

Corporate governance report 2010

Application

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.

The Group's steel operations in 2010 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), while trading operations consisted of the subsidiary Tibnor.

SSAB is listed on Nasdaq OMX Stockholm and complies with its rules and regulations and applies the Swedish Code on Corporate Governance (the "Corporate Code").

The diagram below illustrates SSAB's corporate governance model as per December 31, 2010 and how the central bodies operate.

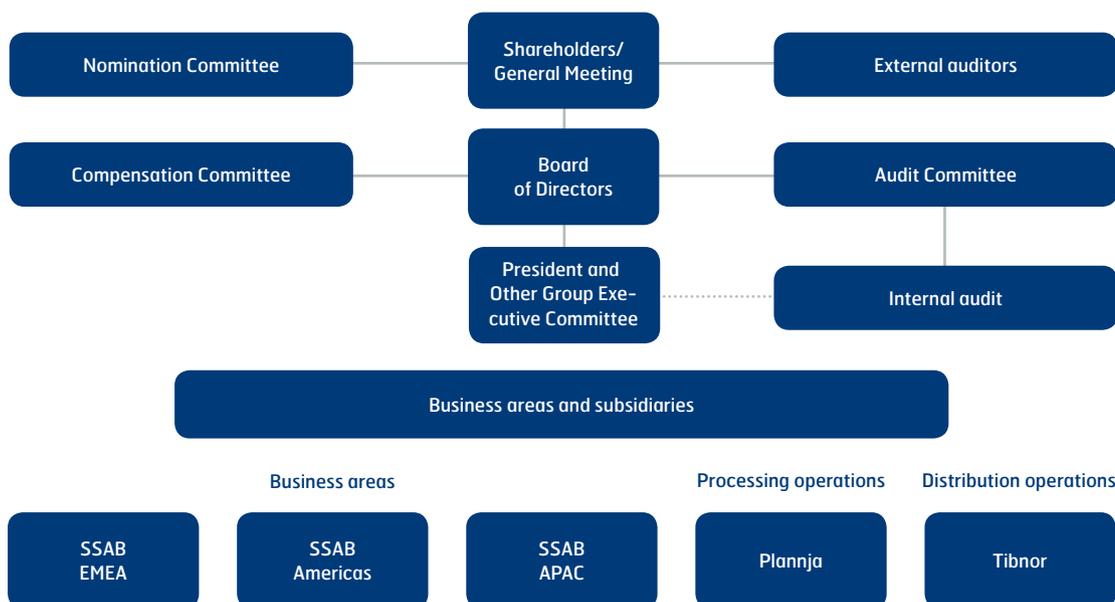
Deviations from the Corporate Code

During 2010, the Compensation Committee consisted of Sverker Martin-Löf (Chairman), John Tulloch and Lars Westerberg. According to the main rule in section 9.2 of the Swedish Code on Corporate Governance, the members of the Compensation Committee who are elected by the general meeting shall be independent in relation to the Company and company management. Since John Tulloch has been considered to be dependent in relation to the Company,

his participation in the Compensation Committee thereby constitutes a deviation 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 the North American steel industry in particular constitutes an extremely valuable contribution to the Committee's overall ability to address 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 thus considers the deviation from section 9.2 of the Swedish Code on Corporate Governance 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, 2010 there were 68,407 shareholders. In terms of votes, Industrivärden was the largest shareholder, followed by Swedbank Robur Funds, LKAB, AMF and Alecta.



Important external and internal regulations and policies that affect corporate governance.

Internal

- By-laws
- The Rules of Procedure for the Board of Directors with instructions for the President and instructions for Board committees
- Accounting manual (Financial Guidelines), including finance policy
- Code of Business Ethics

External

- Swedish Companies Act
- Swedish Accounting Act
- Swedish Annual Reports Act
- Nasdaq OMX Stockholm's Rules and Regulations, www.nasdaqomx.com
- Swedish Code on Corporate Governance, www.bolagsstyrning.se

71 percent of the shareholders held 1,000 shares or fewer, while the ten largest institutional owners together owned just over 43 percent of the total share capital. Foreign owners accounted for 23 (22) percent of shareholdings. For further information regarding the ownership structure, see page 116.

Owners as per December 31, 2010

Owner	% of votes	% of shares	Number of shares
Industrivärden	22.5	17.3	56,179,470
Swedbank Robur Funds	7.9	8.8	28,354,683
LKAB	5.0	3.8	12,344,064
AMF – Försäkring och Fonder	3.0	2.6	8,398,220
Alecta pensions-försäkring	3.0	2.6	8,250,000
Nordea Investment Funds	2.4	2.5	8,051,036
Folksam-KPA-Förenade Liv	1.9	1.7	5,563,173
1st National Pension Fund	1.7	1.6	5,258,063
Other shareholders	52.6	59.1	191,536,066
Total	100.0	100.0	323,934,775

Source: Euroclear

General Meeting

The General Meeting is the Company's highest decision-making body; it is where that 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
- Discharge from liability for the Board of Directors and the President
- Election of the Board and its Chairman and, where appropriate, election of 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

2010 Annual General Meeting

The 2010 Annual General Meeting adopted the Annual Report and consolidated financial statements for 2009 presented by the Board and the President, decided on the allocation of the Company's profit, and granted the directors and the President discharge from liability.

In addition, the Chairman of the Nomination Committee described the work during the year and the reasons for the presented proposals. The General Meeting decided on compensation to the Board and auditors in accordance with the Nomination Committee's proposals. Carl Bennet,

Anders G Carlberg, Olof Faxander (President and CEO), Sverker Martin-Löf (Chairman), Marianne Nivert, Anders Nyrén, Matti Sundberg, John Tulloch and Lars Westerberg were re-elected as directors.

The General Meeting decided that the dividend would be SEK 1.00 per share. All directors and the auditor-in-charge were present at the Annual General Meeting.

See the minutes of the General Meeting on www.ssab.com.

Nomination Committee

THE NOMINATION COMMITTEE'S DUTIES

The Nomination Committee's duties include presenting proposals to the Annual General Meeting regarding:

- Chairman of the Board
- Directors
- Auditors, where appropriate
- Chairman of the Annual General Meeting
- Fees to the Board
- Fees to the auditors

COMPOSITION OF THE NOMINATION COMMITTEE

The 2010 Annual General Meeting adopted guidelines for the Nomination Committee. According to these guidelines, the Chairman of the Board is charged with the task of requesting no fewer than three and no more than five of the largest shareholders in terms of votes to each appoint a member to constitute a Nomination Committee together with the Chairman of the Board. The total number of members shall not exceed six. 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 on, www.ssab.com, September 27, 2010.

Nomination Committee for the 2011 Annual General Meeting	
Appointed by, name	Share in % of voting capital
Industrivärden, represented by Carl-Olof By, Chairman	22.5
Swedbank Robur Fonder, represented by Thomas Eriksson	7.9
LKAB, represented by Lars-Erik Aaro	5.0
1st National Pension Fund, represented by Ossian Ekdahl	1.7
Sverker Martin-Löf, Chairman of the Board	-

Until December 31, 2010 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 provide, on www.ssab.com, a detailed statement regarding its proposal for a Board.

THE NOMINATION COMMITTEE'S WORK PENDING**THE 2011 ANNUAL GENERAL MEETING**

Since being appointed in the autumn of 2010, the Nomination Committee has held four meetings.

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 result of the evaluation. In addition, the Chairman of the Nomination Committee has informed the Nomination Committee of the result of the evaluation of the Chairman of the Board. 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 Board's composition and agreed upon the main demands which should be made on the directors, including the demand for independent directors. In this context, particular consideration has been given to the issue of a more equal gender division. The Nomination Committee has also had access to an external consultant in the work of identifying and evaluating potential new directors.

When producing its proposal regarding 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. 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 of Directors**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) and undertakings.

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 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 for the remainder of the year. Other issues addressed include competition and the market situation.

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 half of the directors elected by the General Meeting 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 rapidly acquire the knowledge which is expected in order to best promote the interests of the Company and its shareholders.

THE BOARD'S WORK IN 2010

In 2010, eight 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.

During the year, SSAB's Board continued its work of endeavoring to counteract the negative effects on the Company's operations and financial position resulting from the financial crisis and attendant recession in 2009 and the first part of 2010. The Board focused in particular on various measures by the Company to strengthen profitability in the business through scrupulous cost control and increased sales volumes, including pricing which has had to compensate for steep increases in the prices of the Company's most important raw materials, iron ore and coal. A great deal of effort has also been devoted to ensuring a sound cash flow despite the inventory build-up which occurred as a consequence of increased sales volumes compared with 2009. The Board has also attached importance to monitoring and securing the intended effects of the major organizational change which took place at the beginning of the year, with the aim of clarifying and enhancing the Company's total offering to its customers. The Company's overall strategy was also discussed in depth at a special board meeting held in September.

Auditors

According to the by-laws, SSAB shall have one or two external auditors. At the 2007 Annual General Meeting, PricewaterhouseCoopers was re-elected as auditor for an additional four-year term. Authorized public accountant Claes Dahlén has been the auditor-in-charge since 2005; he is also the auditor-in-charge of the listed company, Medivir. In total, PricewaterhouseCoopers is the elected auditor of a total of 22 of the 61 companies in the “Large cap” segment, and 95 out of a total of 260 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 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 and other members of the Group

Executive Committee 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 consist of at least one director elected at the General Meeting, who shall 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 be present at 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.

Name of Director	Attendance statistics 2010				Independent	
	Elected to the Board	Board meetings	Compensation Committee	Audit Committee	In relation to the Company and Company management	In relation to the Company’s major shareholders
Elected by the General Meeting						
Sverker Martin-Löf, Chairman of the Board (1943)	2003, Chairman since 2003	8	5	4	Yes	No, Deputy Chairman of Industrivärden
Carl Bennet (1951)	2004	8	-	-	Yes	Yes
Anders G Carlberg (1943)	1986	8	-	4	Yes	Yes
Olof Faxander, President and CEO (1970)	2006	8	-	-	No, President and CEO of the Company	No, Director of Industrivärden
Marianne Nivert (1940)	2002	8	-	-	Yes	Yes
Anders Nyrén (1954)	2003	8	-	-	No, President and CEO of Industrivärden where Olof Faxander is a Director	No, President and CEO of Industrivärden
Matti Sundberg (1942)	2004	8	-	4	Yes	Yes
John Tulloch (1947)	2009	8	3	-	No, former President of IPSCO Division	Yes
Lars Westerberg (1948)	2006	8	5	-	Yes	Yes
Employee representatives						
Sture Bergvall (1956)	2005	8	-	-	-	-
Uno Granbom (1952)	2008	8	-	-	-	-
Per Scheikl (1968)	2009	7	-	-	-	-
Alternates:						
Bo Jerräng (1947)	2004	8	-	-	-	-
Bert Johansson (1952)	1998	8	-	-	-	-
Ola Parten (1953)	2005	8	-	-	-	-

For information regarding fees, see Note 2.

Honorary Chairman: Björn Wahlström since 1991.

Appointed by the Annual General Meeting

Member	Elected to the Board	Share-holding ¹⁾	Experience and current appointments
Sverker Martin-Löf, Chairman (1943)	2003, Chairman since 2003	21,563 shares	Licentiate of Technology, dr h.c. Board Chairman: Industrivärden, SCA and Skanska. Deputy Chairman: Ericsson. Director: Handelsbanken. Formerly President and CEO of SCA.
Carl Bennet (1951)	2004	53,375 shares	M.Sc. in Economics, Tech. dr h.c. Board Chairman: Elanders, Getinge, Lifco and University of Gothenburg. Director: Holmen and L E Lundbergföretagen. Formerly President and CEO of Getinge.
Anders G Carlberg (1943)	1986	6,000 shares	M.Sc. in Economics. Board Chairman: Höganäs. Director: Axel Johnson Inc., Mekonomen, Beijer Alma, Sapa, Sweco and Säkl. Formerly President and CEO of Nobel Industrier, J.S. Saba and Axel Johnson International, and Executive Vice President of SSAB.
Olof Faxander, President and CEO (1970)	2006	10,000 shares	M.Sc. (Materials Science) and B.Sc. (Business Administration). Chairman of the Council of the Swedish Steel Producers' Association. Director: Industrivärden. Formerly Executive Vice President of Outokumpu. Employed at SSAB since 2006.
Marianne Nivert (1940)	2002	10,000 shares	BA. Director: Beijer Alma and Wallenstam. Formerly President and CEO of Telia.
Anders Nyrén (1954)	2003	2,812 shares	M.Sc. in Economics, MBA. President and CEO of Industrivärden. Board Chairman: Sandvik. Deputy Chairman: Handelsbanken. Director: Ericsson, Industrivärden, SCA, Volvo, Ernströmgruppen and Stockholm School of Economics. Formerly Executive Vice President of Skanska.
Matti Sundberg (1942)	2004	10,000 shares	Mining Counselor, MSc. in Business and Economics, econ dr h.c. Board Chairman: Chempolis and Finnish Ski Association. Director: Boliden, Skanska and FIS. Formerly President and CEO of Valmet/Metso and Ovako Steel.
John Tulloch (1947)	2009	15,000 shares	Bachelor of Agricultural Science, Master of Science. Formerly Executive Vice President, Steel & Chief Commercial Officer of IPSCO and Executive Vice President of SSAB & President, Division IPSCO.
Lars Westerberg (1948)	2006	10,000 shares	Civil Engineer and MBA. Board Chairman: Autoliv, Husqvarna and Vattenfall. Director: Volvo and Sandvik. Formerly President and CEO of Autoliv and Gränges.

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

Appointed by the employees

Sture Bergvall (1956)	2005	Electrician, SSAB EMEA
Uno Granbom (1952)	2008	Technician, SSAB EMEA
Per Scheikl (1968)	2009	Mechanic, SSAB EMEA
Alternates:		
Bo Jerräng (1947)	2004	Personnel, SSAB EMEA
Bert Johansson (1952)	1998	Electrician, SSAB EMEA
Ola Parten (1953)	2005	Engineer, SSAB EMEA

The Compensation Committee assists the Board in its task of drawing up proposals for guidelines for determination of salary and other compensation for the President and other members of the Company's management, to be decided upon at the Annual General Meeting.

WORK IN 2010

In 2010, the Compensation Committee held five 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 shall be independent in relation to the Company and company management. At least one of the members, who is independent in relation to the Company and company management, shall also be independent in relation to the Company's major shareholders and possess accounting or auditing skills. The Committee elects a chairman 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 duties of the Audit Committee are 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 established guidelines as to which additional services the Company may procure from the external auditors. Such additional services up to a maximum of SEK 100,000 per engagement must be approved in advance by the Company's CFO. Engagements in excess of SEK 100,000 must be approved in advance by the Chairman of the Audit Committee. All additional services must be reported regularly 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 result 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 2010

In 2010, 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 Committee's members were Anders G Carlberg (Chairman), Sverker Martin-Löf and Matti Sundberg. In 2010, the Audit Committee held four meetings at which minutes were taken.

Group Executive Committee

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, 2010, the Group Executive Committee consisted, in addition to the President, of the Heads of SSAB EMEA, SSAB Americas and SSAB APAC, the Chief Financial Officer, the Head of Marketing, the General Counsel, the Head of Human Resources and the Head of 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 the 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 strategies and budgets.

Compensation Guidelines

The 2010 Annual General Meeting decided that compensation to the President and other members of the Company's senior management shall comprise fixed salary, possible variable salary components, other benefits such as company car, and pension. The total compensation package shall be on market terms and competitive on the employment market on which the executive works. Fixed salary and variable salary components shall be related to the executive's responsibilities and powers. The variable salary components 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 salary components 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). As regards senior executives outside Sweden, all or parts of the variable salary

components 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. For more detailed information regarding current compensation, reference is made to Note 2.

The Company currently has no share or share-price 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

Name	Member of Group Executive Committee	Shareholding ¹⁾	Education and experience
Olof Faxander, President and CEO (1970) ²⁾	2006	10,000 shares	M.Sc. (Materials Science) and B.Sc. (Business Administration). Employed at SSAB since 2006. Formerly Executive Vice President of Outokumpu.
Jonas Bergstrand, General Counsel and Executive Vice President, Legal (1965)	2006	5,242 shares	Master of Law. Employed at SSAB since 2006. Formerly corporate counsel at ABB; OM Gruppen; Ericsson Radio Systems.
David Britten, Executive Vice President, Head of Business Area SSAB Americas (1960)	2008	5,000 shares	M.Sc. (Engineering). Employed at SSAB since 2007. Formerly Executive Vice President, IPSCO.
Martin Lindqvist, Executive Vice President, Head of Business Area SSAB EMEA (1962) ²⁾³⁾	2001	17,109 shares	B.Sc (Economics). Employed at SSAB since 1998. Formerly CFO at SSAB, CFO at SSAB Strip Products and Chief Controller at NCC.
Martin Pei, Executive Vice President, Head of Business Area SSAB APAC (1963)	2007	1,000 shares	Ph. D. (Technology). Employed at SSAB since 2001. Formerly Head of Research and Development; General Manager, Slab Production, SSAB Plate.
Karl-Gustav Ramström, Executive Vice President, Head of Group Marketing and Market Development (1954)	2007	1,000 shares	Master of Engineering, MBA. Employed at SSAB since 2007. Formerly Head of Division, Svenska ABB.
Helena Stålnert, Executive Vice President, Communications (1951)	2007	500 shares	Master program in Journalism. Employed at SSAB since 2007. Formerly Senior Vice President, Communications at Saab, Editor-in-Chief Aktuellt Swedish Television.
Anna Vikström Persson, Executive Vice President, Human Resources (1970)	2006	3,500 shares	Master of Law. Employed at SSAB since 2006. Formerly Head of Human Resources at Ericsson's Swedish operations.
Marco Wirén, Chief Financial Officer and Executive Vice President, Finance (1966)	2008	8,700 shares	Master in Economics. Employed at SSAB since 2007. Formerly Chief Controller at SSAB and CFO at Eltel Networks AB and Vice President, Strategic Planning and Group Controller at NCC.

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

²⁾ As of January 1, 2011 Martin Lindqvist is President and CEO in SSAB.

³⁾ Thom Mathisen is acting Head of Business Area SSAB EMEA.

compliance with applicable laws and regulations and the requirements imposed on listed companies.

During the autumn of 2008, SSAB decided to employ a risk manager to replace the Company's Risk Committee. The risk manager is charged with developing and implementing a uniform risk management model regarding the Group's risks, primarily relating to injury to individuals and damage to machinery and the environment. The risk manager has the task of identifying, evaluating and reporting these risks as well as compiling and updating SSAB's risk structure and risk model. The work also involves assessing which preventive measures are to be taken in the internal control in order to reduce and prevent such risks. In addition, the risk manager shall ensure that the Group is sufficiently insured and shall prepare information as a basis for decisions by the Group Executive Committee, the business areas and subsidiaries. The risk manager reports directly to the Company's General Council. The financial risks will continue to be managed by the Group's treasury function and are thus outside the mandate of the risk manager.

In order to further strengthen the internal control and risk management, in 2010 SSAB decided to establish a whistleblower function through which serious improprieties and violations of the Company'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 has an established internal audit function reporting

directly to the Audit Committee but functionally subordinate to the Chief Financial Officer.

During 2010, the internal audit function carried out and reported on audits in accordance with an audit plan adopted by the Audit Committee. These audits were 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.

For a further description of the internal audit work in 2010, see the section entitled "The Board's description of the internal control and risk management regarding financial reporting".

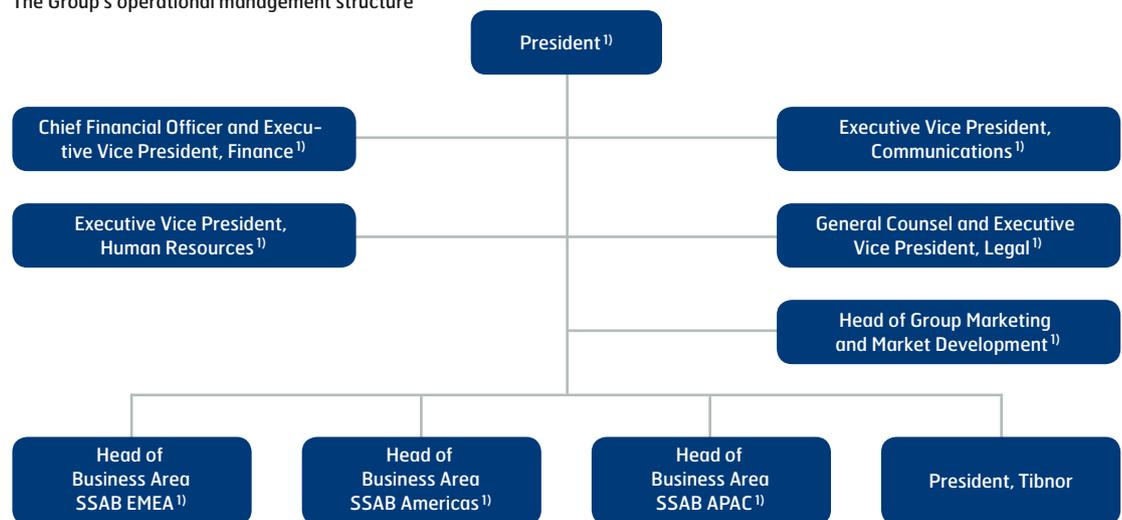
The Board's description of the internal control and risk management regarding financial reporting

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

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 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. The process shall ensure that the reporting is prepared in accordance with applicable laws and regulations,

The Group's operational management structure



¹⁾ Member of the Group Executive Committee

reporting 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 in place 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.

A number of projects aimed at achieving improvements in work methods, routines and documentation are regularly conducted with the aim of ensuring that the Group's internal controls meet the requirements imposed by various stakeholders. In order to ensure the quality of the financial reporting, 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. The Financial Guidelines also include the finance policy. Apart from the Financial Guidelines, the most important overall control documents for the Group are the information policy and business ethics policy. In addition, there are control documents and policies, e.g. credit policy and policy for dissemination of financial information.

All business areas and subsidiaries have adopted guidelines with respect to business ethics issues. The work on clarifying the Group's Code of Business Ethics continued during

2010. The Group also decided to sign up to the UN Global Compact commencing January 1, 2010. This represents a stage in further strengthening communication of the Group's values and philosophy.

RISK ASSESSMENT

SSAB is an organization which is exposed to both internal and external risks. In order to appropriately ensure a sound internal control, the risks which may affect the financial reporting are identified, gauged and measures are taken. The Group's system for identifying, reporting and taking measures as regards risks is integrated in the regular reporting to Group Executive Committee and the Board of Directors 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, financing 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). See also the section entitled "Internal control and risk management" as well as the Report of the Directors, page 26, for an outline of the Group's commercial risk exposure.

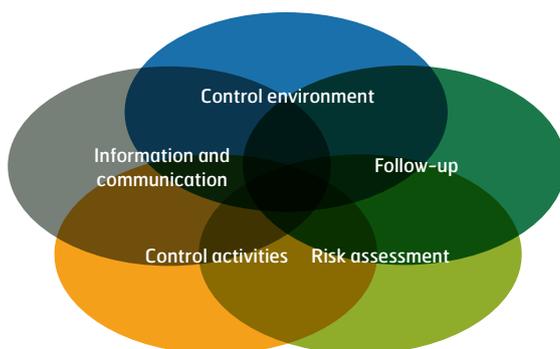
CONTROL ACTIVITIES

The primary purpose of control activities is to prevent and discover at an early stage errors in the financial reporting so that they can be addressed and rectified. Control activities 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.

During the year and in connection with the Group's reorganization, an in-depth analysis has begun concerning the processes and control structures in group companies in order to further ensure the reliability of the financial reporting. This work is expected to continue during 2011.

In 2007, work began on implementing a joint Group consolidation system. All companies in the Group report in this system commencing 2009. The joint Group system entails an improved internal control over the financial reporting. Work has also continued in the Group concerning automation of

Internal control process



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 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 ratios. The Board of Directors analyses, among other things, monthly 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 Rules and Regulations 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-year reports, and instructs the CEO to submit 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 are notified 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 Executive Vice President, 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 the Company does not communicate information regarding the Company's development. Silent periods are three weeks

prior to publication of results for the year, half-year reports and quarterly reports.

In the event of a 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 the same 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 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. In 2008, SSAB introduced a new joint Group intranet. 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, the parent company regularly communicates changes in the 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 and reports of the internal and external auditors.

The internal audit regularly carries out independent and objective audits in accordance with an adopted audit plan. The audits are carried out in accordance with an adopted audit process which commences with an annual risk analysis in order to create an audit plan. Following a completed audit, the audit is formally concluded with regular reporting back to the Audit Committee regarding observations and of measures taken by the Company. The audits are carried out as process audits focusing on SSAB's compliance with its internal and external rules and regulations and the existence of efficient and suitable processes for risk management, business management and internal controls.

The external auditors review 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 2010, the external auditors monitored the internal control in selected key processes and reported thereon to the Audit Committee and Group Executive Committee.

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, as well as which important decisions 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

Auditor's report

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

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of SSAB AB for the year 2010. The annual accounts and the consolidated accounts of the company are included in the printed version of this document on pages 13-110. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any,

to the company of any board member or the managing director. We also examined whether any board member 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 our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. 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 the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statement and balance sheet of the parent company and the group be adopted, that the profit of the parent company be dealt with 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 10, 2011
PricewaterhouseCoopers AB



Claes Dahlén
Authorized public accountant

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Operating expenses

Type of cost	Group		Parent Company	
	2010	2009	2010	2009
SEK millions				
Raw materials in the steel operations	18,262	10,171	-	-
Purchased products in the steel operations	1,871	1,287	-	-
Purchased products in the trading operations	3,920	3,481	-	-
Materials and services	3,962	3,699	80	47
Energy	2,553	2,087	-	-
Compensation to employees	4,970	4,963	103	84
Depreciation/amortization	2,452	2,506	2	2
Change in inventory	-277	2,988	-	-
Other	1,592	1,230	181	288
Total operating expenses per type of cost	39,305	32,412	366	421

Fees for audits and related services	Group		Parent Company	
	2010	2009	2010	2009
SEK millions				
PricewaterhouseCoopers				
Audit fees	10	11	2	3
Audit related services	1	3	-	1
Tax consulting	4	3	-	1
Other services	3	4	1	1
Total fees for audit and related services to PricewaterhouseCoopers	18	21	3	6
Other accounting firms				
Audits and related services	6	2	-	-
Other services	4	14	-	3
Total expenses for audit and related services	28	37	3	9

For 2008 other compensation to PricewaterhouseCoopers, including tax consulting, amounted to SEK 43 million and related primarily to services in connection with the sale of SSAB North America's tubular business.

Operating expenses have been reduced by the following government grants:

SEK millions	Group		Parent Company	
	2010	2009	2010	2009
Freight support	3	11	-	-
Other	2	2	-	-
Total government grants	5	13	-	-

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cont.
Operating expenses

Compensation to employees	Directors, President and Executive Vice President		Other employees	
	2010	2009	2010	2009
SEK millions				
Parent company ¹⁾	19	15	47	39
Subsidiaries in Sweden	8	11	2,490	2,350
Subsidiaries outside Sweden				
USA	6	3	663	603
Canada	1	1	34	32
Denmark	4	3	40	68
Finland	3	3	45	51
France	0	0	12	11
Italy	0	1	21	21
China	3	2	19	5
Netherlands	0	1	11	9
Norway	2	3	18	18
Poland	4	5	22	22
South Africa	1	1	21	18
Great Britain	1	1	17	19
Germany	0	0	24	25
Other countries	1	1	72	66
Total wages and salaries²⁾	54	51	3,556	3,357
Social security expenses	23	20	1,213	1,430
(of which pension expenses)	(12)	(11)	(331)	(534)
Profit-sharing scheme	0	0	0	2
Other expenses for employee benefits	3	1	121	102
Total compensation to employees	80	72	4,890	4,891

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

²⁾ Total wages and salaries include variable salary components to Presidents in the amount of SEK 6 (0) million, of which SEK 3 (0) million in the parent company. The parent company also includes variable salary components to the President of SSAB EMEA. The summary for 2009 is inclusive expenses reported against the cost reduction provision.

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

Board of Directors

The general meeting decides upon fees payable to the Chairman of the Board and the directors elected by the general meeting. The Chairman's fee was SEK 1,200 (1,200) thousand and direc-

tors (excluding the President) each received a fee of SEK 400 (400) thousand. In addition, members of Board committees received SEK 75,000 for each committee on which the member served, with the exception of the Chairman of the Audit Committee, who instead received SEK 100,000. In total, SEK 4,475 (4,400) thousand was paid in fees to the Board of Directors.

Directors	Elected	Position	Fees 2010, SEK		Fees 2009, SEK	
			Board fees	Committee fees	Board fees	Committee fees
Elected by the AGM						
Sverker Martin-Löf	2003	Chairman	1,200,000	150,000	1,200,000	150,000
Carl Bennet	2004	Board member	400,000	-	400,000	-
Anders G Carlberg	1986	Board member	400,000	100,000	400,000	100,000
Olof Faxander	2006	Board member, President	-	-	-	-
Marianne Nivert	2002	Board member	400,000	-	400,000	-
Anders Nyrén	2003	Board member	400,000	-	400,000	-
Matti Sundberg	2004	Board member	400,000	75,000	400,000	75,000
John Tulloch	2009	Board member	400,000	75,000	400,000	-
Lars Westerberg	2006	Board member	400,000	75,000	400,000	75,000

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cont.
Operating expenses**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 March 2010, the President and other persons in the Company's senior management shall receive compensation comprising fixed salary, possible variable salary components, other benefits such as company car, and pension. "Other persons in the Company's senior management" means members of the Group Executive Committee in addition to the President. The total compensation package shall be on market terms and competitive in the employment market in which the executive works. The fixed salary and variable salary components shall be related to the executive's responsibilities and powers. The variable salary components shall be based on the results relative to defined and measurable targets and shall be capped relative to the fixed compensation. Variable compensations shall not be included in the computation of pension rights, except in those cases where so prescribed 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 salary components may be included in the computation of pension rights due to legislation or local market practice.

Programs for variable salary components should be structured such that, in the event of exceptional circumstances, the Board has the possibility to limit or withhold payment of variable compensation where such a measure is deemed reasonable and compatible with the Company's responsibilities to shareholders, employees and other stakeholders.

Consultants fees, on market conditions, may be payable to the extent a director performs work on behalf of the Company, in addition to the duties serving on the Board.

Senior executives in Sweden must give six months' notice of termination of employment. In the event of termination by the Company, the total termination period and the period during which severance compensation is payable shall not exceed 24 months. Pension benefits are determined either as benefit-based or contribution-based, or a combination thereof, with individual retirement ages, however under no circumstances below the age of 60. Benefit-based pension benefits are conditional on the benefit being earned during a predetermined period of employment. In the event the employment terminates prior to retirement age, the executive shall receive a paid-up policy regarding earned pension. Termination periods and severance compensation for senior executives outside Sweden may vary due to legislation or competitive 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.

Compensations 2010

Compensation to the President and other members of the Group Executive Committee consisted of fixed and variable salary com-

ponents. For the members of the Group Executive Committee stationed in Sweden, the variable salary component is linked to the Group's EBITDA margin relative to a number of comparable steel companies and to a, by the Board, established target for cash flow, combined with one or more individual targets. The variable salary component may not exceed 50 percent of fixed salary. However, pending the introduction of a long term incentive program, the President was granted a temporary increase in the maximum to 75 percent of fixed salary during 2010. There is no share-related compensation.

In connection with the acquisition of IPSCO, the Board made the assessment that, in light of the size of the acquisition, it was the utmost importance to achieve a rapid integration of the business, that identified synergies quickly could be realized, that earnings continued to develop positively during the integration of the merged SSAB/IPSCO, and that senior executives remained with the Company during this critical period. Therefore, the Board of Directors decided on a temporary incentive program for a number of key persons stationed in Sweden who were engaged in the integration of the American operations, including the Swedish members of the Group Executive Committee, including the President. This temporary incentive program consisted of variable compensation and applied as a supplement to the already existing variable salary component. For the Swedish members of the Group Executive Committee, the incentive program applied during a maximum of two years commencing July 2007 and was capped at 100 percent of each member's fixed annual salary. The fixed annual salary was to be unchanged during the two years in which the incentive program was in force. The amount payable depended entirely on the degree to which a number of established targets were achieved as regards the integration of the American operations into SSAB's operations. The targets comprised the Group's EBITDA margin compared with a number of comparable steel companies, a cash flow target established by the Board, and realized synergies. The first year's outcome (for the period 1 July 2007 up to 30 June 2008) was paid in cash in 2008. Payment of the second year's outcome was, for the time being, stopped. The cost however, was booked in 2009. During 2010, the Board decided to pay two thirds of the maximum outcome, based on achievements against the targets.

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, and which also applied in IPSCO prior to the acquisition. He receives a fixed basic salary and, in addition, annual variable compensation related to the same targets as for the rest of the Group Executive Committee. His annual variable compensation is capped relative to the fixed salary. The target result is 60 percent of fixed salary but, in the event of extremely high profitability, may amount to a maximum of 400 percent. In addition, during his employment he is entitled to participate in the North American operations long-term incentive program. The outcome depends on the North American operation's return on capital employed, its earnings and a component which is related to the Group's earnings. The outcome is capped relative to fixed salary. Fully developed, the plan has a target outcome of 100 percent of fixed annual salary, but in an extreme case may amount to a maximum of 200 percent. Payments under the long-term incentive program take place in cash, solely on condition that he remains in his employment. Finally, he has received a retention bonus of USD 225,000 annually for three years, calculated from the acquisition of IPSCO in July 2007, provided that he remained in his employment. This retention bonus terminated in July 2010.

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cont.
Operating expenses**President and Chief Executive Officer**

Olof Faxander's total compensation excluding pension amounted to SEK 10.7 (7.2) million. The compensation of SEK 10.7 million includes a payment of SEK 3.0 million in respect of the temporary incentive program for the period July 2008 up to and including June 2009, which was paid out in 2010. No ordinary variable salary element was payable in respect of 2009 and thus no payment took place in 2010. The compensation of SEK 7.2 million for 2009 includes a payment of SEK 2.3 million in respect of the ordinary variable salary element relating to 2008, which was paid out in 2009.

The minimum retirement age is 60. The pension is based on contributions and covered by insurance. The cost amounted to 30 (29) percent of fixed salary. Earned pension is inviolable, but premium payments cease upon termination of the employment.

There is a 24-month notice period in the event of dismissal by the Company, while the President must give 6 months' notice of termination. However, in connection with Mr. Faxander's resignation in 2011, the parties chose not to exercise the entitlement to a 6 month notice period.

Other Group Executive Committee members

Apart from the President, the Group Executive Committee during the year comprised 8 (8) persons. The Group Executive Committee is presented on page 114. (During a brief period in 2010, an additional person was included in the Group Executive Committee.)

The minimum retirement age is 62 for other members of the Group Executive Committee stationed in Sweden. Pensions are based on contributions. Members of the Group Executive Committee stationed in Sweden are entitled to 6-12-months' notice in the event of dismissal by the Company. In addition, in such a situation severance compensation is payable equivalent to 12 months' salary. Members of Group Executive Committee must give 6 months' notice of termination, 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, termination periods and severance compensation in accordance with US legislation and practice.

Total compensation and benefits are shown in the table on next page.

Compensation 2011

After the end of the year, the Board decided, commencing 2011, to introduce a long-term incentive program which, for the Company's senior executives including the CEO, is capped at 25% of fixed salary. The program extends for rolling three-year periods, is cash-based and linked to the total return on the SSAB share relative to a comparison group comprising the Company's competitors. The program has been introduced in order to enhance the Company's ability to recruit and maintain particularly important employees and also to stimulate such employees' own holdings of shares in the Company.

However, the long-term incentive program of the member of the Group Executive Committee stationed in the US will remain in force on unchanged terms until further notice.

President and Chief Executive Officer

Martin Lindqvist took up the position of President and CEO on January 1, 2011. His fixed annual salary is SEK 6.0 million. The short-term variable salary element can amount to a maximum of 50% of the fixed annual salary. He is also covered by the Group's long-term incentive program, which will yield results in 2014 at the earliest.

The minimum retirement age is 62. The pension is contribution-based and covered by insurance. The President is covered by the ITP plan and, in respect of salary up to approximately 62 price base amounts, the Company's pension premiums are in accordance with the premium scale for senior executives; in respect of salary above that amount, the Company pays a pension premium amounting to 40 percent of the fixed salary. Earned pension is inviolable but premium payments cease upon termination of employment.

In the case of termination by the Company, the termination period is 12 months. In addition, in such a situation severance compensation is payable equal to 12 monthly salaries. In the case of termination by the President, the termination period is six months and there is no entitlement to severance compensation. Variable salary is earned during the notice period only if the President remains in active employment.

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

SEK millions	President		Other Group Executive Committee	
	2010	2009	2010	2009
Basic salary	7.6	4.7	19.8	16.6
Other benefits ¹⁾	0.1	0.2	2.2	0.8
Variable compensation ²⁾	-	2.3	3.2	11.3
Integration bonus ³⁾	3.0	-	8.1	-
Total compensation before pension expenses	10.7	7.2	33.3	28.7
Pension expenses	2.3	1.3	10.3	7.3
Total	13.0	8.5	43.6	36.0

¹⁾ Relates primarily to housing, car and gasoline benefits. ²⁾ The accounting principle has been changed so that amounts refer to payments made during the relevant financial year, which were earned the year before. Previously, the booked cost was reported, but since the compensation is currently 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 is reported in this table only in the year in which payment has taken place.

³⁾ Relates to compensation earned during the period July 2008-June 2009.