient control environment and sound internal control, the Board of Directors has delegated the practical responsibility to the President, who in turn has delegated responsibility to other members of the Group Executive Committee as well as to heads of business areas/subsidiaries.

The quality of the financial reporting is ensured through a number of different measures and routines. Work takes place regularly on further developing policies and manuals for the entire Group; among other things, there is an accounting manual (Financial Guidelines) for the Group which is regularly updated and communicated within the Group. Apart from the Financial Guidelines, the most important overall control documents for the Group are the Finance Policy, Investment Policy, Information Policy, authorization rules and the Code of Business Ethics.

All business areas and subsidiaries have adopted guidelines with respect to business ethics issues. The work on communicating the Group's Code of Business Ethics continued during 2013 and, by the end of 2013/beginning of 2014, 87 percent of personnel had undergone an internal training course regarding business ethics.

RISK ASSESSMENT

SSAB's organization is exposed to both internal and external risks. In order reasonably to ensure a sound internal control, the risks which

may affect the financial reporting are identified, gauged and measures are taken. This constitutes an integral part of the regular reporting to Group Executive Committee and the Board and also constitutes the basis for the assessment of risks of error in the financial reporting. SSAB's operations are characterized by processes involving well-established routines and systems. The risk assessment thus takes place largely within these processes. Only general risk assessments take place on a Group level. Responsible persons in the Group identify, monitor and follow-up risks. This creates conditions for well-founded and correct commercial decisions at all levels. Financial risks such as currency, refinancing and counterparty risks, as well as interest rate and credit risks, are handled primarily by the parent company's treasury function in accordance with the Group's Finance Policy (see Note 27). For an outline of the Group's commercial risk exposure, see also the section above entitled "Internal control and risk management" as well as the Report of the Directors, page 43.

CONTROL ACTIVITIES

The primary purpose of control activities is to prevent and discover at an early stage significant errors in the financial reporting so that they can be addressed and rectified. Control activities, both manual and automated, take place on both overall and more detailed levels within the Group. Routines and activities have been designed in order to handle and rectify significant risks associated with the financial reporting as identified in the risk analysis. Corrective measures, implementation, documentation and quality assurance take place on a Group level, subsidiary level or process level, depending on the nature and affiliation of the control activity. As with other processes, the relevant head is responsible for the completeness and accuracy of the control activities.

In recent years, an in-depth analysis has been carried out regarding the processes and control structures in group companies. This analysis has resulted in a more systematic work method for identifying financial risks and risks in the financial reporting, as well as documentation of controls as to how such risks are to be prevented and identified. The controls are adapted to each unit's work processes and systems structure and these are assessed through self-

assessment, supplemented with monitoring and review by the internal audit. This work method has been implemented in a system covering the entire Group which is used when verifying the reliability of the financial reporting. A similar system has been in use in the American operations for some time.

The Group has a joint consolidation system in which all legal entities report, which provides a sound internal control over financial reporting. Work has also taken place in the Group concerning automation of more controls and processes, and limitations on authority in IT systems in accordance with express and ostensible powers.

Control activities are carried out at all levels in the Group. For example, there are established Controller functions which analyze and follow-up deviations and forward reports in the Company. Monitoring by the Group Executive Committee takes place, among other things, through regular meetings with heads of business areas and subsidiaries with regard to the operations, their financial position and results, as well as financial and operational key performance indicators. The Board of Directors regularly analyses, among other things, business reports in which the Group Executive Committee describes the period that has elapsed and comments on the Group's financial position and results. In these ways, important fluctuations and deviations are followed up, a factor which minimizes the risks of errors in the financial reporting.

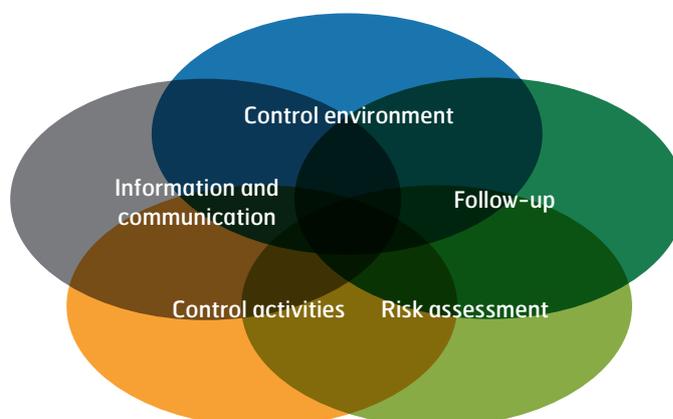
The work on the closing accounts and the annual report involves processes in which there are additional risks of error in the financial reporting. This work is less repetitive in nature and contains several elements in the nature of an assessment. Important control activities include ensuring the existence of a well-functioning reporting structure in which the business areas/subsidiaries report in accordance with standardized reporting templates, and that important income statement and balance sheet items are specified and commented on.

INFORMATION AND COMMUNICATION

Externally

SSAB's communications must be correct, open and prompt, and provided simultaneously to all stakeholders. All communications must take place in accordance with Nasdaq OMX Stockholm's Rule Book for Issuers

Internal control process



and in accordance with other regulations. The financial information must provide the capital market and stock market, as well as current and future shareholders, with a comprehensive and clear view of the Company, its operations, strategy and financial development.

The Board of Directors approves the Group's annual reports and half-yearly reports, and instructs the CEO to issue quarterly reports and results for the year in accordance with the Board's rules of procedure. All financial reports and press releases are published on the website (www.ssab.com) simultaneously with publication via Nasdaq OMX Stockholm and notification to the Swedish Financial Supervisory Authority.

Financial information regarding the Group may be provided only by the CEO and CFO, as well as by the Head of Group Communications, and the Head of Investor Relations. The business areas/subsidiaries disseminate financial information regarding their operations only after the Group has published corresponding information.

The Company applies silent periods during which it does not communicate information regarding the Company's development. Silent periods are three weeks prior to publication of results for the year, half-yearly reports and quarterly reports.

In the event of leakage of price-sensitive information or upon the occurrence of special events which may affect the valuation of the Company, Nasdaq OMX Stockholm will be notified, after which a press release containing corresponding information will be distributed. Informational activities are governed by an information policy.

Internally

Each business area and subsidiary has a chief financial officer who is responsible for maintaining a high quality and precision of delivery with respect to the financial reporting.

The local intranets constitute important communication channels in the Company on which information is published regularly. Regular joint Group accounting meetings are held with the chief financial officers of the business areas/subsidiaries. In this way, the business areas/subsidiaries are updated regarding news and changes within, among other things, the accounting area, as well as routines and internal controls with respect to the financial reporting. In addition,

Further information

Further information regarding corporate governance in SSAB is available on www.ssab.com, including the following information:

- Routines regarding the Annual General Meeting:
 - when the Annual General Meeting is to be held
 - notice to attend and registration procedure
 - important decisions which are to be taken at the Annual General Meeting
- Information from SSAB's previous Annual General Meetings (commencing 2005), including notices, minutes, addresses by the President and communiqués
- The by-laws
- Corporate governance reports from previous years
- Information regarding the Nomination Committee

the parent company regularly communicates changes in joint Group accounting principles and policies as well as other relevant issues relating to the financial reporting.

MONITORING

The Board's monitoring of the internal control with respect to financial reporting takes place primarily through the Audit Committee, among other things by monitoring the work of, and reports issued by, the internal and external auditors.

During 2013, the internal audit carried out regular independent and objective audits of the Group's corporate governance, internal control and risk management in accordance with the adopted audit plan. The audit plan for 2013 was based on a risk analysis which was approved by the heads of business areas and group management and subsequently adopted by the Audit Committee. The audits were carried out in accordance with an adopted audit process and formally concluded with a report and planned follow-up. The result has been presented regularly to heads of business areas/subsidiaries and the Audit Committee with respect to observations, measures taken and implementation status.

The external auditors monitor each year selected parts of the internal control within the scope of the statutory audit. The external auditors report the results of their review to the Audit Committee and Group Executive Committee. Important observations are also reported directly to the Board of Directors. In 2013, the external auditors monitored the internal control in selected key processes and reported thereon to the Audit Committee and Group Executive Committee.

Other mandatory disclosure pursuant to Chapter 6, section 6 of the Annual Reports Act

The following information is provided in accordance with the requirements set forth in Chapter 6, section 6 of the Annual Reports Act regarding certain specific information which must be disclosed in the corporate governance report:

- Of the Company's shareholders, Industrivärden have direct or indirect shareholdings representing at least one-tenth of the voting rights for all shares in the Company. Industrivärden's holding on December 31, 2013 represents 23.4 percent of the total number of voting rights, and 18.2 percent of the total number of shares
- There are no restrictions on the number of votes that each shareholder may cast at a General Meeting
- The by-laws prescribe that directors shall be appointed at the Annual General Meeting of the Company. The by-laws contain no provisions regarding the removal of directors or amendment of the by-laws
- The General Meeting has not granted the Board any authorization to decide that the Company shall issue new shares or acquire its own shares

2 Operating expenses

Type of cost	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Raw materials in the steel operations, including change in raw material inventory	15,697	16,918	–	–
Purchased products in the trading operations	3,255	3,728	–	–
Purchased products in the steel operations	1,565	1,299	–	–
Energy	2,291	2,307	–	–
Change in inventory, work in progress and finished products	313	1,422	–	–
Compensation to employees	5,236	5,201	71	88
Material, services and maintenance	3,836	3,969	81	121
Depreciation/amortization	2,464	2,586	1	1
Other	2,003	2,070	31	35
Total operating expenses	36,660	39,500	184	245

Fees for audits and related services	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
PricewaterhouseCoopers				
Audit fees	9	11	2	2
Audit related services	1	0	0	–
Tax consulting	2	5	0	2
Other services	8	10	6	7
Total fees for audit and related services to PricewaterhouseCoopers	20	26	8	11
Other audit firms				
Audits and related services	6	7	–	–
Other services	7	5	1	–
Total fees for audit and related services to audit firms	33	38	9	11

Operating expenses have been reduced by the following government grants:

	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Freight support	0	1	–	–
Other	2	1	–	–
Total government grants	2	2	–	–

Compensation to employees	Directors, President and Executive Vice President		Other employees	
	2013	2012	2013	2012
SEK millions				
Parent Company ¹⁾	15	18	43	55
Subsidiaries in Sweden	10	9	2,548	2,639
Subsidiaries outside Sweden	11	14	1,070	844
Total wages and salaries²⁾	36	41	3,661	3,538
Social security expenses	16	19	1,345	1,400
(of which pension expenses)	(9)	(9)	(433)	(456)
Other expenses for employee benefits	1	1	177	202
Total compensation to employees	53	61	5,183	5,140

¹⁾ Relates only to personnel employed and working within the parent company. Personnel in some of the larger subsidiaries are formally employed by the parent company but are reported in terms of number and expense in the relevant subsidiary. In the parent company expenses for the president of SSAB EMEA are also reported.

²⁾ Total wages and salaries include variable salary components to President in the amount of SEK –3 (8) million, of which SEK –2 (2) million in the parent company. In the parent company, variable salary components to the President of SSAB EMEA are also reported.

2 Operating expenses cont.

Board fees and terms of employment for the Group's senior executives

BOARD OF DIRECTORS

Fees are paid to the Chairman of the Board and directors elected by the general meeting in accordance with a resolution adopted at the annual general meeting. The Chairman's fee was SEK 1,425 (1,425) thousand and directors (excluding the President) each received a fee of SEK 475 (475) thousand. In addition, members of Board committees received SEK 100

thousand for each committee on which the member served, with the exception of the Chairman of the Audit Committee, who instead received SEK 125 thousand. In total, SEK 5,375 (5,375) thousand was paid in fees to the Board of Directors.

Directors

Elected by general meeting	Elected	Position	Fees 2013, SEK		Fees 2012, SEK	
			Board fees	Committee fees	Board fees	Committee fees
Sverker Martin-Löf	2003	Chairman	1,425,000	200,000	1,425,000	200,000
Anders G Carlberg	1986	Member	475,000	125,000	475,000	125,000
Jan Johansson	2011	Member	475,000	–	475,000	–
Martin Lindqvist	2011	Member, President	–	–	–	–
Annika Lundius	2011	Member	475,000	100,000	475,000	100,000
Matti Sundberg	2004	Member	475,000	–	475,000	–
John Tulloch	2009	Member	475,000	100,000	475,000	100,000
Lars Westerberg	2006	Member	475,000	100,000	475,000	100,000
Pär Östberg	2013	Member	475,000	–	–	–
Anders Nyström, resigned 2013	2003	Member	–	–	475,000	–

Salaries and compensation for the President and other senior executives

RESOLUTION OF THE ANNUAL GENERAL MEETING

According to a resolution adopted by the AGM in April 2013, the President and other persons in the Company's senior management shall receive compensation comprising fixed salary, possible variable compensations, other benefits such as company car, and pension. "Other members of the Company's senior management" mean members of the Group Executive Committee other than the President. The total compensation package shall be on market terms and conditions and competitive on the employment market on which the executive works. Fixed salary and variable compensation shall be related to the executive's responsibilities and authority. The variable compensation shall be based on results as compared with defined and measurable targets and capped in relation to the fixed salary. The variable compensations shall not be included in the basis for computation of pension, except in those cases where so provided in the rules of a general pension plan, e.g. the Swedish ITP plan. For senior executives outside Sweden, all or parts of the variable compensations may be included in the basis for pension computation due to legislation or competitive practice in the local market.

The variable compensation programs should be structured such that the Board of Directors has the possibility, should exceptional circumstances prevail, to restrict the payment of variable compensation, or to decline to make such payment, where such a measure is deemed reasonable and compatible with the Company's responsibilities to its shareholders, employees and other stakeholders.

Consultant fees on market terms may be payable insofar as any director performs work on behalf of the Company, in addition to the Board work.

The period of notice of termination of employment for senior executives in Sweden shall be six months in the event of termination by the executive. In the event of termination by the Company, the total of the period of notice of termination and the period during which severance compensation is payable shall not exceed 24 months. Pension benefits shall be either benefit-based or

contribution-based or a combination thereof, with individual retirement ages; however in no case earlier than the age of 60. Benefit-based pension benefits are conditional on the benefits being earned during a pre-determined period of employment. In the event the employment terminates prior to the retirement age, the executive shall receive a paid-up policy for earned pension. For senior executives outside Sweden, the termination period and severance compensation may vary due to legislation or practice on the local market.

The Board of Directors shall be entitled to deviate from the guidelines where special reasons exist in an individual case.

COMPENSATION COMMITTEE

Within the Board of Directors there is a Compensation Committee which issues proposals to the Board regarding the President's salary and other employment terms and conditions, and determines the salary and other employment terms and conditions for the Group Executive Committee in accordance with guidelines decided upon by the AGM. The Committee consists of Sverker Martin-Löf (Chairman), John Tulloch and Lars Westerberg. The President is a co-opted member of the Committee but does not participate in discussions concerning his own salary and employment terms and conditions.

COMPENSATION IN 2013

Compensation to the President and other members of the Group Executive committee consisted of a fixed salary component, a short-term variable salary component, and a long-term variable salary component. There is no share-related compensation.

For the members of the Group Executive committee who are not stationed in the US, there is a short-term variable salary component which is related to the Group's EBITDA margin relative to other comparable steel companies

2 Operating expenses cont.

and to an inventory turnover target established by the Board, combined with one or more individual targets. This variable salary component is capped at 75 percent of fixed salary for the President and 50 percent for others.

As from 2011, a long-term incentive program has been introduced covering a maximum of 100 key persons throughout the Group, including the Company's President and other senior executives. The program applies for rolling three-year periods, is cash-based, and linked to the total return on the SSAB share compared with a comparison group comprising the Company's competitors. For participants in the program outside North America, the result is capped at between 15 and 25 percent of fixed salary. The maximum outcome for participants in North America is in line with the restrictions which applied under their earlier program; for these participants, the program is also linked to SSAB Americas' results and return on capital employed. The total annual cost for the program is SEK 22.5 million in the event of target realization, and SEK 45 million in the event of maximum target realization, of which approximately 2/3 constitutes the cost for participants in North America. The program aims to promote the Company's ability to recruit and retain particularly important employees.

The member of the Group Executive committee who is stationed in the United States receives compensation which is considered to be competitive from a North American perspective. He receives a fixed salary and, in addition, an annual variable salary component which is linked to the same targets as for the rest of the Group Executive Committee. His annual variable salary is capped relative to fixed salary. The target result is 60 percent of fixed salary but may amount to a maximum of 180 percent in the event of extremely high profitability. In addition, during his employment he is entitled to participate in the Group's long-term incentive program. The outcome is capped relative to fixed salary. Fully developed, the plan has a target outcome of 90 percent of fixed annual salary, but in the event of extremely good results may amount to a maximum of 150 percent. Payments under the long-term incentive program take place in cash, and solely on condition that he remains in his employment.

PRESIDENT AND CHIEF EXECUTIVE OFFICER

The total paid compensation package, excluding pension, amounted to 8.3 (8.8) million. No variable salary was payable in respect of 2012 and thus no payment took place in 2013. The compensation of SEK 8.8 million for 2012 includes payment of SEK 1.6 million in respect of variable salary for 2011.

The minimum retirement age is 62. The pension is based on contributions and is covered by insurance. The cost amounted to 39 (39) percent of fixed salary. Earned pension is inviolable but premium payments cease upon termination of employment.

There is a 12-month notice period in the event of dismissal by the Company. In addition, in such situation severance compensation is payable equal to 12 months' salary. In the event of the President's resignation, the termination period is 6 months and, in such a situation, there is no entitlement to severance compensation. Variable salary components are earned during the termination period only on condition that he remains in active service.

OTHER GROUP EXECUTIVE COMMITTEE MEMBERS

Apart from the President, during the year the Group Executive Committee comprised 8 (9) persons. The Group Executive Committee is presented on page 53.

The minimum retirement age for other members of the Group Executive Committee stationed outside the US is 62. Pensions are based on contributions. These members of the Group Executive Committee are entitled to 12 months' notice in the event of dismissal by the Company. In addition, in such a situation severance compensation is payable equivalent to 6–12 months' salary. Members of the Group Executive committee must give 6 months' notice of resignation, whereupon there is no entitlement to severance compensation.

For the member of the Group Executive committee stationed in the United States, other rules apply with respect to pension in accordance with US legislation and practice.

Total compensation and benefits are shown in the table below.

Compensation and benefits for the President and other members of the Group Executive Committee

SEK millions	President		Other Group Executive Committee	
	2013	2012	2013	2012
Fixed salary ¹⁾	8.0	7.0	24.4	21.3
Other benefits ²⁾	0.3	0.2	2.2	3.0
Short-term variable salary ³⁾	–	1.6	0.6	6.2
Long-term variable salary ³⁾	–	–	–	0.9
Total compensation	8.3	8.8	27.2	31.4
Pension expenses	3.1	2.7	7.5	8.3
Total	11.4	11.5	34.7	39.7

¹⁾ For 2013, includes payment of SEK 0.7 (0.6) million to the President in respect of accrued vacation.

²⁾ Relates primarily to car and gasoline benefits, but here also includes compensation for increased living costs for the member of the Group Executive committee stationed in Asia.

³⁾ The amounts relate to payments made in the relevant financial year, which were earned in previous years. Since the compensation is not known at the end of the accounting year due to the fact that comparisons are made with competitors who have not yet reported their figures, and also the fact that the Board can decide to reduce the compensation if special reasons exist, compensation in this table is reported only in the year in which payment has taken place. (The posted variable salary components for the entire Group Executive Committee was a positive SEK 4.8 million due to too much provision being made in 2012, SEK 5.8 million, and a provision for 2013 amounting to SEK 1.0 million).

Auditor's report

To the annual meeting of the shareholders of SSAB AB, corporate identity number 556016-3429

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of SSAB AB for the year 2013. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 13-111.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are app-

ropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINIONS

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2013 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of SSAB AB for the year 2013.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the

Managing Director are responsible for administration under the Companies Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

OPINIONS

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm, February 13, 2014
PricewaterhouseCoopers AB



Magnus Svensson Henryson
Authorized Public Accountant