

## **The Nomination Committee's in SSAB AB (publ) reasoned statement, including a report of the work of the Nomination Committee**

In accordance with authorization granted by the annual general meeting, Board Chairman Bengt Kjell invited four of the major shareholders in terms of votes to each appoint a member to form a Nomination Committee, together with the Chairman of the board, prior to the 2020 annual general meeting. The composition of the Nomination Committee was published on the Company's website on August 14, 2019 with details of which shareholders that had appointed the members. The Nomination Committee comprises the following individuals: Lars Pettersson, Industrivärden (chairman of the Nomination Committee), Petter Söderström, Solidium Oy, Peter Hansson, LKAB, Åsa Nisell, Swedbank Robur Funds and Bengt Kjell (Board Chairman). Between publication of the Nomination Committee's composition and the end of the year, information was available on the Company's website as to how the shareholders were able to submit proposals to the Nomination Committee. No proposals were submitted to the Nomination Committee.

The Nomination Committee proposes the re-election of the current directors Bengt Kjell, Bo Annvik, Petra Einarsson, Marika Fredriksson, Marie Grönborg, Pasi Laine and Martin Lindqvist and new election of Annareetta Lumme-Timonen. Matti Lievonon has informed the Nomination Committee that he declines re-election at the Annual General Meeting. It is also proposed that Bengt Kjell be re-elected as Board Chairman.

The Nomination Committee's proposal entails that during the coming mandate period the number of board directors will continue to consist of eight directors elected by the general meeting and no alternate directors.

The Nomination Committee's first meeting pending the 2020 annual general meeting took place in August, 2019, with introductory discussions concerning the proposals that the Nomination Committee is required to present to the general meeting, and at which future work was also planned. Requirement profiles as regards future directors were updated and the Nomination

Committee continued its work in sounding out potential future directorial candidates. The Nomination Committee held five meetings. The Committee has, when preparing its proposal, applied its diversity policy as set out in Rule 4.1 in the Swedish Corporate Governance Code. The Nomination Committee has also interviewed Petra Einarsson and Marika Fredriksson concerning their view on the work of the board. The CEO Martin Lindqvist has reported to the Nomination Committee on the Company's operations and strategy and was interviewed regarding the cooperation between the board and the group executive committee. The Nomination Committee has also met and interviewed the proposed board candidate Annareetta Lumme-Timonen.

The Board Chairman reported to the Nomination Committee on the procedure applied in the Company in conjunction with the annual evaluation of the board of directors, and the results of the evaluation. All in all, the board evaluation demonstrated well-functioning board work with members representing a breadth of expertise, with both solid industrial and financial know-how as well as knowledge of international conditions and markets. The board work is characterized by an open work climate and constructive dialogues, as well as a very positive climate of cooperation between the board, the committees and the CEO. The directors have demonstrated strong commitment with a high frequency of attendance.

The Nomination Committee works on achieving a balanced representation of both genders on the board, in accordance with the ambition expressed by the Swedish Corporate Governance Board. The Nomination Committee's proposal means that this objective is achieved. The Nomination Committee will continue to endeavor to achieve an appropriate board composition which satisfies the needs of the board for diversity and breadth in terms of skills, experience and background, including gender structure. The Nomination Committee also attaches particular importance to the directors having a reasonable total workload which enables sufficient time and care to be devoted to the directorship in SSAB.

In producing proposals for fees to the board of directors and its committees, the Nomination Committee has, among other things, taken into account board fee levels in similar companies. The Nomination Committee now proposes a small increase in the fees in order to maintain a competitive fee level.

The Nomination Committee considers that a reasonable balance between, on the one hand, the need for stability and continuity in the work of the Board and, on the other hand, the need for renewal must take place in order to create the best conditions for a well-functioning board work in the long term. The Nomination Committee's proposal aims to balance these two aspects. The proposed candidate Annareetta Lumme-Timonen holds a Technology Doctorate from the Technical University of Espo (now Aalto University) and since 2009 is Investment Director and member of the Group Management of Solidium Oy. The Nomination Committee makes the assessment that Annareetta Lumme-Timonen has relevant experience and knowledge in order to be able to contribute well in the board work in a listed industrial company. Annareetta Lumme-Timonen is independent in relation to the company and the company's management but not independent in relation to Solidium Oy as one of the company's major shareholders. All in all, the Nomination Committee makes the assessment that the proposed candidate meets the requirements for competence and experience that the Nomination Committee has set in its requirement profile and therefore considers that she is very well suited as board member of SSAB.

All in all, the Nomination Committee considers that the proposed Board has a composition of skills and experience that creates good conditions to meet the demands imposed by the operations of the Company.

The Nomination Committee makes the assessment that Bengt Kjell's solid knowledge and long experience of board work makes him suitable to continue to serve as Board Chairman.

In producing its proposal for the election of auditors and fees for audit work, the Nomination Committee has been assisted by the audit committee. The Nomination Committee's proposal follows the recommendation presented by the audit committee.

The instructions for the Nomination Committee in SSAB have been discussed and a revised proposal has been prepared. The changes compared to the current version mainly relate to how any conflicts of interest in the Nomination Committee should be handled, and how the Nomination Committee should act when a shareholder who has appointed a member divested a

portion of its holding of SSAB shares and thereafter no longer constitutes one of the larger shareholders.

The Nomination Committee has compiled the information below regarding the proposed candidates (stated shareholdings include holdings of closely related persons and closely related companies), including the Nomination Committee's assessment of each candidate's independence in relation to the Company and major shareholders:

**Bengt Kjell**

Born: 1954

Board chairman since 2015.

Holding: 40,000 shares

Experience and current appointments:

MBA, Stockholm School of Economics. Vice Chairman of Indutrade AB and Padox AB.

Director of AB Industrivärden and Amasten Fastighets AB, *et al.*

Previously Acting CEO of Industrivärden, President and CEO of AB Handel och Industri, Vice CEO of AB Industrivärden, Senior partner of Navet AB, as well as Chairman of Hemfosa Fastigheter AB, Kungsleden AB, Skånska Byggvaror Holding AB and Nyfosa AB, Director of Höganäs AB, Skanska AB, Munters AB and ICA Gruppen AB *et al.*

Independent in relation to the Company, but not independent in relation to the Company's major shareholders.

**Bo Annvik**

Born: 1965

Director since 2019.

Holding: 0

*Experience and current appointments:*

MSc (Eng.) Business Administration. President and CEO of Indutrade AB since 2017. Previously President and CEO of Haldex AB, held senior positions in Volvo Cars, SKF and Outokumpu.

Independent in relation to the Company and its major shareholders.

### **Petra Einarsson**

Born: 1967

Director since 2014.

Holding: 10,000 shares

*Experience and current appointments:*

MBA. Director of the Confederation of Swedish Enterprise. Previously President and CEO of BillerudKorsnäs AB, Business Area Manager of Sandvik Materials Technology, Product Area Manager of Sandvik's Strip and Tube product areas, Financial Manager at Sandvik Materials Technology and Director of the Swedish Association of Industrial Employers and the Council of the Swedish Steel Producers' Association.

Independent in relation to the Company and its major shareholders.

### **Marika Fredriksson**

Born: 1963

Director since 2016.

Holding: 1,000 shares

*Experience and current appointments:*

MBA. CFO and Group Executive Vice President of Vestas Wind System A/S since 2013, Director of Sandvik Aktiebolag. Previously Director of ÅF AB and CFO of Gambro AB and Autoliv Inc. (Stockholm, Sweden) as well as Finance Director and Head of Strategy at Volvo Construction Equipment.

Independent in relation to the Company and its major shareholders. Proposed as a new member of the board of AB Industrivärden and will, in the event of an election, be assessed as not independent in relation to the company's major owners.

### **Marie Grönborg**

Born: 1970

Director since 2019.

Holding: 0

*Experience and current appointments:*

MSc (Eng.) Chemical Engineering. President and CEO of Purac AB. Previously EVP Perstorp Group, Business Area Specialties & Solutions and senior positions in Perstorp Group and Formox AB.

Independent in relation to the Company and its major shareholders.

### **Pasi Laine**

Born: 1963

Director since 2017.

Holding: 5,643 shares

*Experience and current appointments:*

MSc (Eng). President and CEO of Valmet Oyj since 2013, Director of Ilmarinen Mutual Pension Insurance Company. Previously held senior positions in the Metso group, including President of Pulp, Paper and Power Technology, President of Metso Automation and Director of HKScan Oyj and Tamfelt Oyj.

Independent in relation to the Company and its major shareholders.

### **Annareetta Lumme-Timonen**

Born: 1967

Proposed for new election.

Holding: 1,917 shares

*Experience and current appointments:*

Investment Director and member of the Group Management of Solidium Oy, Member of the external advisory board for sustainability issues at Aalto University in Helsinki and Chairman of Outotec Oy's Nomination Committee. Previously i.a. Director of the start-up fund Vera Oy, investment manager for 3i Nordic plc, Helsinki and Director of the Finnish Sustainable Investment Forum (Finsif).

Independent in relation to the Company but not independent in relation to the Company's major shareholders

### **Martin Lindqvist**

Born: 1962

Director since 2011.

Holding: 32,732 shares

*Experience and current appointments:*

BSc (Econ). President and CEO of SSAB since 2011. Chairman of the Swedish Steel Producers' Association and Director of Svenska Cellulosa Aktiebolaget SCA, Confederation of Swedish Enterprise and Swedish Association of Industrial Employers. Previously Head of SSAB EMEA business area, CFO of SSAB AB, CFO of SSAB Strip Products, Chief Controller at NCC and a Director of Indutrade AB.

Independent in relation to the Company's major shareholders, but not independent in relation to the Company.