

The background of the cover features a blurred photograph of a city street at sunset. A white BMW 4 Series is driving away from the camera in the foreground. In the background, there is a modern building with a grid of circular windows. The sun is low on the horizon, creating a strong lens flare effect. A large white graphic element, resembling a stylized arrow or a corner cutout, is positioned on the left side of the page, partially overlapping the text.

SSAB

CORPORATE GOVERNANCE
REPORT 2018

Toward industry-leading profitability



CORPORATE GOVERNANCE REPORT 2018

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CORPORATE GOVERNANCE REPORT 2018

SSAB’s organization is characterized by a way of working in which responsibilities and powers are largely delegated to the respective divisions. SSAB’s share is listed on NASDAQ Stockholm and has a secondary listing on NASDAQ Helsinki. SSAB is governed by, among others, the NASDAQ Stockholm Rule Book for Issuers and the Swedish Corporate Governance Code (Corporate Code). This corporate governance report complies with the Swedish Annual Reports Act and the Corporate Code, and is not part of the Report of the Board of Directors.

IMPORTANT EXTERNAL AND INTERNAL RULES AND POLICIES WHICH AFFECT CORPORATE GOVERNANCE:

Significant internal rules and policies

- Articles of Association
- The Board’s rules of procedure, incl. instructions to the CEO and instructions to Board committees
- Accounting manual (Financial Directive) and Finance Policy
- Code of Conduct

Significant external rules

- Swedish Companies Act
- Swedish Accounting Act
- Swedish Annual Reports Act
- Rules of NASDAQ Stockholm and NASDAQ Helsinki, www.nasdaqomxnordic.com
- Swedish Corporate Governance Code, www.corporategovernanceboard.se

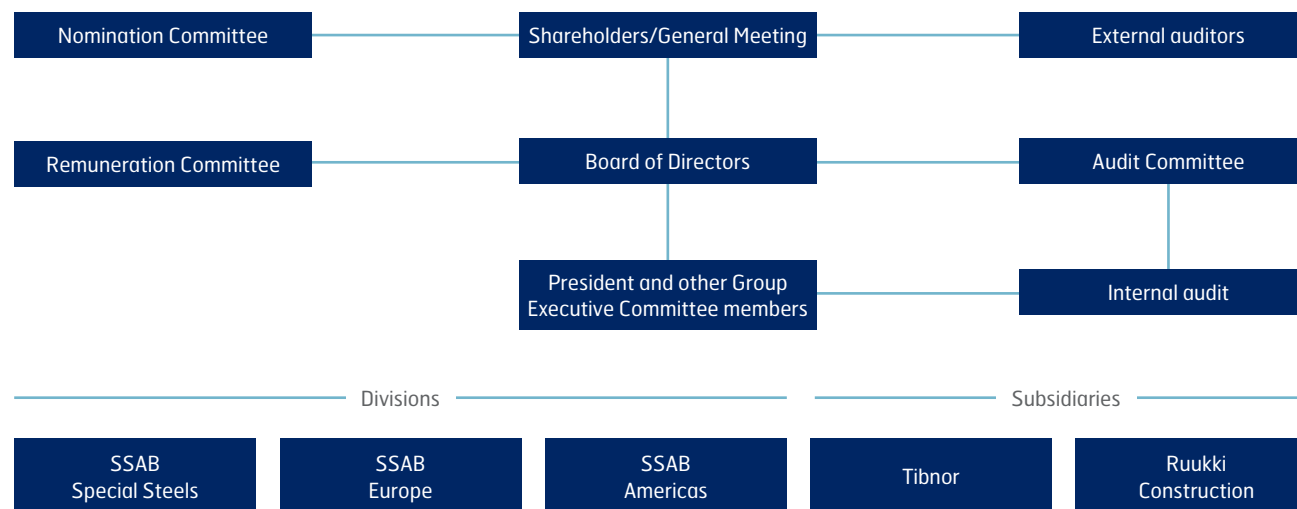
ORGANIZATION AS AT DECEMBER 31, 2018

SSAB is structured across three divisions: SSAB Special Steels, SSAB Europe and SSAB Americas, as well as two larger wholly-owned subsidiaries: Tibnor and Ruukki Construction. The two latter are run as independent subsidiaries.

The diagram below shows SSAB’s corporate governance framework as at December 31, 2018, and how the central bodies operate.

DEROGATIONS FROM THE CORPORATE CODE

Until the statutory board meeting held on April 10, 2018, the Remuneration Committee comprised Bengt Kjell (Chairman), John Tulloch and Matti Lievonen. Under the main rule in Rule 9.2 of the Corporate Code, the members of the Remuneration Committee who are elected by the general meeting must be independent of the company and of the company’s management. Since John Tulloch is considered to be dependent in relation to the company, his inclusion in the Remuneration Committee constitutes a derogation from the rules of the Corporate Code. The company has extensive international operations involving a considerable number of its employees outside Sweden, not least in North America.



John Tulloch has long experience derived from senior managerial positions in the North American steel industry. His knowledge of remuneration principles and structures in, primarily, the North American steel industry constitutes a highly valuable contribution to the Committee's general ability to address international remuneration issues in a purposeful and rational manner. The company has therefore concluded that the benefit of John Tulloch's inclusion in the Remuneration Committee outweighs any disadvantages arising from him not being independent of the company. For these reasons, the company has considered the derogation from Rule 9.2 of the Corporate Code to be justified. After the Remuneration Committee's new composition on April 10, 2018, there are no deviations to report.

SHAREHOLDERS

SSAB's share capital consists of class A and class B shares, with class A shares carrying one (1) vote and class B shares one-tenth (1/10) of a vote. Both classes of shares carry the same rights to a share in the company's assets and profits.

As at December 31, 2018, there were a total of 104,938 shareholders. Industrivärden was the largest shareholder in terms of voting rights, followed by Solidium Oy, LKAB, Norges Bank, Nordea Investment Funds and Swedbank Robur Funds. Of the shareholders, 61.8% held 1,000 shares or fewer, whereas the ten largest shareholders owned an aggregate of around 32.9% of all the shares in issue. Owners outside Finland and Sweden held 37.7% of the voting rights and 30.9% of the share capital in the company. See [Shares and shareholders](#) for more information about the ownership structure.

GENERAL MEETING

The general meeting of shareholders is the company's highest decision-making body and is where owners exercise their shareholder power. At the Annual General Meeting (ordinary general meeting), the shareholders resolve, among other things, 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 CEO
- Election of the Board of Directors, its chairman and the auditors
- Method of appointment of the Nomination Committee
- Remuneration of the Board of Directors and the auditors
- Guidelines for the remuneration to the CEO and other senior executives

Owners as of December 31, 2018

	% of votes	% of share capital
Industrivärden	11.8%	4.3%
Solidium	10.0%	13.5%
LKAB	3.6%	2.3%
Norges Bank	2.1%	2.5%
Nordea Investment Funds	1.6%	2.1%
Swedbank Robur Funds	1.4%	3.5%
Handelsbanken Funds	1.0%	2.3%
Folksam	0.9%	0.9%
Handelsbanken Liv	0.8%	0.5%
Avanza Pension	0.6%	1.1%
Other shareholders	66.2%	67.1%
Total	100.0%	100.0%
Whereof foreign-registered shareholders*	37.7%	30.9%

* Includes shareholders outside Sweden and Finland, Source: Euroclear

2018 Annual General Meeting

The 2018 Annual General Meeting adopted the annual report and consolidated financial statements for 2017 as presented by the Board of Directors and the CEO, decided on the allocation of the company's profit and granted the directors and CEO discharge from liability.

In addition, the Chairman of the Nomination Committee described the Committee's work during the year and the rationale behind the proposals presented. The general meeting decided on the remuneration to the Board and of the auditors in accordance with the Nomination Committee's proposals. It was further resolved that the Board will comprise eight directors and accordingly Petra Einarsson, Marika Fredriksson, Bengt Kjell (who was elected as chairman), Pasi Laine, Matti Lievonen, Martin Lindqvist (President and CEO), Annika Lundius and Lars Westerberg were re-elected as Board members. John Tulloch had declined re-election to the Board. The general meeting decided that the number of auditors would comprise a registered firm of accountants and, accordingly, PricewaterhouseCoopers was re-elected as auditor for a term of office up to and including the 2019 Annual General Meeting. The general meeting resolved on a dividend of SEK 1.00 per share for the financial year 2017.

A quorate Board and the principal auditor were present at the Annual General Meeting. The minutes of the Annual General Meeting may be viewed at www.ssab.com.

NOMINATION COMMITTEE

Duties of the Nomination Committee

The duties of the Nomination Committee include proposing to the Annual General Meeting a chairman of the Board of Directors, 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 Annual General Meeting. The procedure was confirmed in essence by the Annual General Meeting held on April 10, 2018. According to the procedure, the Chairman of the Board is tasked with 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 the 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 is the representative of the largest shareholder. The composition of the Nomination Committee was announced on www.ssab.com on August 6, 2018. Swedbank Robur joined the Nomination Committee on August 27, 2018.

Shareholders were able to submit proposals to the Nomination Committee by, for example, email, until December 31, 2018. The Nomination Committee's proposals will be published no later than in conjunction with the notice of the Annual General Meeting.

In connection with the issuance of the notice of the Annual General Meeting, the Nomination Committee will publish a reasoned statement regarding its proposal for a Board on www.ssab.com.

Work of the Nomination Committee ahead of the 2019 Annual General Meeting

The Nomination Committee has convened five times in 2018 since it was appointed in summer 2018. One more meeting is planned before the Annual General Meeting.

The Chairman of the Board of Directors has described to the Nomination Committee the process applied in the company in conjunction with the annual evaluation of the Board and of the CEO, as well as the results of the evaluation.

Nomination committee ahead of the 2018 Annual General Meeting

Appointed by, name	Share (%) of voting capital as at December 31, 2018
Lars Pettersson, Industrivärden (Chairman of the Nomination Committee)	11.8
Annareetta Lumme-Timonen, Solidium Oy	10.0
Jan Moström, LKAB	3.6
Åsa Nisell, Swedbank Robur	1.4
Martin Nilsson, Catella Fonder	0.2
Bengt Kjell (Chairman of the Board of Directors)	-

Further, at the meeting at which the Chairman of the Board was not present, the Nomination Committee was informed of the results of the evaluation of the Chairman. The annual evaluation of the Board was conducted in conjunction with a Board meeting held during the fall. Prior to the evaluation, the directors individually completed a relatively extensive questionnaire. Thereafter, the replies and comments of the directors were compiled and formed the basis for the actual evaluation discussion. The Nomination Committee has discussed the composition of the Board and agreed on the main requirements to be imposed on the directors, including the requirement for independent directors.

In its assessment of the Board's evaluation, the Nomination Committee particularly took into account the need for Board diversity and breadth, and the requirements to strive for gender balance on the Board. The Nomination Committee engages in continuous work in identifying and evaluating potential new directors.

In submitting proposals for fees to the Board of Directors and its committees, the Nomination Committee, among other things, conducted an overview of Board fees in similar companies. During the year and prior to the election of a new auditor at the Annual General Meeting in 2019, the Audit Committee has conducted a thorough evaluation of a number of candidates for the audit assignment. At the Nomination Committee's meeting in December, the Chairman of the Audit Committee presented in detail the results of the evaluation and the committee's recommendation regarding both auditors and fees. The Nomination Committee followed the Audit Committee's recommendation when presenting its proposals to the 2019 Annual General Meeting.

BOARD OF DIRECTORS

Responsibilities of the Board

The overall task of the Board of Directors is to manage the company's affairs in the best interests of both the company and its shareholders. The Board must regularly assess the group's financial position and evaluate the operative management. The Board decides, among other things, on matters concerning the group's strategic focus and organization, and decides on important capital expenditure (exceeding SEK 50 million).

Each year, the Board must prepare proposals for guidelines regarding the determination of salary and other remuneration to the CEO and other members of the company's senior management for decision at the Annual General Meeting.

Rules of procedure of the Board

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

The rules of procedure further regulate the frequency of Board meetings and the allocation of work among the Board's committees. The rules of procedure state that there must be a Remuneration Committee and an Audit Committee. Ahead of each Board meeting, the directors receive a written agenda and full documentation to serve as the basis for decisions. Each Board meeting conducts a review of the group's accident statistics, the current state of the business, the group's results, financial position and prospects. Other issues addressed include competition and the market situation. The Board also regularly monitors health and safety work.

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 of the Board of Directors is responsible for regular contact with the CEO and for ensuring that the Board of Directors performs its duties.

Composition of the Board

Under the Articles of Association, the Board of Directors consists of a minimum of five and a maximum of ten members elected by the general meeting. The Board is quorate when more than one half of the total number of directors is 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 competence, experience and background of its members. New directors undergo an introduction course to rapidly acquire the knowledge expected in order to best promote the interests of the company and its shareholders.

The Board of Directors' diversity policy

SSAB works actively to further diversity within the company. As a part of this work, the company, through the Nomination Committee, applies rule 4.1 in the Swedish Corporate Governance Code (the Corporate Code) as its diversity policy. In accordance with rule 4.1 in the Corporate Code, the Board is to have a composition appropriate to the company's operations, phase of development and other relevant circumstances. The Board members elected by the shareholders' meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The company is also to strive for gender balance on the Board.

The Nomination Committee shall consider the diversity policy when preparing its proposals for the election of a Board member. Also, the Board of Directors continuously discusses the question regarding diversity within the organization. The objective of the diversity policy is to cater the importance of sufficient diversity within the Board in order to encourage independent opinions and a critical approach which will contribute to efficient Board work in the company.

During the financial year 2018, the Board of Directors' diversity policy has mainly been implemented and applied in connection with the Nomination Committee's work ahead of the 2018 Annual General Meeting and the 2019 Annual General Meeting. This has resulted in a diversified and appropriate Board composition with Board members that possess the qualifications and experience required for SSAB's operations.

Work of the Board in 2018

In 2018, the Board of Directors held ten meetings at which minutes were taken and at which the Board was quorate at all times. SSAB's General Counsel, who is not a director, served as secretary to the Board.

Safety work has top priority across the group and at every meeting the Board keeps close track of lost time injury frequency and the corrective actions implemented by the company. The year 2018 was characterized by a strong global demand for steel products resulting in higher volumes and increased margins, despite an increased impact of imposed import restrictions on global trade flows. The company's continued improved financial position resulting from strong cash flow has enabled the Board to spend more focus on strategical challenges.

The Board monitors the company's cost levels and engages in the company's key operating challenges such as methods and ways of working for continuous improvement in productivity to further improve the company's growth and profitability. The Board has also addressed matters concerning the environment, sustainability, ethics, digitalization, IT security, control functions, corporate governance, etc.

BOARD OF DIRECTORS – APPOINTED BY THE ANNUAL GENERAL MEETING



BENGT KJELL (1954)



PETRA EINARSSON (1967)



MARIKA FREDRIKSSON (1963)



PASI LAINE (1963)



MATTI LIEVONEN (1958)



MARTIN LINDQVIST (1962)

Chairman since 2015
MBA, Stockholm School of Economics
Nationality: Swedish

BSc (Business Administration)
Nationality: Swedish

MBA
Nationality: Swedish

MSc (Eng.)
Nationality: Finnish

BSc (Engineering), eMBA Honorary
Finnish title of Vuorineuvos DSC
(Tech.) h.c.
Nationality: Finnish

President and CEO
BSc (Economics)
Nationality: Swedish

ELECTED TO THE BOARD

2015

2014

2016

2017

2014

2011

SHAREHOLDING¹⁾

100,000 B shares

10,000 B shares

-

712 A shares
4,031 B shares4,315 A shares
25,018 B shares11,709 A shares
21,023 B shares

CURRENT APPOINTMENTS

Board Chairman: Hemfosa
Fastigheter AB and Nyfosa AB
Vice Chairman of the Board:
Indutrade AB and Pandox AB
Director: AB Industrivärden and
ICA Gruppen AB et al.

CEO: BillerudKorsnäs AB
Director: Confederation of Swedish
Enterprise

CFO & Group Executive Vice
President: Vestas Wind Systems A/S
(since 2013)
Director: Sandvik AB

President and CEO of Valmet
Oyj (since 2013)

Board Chairman: Fortum Abp
Member of the Board: Solvay Group

President and CEO: SSAB (employed
at SSAB since 1998)
Chairman: Swedish Steel Producers
Association
Vice Chairman: Swedish Association
of Industrial Employers
Director: Svenska Cellulosa
Aktiebolaget SCA and Confederation
of Swedish Enterprise

PREVIOUS APPOINTMENTS

Acting CEO: AB Industrivärden
CEO and President: AB Handel
och Industri
Vice CEO: AB Industrivärden
Senior partner: Navet AB
Board Chairman: Kungsleden AB and
Skånska Byggsvaror Holding AB
Director: Höganäs AB, Skanska AB
and Munters AB

Financial Manager: Sandvik
Materials Technology
President: Sandvik Materials
Technology business area, Sandvik
Strip product area and Sandvik Tube
product area
Director: Swedish Association of
Industrial Employers
Member of the Council: Swedish
Steel Producers' Association

Director: ÅF AB
CFO: Gambro AB, Autoliv Inc.
(Stockholm, Sweden), Volvo
Construction Equipment (Brussels,
Belgium) and Volvo Construction
Equipment International AB

Director: HKScan Oyj and
Tampelt Oyj
Several senior positions: Metso
group, including President
of Pulp, Paper and Power
Technology, President of Metso
Automation

President and CEO: Neste Corporation
Board Chairman: Nynas AB
Chairman of the Supervisory Board: Ilmarinen Mutual
Pension Insurance Company
Deputy Chairman of the Board: Confederation of
European Paper Industries
Director: Chemical Industry Federation, Confederation
of Finnish Industries, Rautaruukki Corporation, Finnish
Oil and Gas Federation and EUROPIA
Member of the Supervisory Board: the Finnish Fair
Corporation, European Business Leaders' Convention
and the Finnish Business and Policy Forum EVA
Member of the Advisory Board: National Emergency
Supply Agency (Finland)
Several senior positions: UPM-Kymmene

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

BOARD OF DIRECTORS – APPOINTED BY THE ANNUAL GENERAL MEETING



ANNIKA LUNDIUS (1951)

LLM
Nationality: Swedish

ELECTED TO THE BOARD

2011

SHAREHOLDING¹⁾

13,125 B shares

CURRENT APPOINTMENTS

Director: AB Industrivärden

PREVIOUS APPOINTMENTS

Director: AMF Pension and Storebrand ASA
Executive Vice President: Confederation of Swedish Enterprise
Legal Director and Financial Counselor: Swedish Ministry of Finance
CEO: Insurance Sweden and Swedish Insurance Employers' Association



LARS WESTERBERG (1948)

MSc and BSc
Nationality: Swedish

2006

20,000 B shares

Director: Sandvik AB and Stena AB

Board Chairman: Husqvarna AB
Director: Meda AB and AB Volvo
President and CEO: Gränges AB
President, CEO and Chairman: Autoliv

BOARD OF DIRECTORS – APPOINTED BY THE EMPLOYEES



MIKAEL HENRIKSSON (1961)

Elected to the Board
2017
Current appointment
Furnace operator,
SSAB Special Steels



TOMAS JANSSON (1966)

Elected to the Board
2014
Current appointment
Sales Coordinator,
SSAB Europe



TOMAS KARLSSON (1962)

Elected to the Board
2015
Current appointment
Maintenance mechanic,
SSAB Europe

ALTERNATES



STURE BERGVALL (1956)

Elected to the Board
2005
Current appointment
Electrician,
SSAB Europe



PATRICK SJÖHOLM (1965)

Elected to the Board
2011
Current appointment
Automation engineer,
SSAB Special Steels



TOMAS WESTMAN (1955)

Elected to the Board
2015
Current appointment
RM coordinator,
SSAB Europe

Jonas Bergstrand, EVP, Legal & Strategy, serves as secretary to the Board of Directors.

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

AUDITORS

Under its Articles of Association, SSAB has one or two external auditors, or one or two registered public accounting firms. The 2018 Annual General Meeting re-elected the registered accounting firm PricewaterhouseCoopers for a further year.

Authorized public accountant Magnus Svensson Henryson has been principal auditor since 2012 and also signs off on the auditors of the listed company AB Industrivärden.

The external audit of the financial statements of the parent company and those of the group, as well as management by the Board of Directors and the CEO, is conducted in accordance with International Standards on Auditing and Generally Accepted Auditing Practices in Sweden. The Company's principal auditor attends all meetings of the Audit Committee. The auditor attends at least one Board meeting a year, goes through the audit for the year and discusses the audit with the directors without the CEO and other members of the Company's management being present.

See [Note 2](#) in Financial reports for information regarding the auditor's fees.

AUDIT COMMITTEE

Duties

The Audit Committee elects a Chairman from among its members. Members of the Audit Committee are elected from Board members who are not employees of the company. At least one of the members must be competent in accounting or auditing matters.

The duties of the Audit 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 about the Committee's work and, where necessary, must submit matters to the Board for decision. The main task of the Audit Committee is to support the Board in its work to ensure the quality of financial reporting.

Member of the Board	Attendance statistics 2018				Independent of	
	Elected to the Board	Board meetings	Remuneration Committee	Audit Committee	The company and its management	The company's largest shareholders
Elected by the AGM¹⁾						
Bengt Kjell, Chairman since 2015	2015	10	7	7	Yes	No, Board member of Industrivärden
Petra Einarsson	2014	10	4	-	Yes	Yes
Marika Fredriksson	2016	10	-	7	Yes	Yes
Pasi Laine	2017	10	-	-	Yes	Yes
Matti Lievonen	2014	8	5	-	Yes	Yes
Martin Lindqvist, President and CEO	2011	10	-	-	No, CEO at the Company	Yes
Annika Lundius	2011	10	-	7	Yes	No, Board member of Industrivärden
Lars Westerberg	2006	10	-	7	Yes	Yes
Employee representatives						
Mikael Henriksson	2017	10	-	-	-	-
Tomas Jansson	2014	10	-	-	-	-
Tomas Karlsson	2015	10	-	-	-	-
Alternate members						
Sture Bergvall	2005	10	-	-	-	-
Patrick Sjöholm	2011	9	-	-	-	-
Tomas Westman	2015	10	-	-	-	-

¹⁾Information about fees, see Note 2 in Financial reports.

The Audit Committee oversees the company's internal control and risk management regarding financial reporting. The Audit Committee assists also the company's Nomination Committee with preparing proposals for a general meeting resolution on the election of auditors.

The Committee regularly meets the company's auditors, evaluates the audit work and establishes guidelines as to which additional services the company may source 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 exceeding 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.

The company has an established risk management process based on the company's processes and flows. 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 financial reporting). Based on the outcome of the internal and external risk assessment, the Committee regularly analyzes 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 regular audit work. The Audit Committee also analyzes and elucidates significant accounting issues affecting the group and assists the Nomination Committee in submitting proposals as regards the auditors and their fees.

Work in 2018

During 2018, the increased focus from 2017 on the company's IT security, including identification and mitigation of risks, has continued. The Committee has also discussed the consequences for the company of the changed corporate taxes in the US and Sweden. Preparations for the replacement of external auditors have been conducted during the year and the Committee has, after careful evaluation, submitted its recommendation to the Nomination Committee. Moreover, the Audit Committee, together with the external auditors, reviewed and evaluated the risk analysis and audit plan prepared by the auditors as a basis for the statutory audit.

The Audit Committee's members were Marika Fredriksson (Chairman), Lars Westerberg, Bengt Kjell and Annika Lundius. In 2018, the Audit Committee held seven meetings at which minutes were taken.

REMUNERATION COMMITTEE

Duties

In addition to the Chairman of the Board of Directors, the Remuneration Committee comprises one or more directors, who must normally be independent both of the company and of the company's top management, elected by the general meeting. Members of the Remuneration Committee must possess the required knowledge and experience of remuneration matters relating to senior executives. The CEO attends Committee meetings to report on matters. The Remuneration Committee's duties are stated in the Board's rules of procedure. The Remuneration Committee submits proposals to the Board of Directors regarding the CEO's salary and other employment terms and conditions, sets salaries and employment terms for other members of the Group Executive Committee, and sets limits regarding the salary and employment terms and conditions for other senior executives. The Remuneration Committee's duties otherwise include preparing resolutions for adoption by the Board on issues concerning remuneration principles, preparing the Board's proposal for guidelines to determine the salary and other remuneration of the CEO and other members of the company's senior management, as well as monitoring and evaluating the application thereof. The Remuneration Committee also monitors and evaluates programs regarding variable remuneration of the company's senior management.

Work in 2018

During 2018, the Remuneration Committee held seven meetings at which minutes were taken. The Remuneration Committee comprised Bengt Kjell (Chairman), Petra Einarsson and Matti Lievonen. The CEO is co-opted to the Committee but does not participate in discussions concerning his own salary and employment terms and conditions.

GROUP EXECUTIVE COMMITTEE



MARTIN LINDQVIST (1962)

President and CEO
Nationality: Swedish



OLAVI HUHTALA (1962)

Executive Vice President
and Head of SSAB Europe
Nationality: Finnish



CHARLES SCHMITT (1959)

Executive Vice President
and Head of SSAB Americas
Nationality: American

PER OLOF STARK (1954)²⁾

Executive Vice President
and Head of SSAB Special Steels
Nationality: Swedish



JONAS BERGSTRAND (1965)

Executive Vice President,
and Head of Legal, M&A and
Procurement
Nationality: Swedish

MEMBER OF THE GROUP EXECUTIVE COMMITTEE

2001

2014

2011

2014

2006

SHAREHOLDING¹⁾

11,709 A shares
21,023 B shares

17,578 A shares
72,873 B shares

3,000 B shares

2,000 A shares
1,750 B shares

19,125 B shares

EDUCATION

BSc (Economics), Uppsala University

BSc (Engineering)

BSc (Business Administration/
Finance). The University of Texas at
Arlington, two-year steel fellowship at
the American Iron and Steel Institute

MSc, KTH Royal Institute of
Technology, Stockholm

LLM, Uppsala University

BACKGROUND

Employed at SSAB since 1998.
Previously:
Head of business area: SSAB EMEA
Head of business area: SSAB Strip
Products
CFO: SSAB AB,
CFO: SSAB Strip
Chief Controller: NCC

Employed at Rautaruukki/
SSAB since 1987.
Previously:
EVP: Ruukki Metals
President: Ruukki Fabrication
Marketing and Executive
roles in Sales and Production:
Rautaruukki Metform

Employed at IPSCO/
SSAB since 1990.
Previously:
Several positions: US Steel Corporation
VP of the Southern Business Unit:
SSAB Americas

Employed at SSAB since 1983.
Previously:
Head of business unit: SSAB Wear
Services
President: wholly owned subsidiary
Plannja
Head of Global Marketing, Sales and
Product Development: former SSAB
Plate Division
Head of business area: SSAB Plate
Europe and North America

Employed at SSAB since 2006
Previously:
Corporate counsel: ABB, OM Gruppen
and Ericsson Radio Systems

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

²⁾ Per Olof Stark was replaced by Johnny Sjöström as Head of Special Steels on January 14, 2019.

GROUP EXECUTIVE COMMITTEE



HÅKAN FOLIN (1976)

Executive Vice President and CFO
Nationality: Swedish



MARIA LÅNGBERG (1970)

Executive Vice President and
Head of People, Culture and
Communication
Nationality: Swedish



MARTIN PEI (1963)

Executive Vice President and CTO
Nationality: Swedish



CHRISTINA FRIBORG (1969)

Executive Vice President and Head
of Sustainability
Nationality: Swedish



EVA PETURSSON (1968)

Executive Vice President and Head
of Research and Innovation
Nationality: Swedish



VIKTOR STRÖMBERG (1973)

Executive Vice President and Head
of Strategy and Digitalization
Nationality: Swedish

MEMBER OF THE GROUP EXECUTIVE COMMITTEE

2013	2016	2007	2018	2018	2018
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SHAREHOLDING¹⁾

11,000 B shares	3,826 B shares	300 A shares 700 B shares	4,500 B shares	165 A shares 500 B shares	2,000 B shares
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EDUCATION

MSc, KTH Royal Institute of Technology, Stockholm	BSc (Business Administration), Uppsala University MBA, Stockholm School of Economics	PhD, KTH Royal Institute of Technology, Stockholm	LLM, Uppsala University	Civil engineer and PhD in Steel Structures, Luleå University of technology	MBA, INSEAD, France and MSc in Industrial Engineering & Management, Linköping University
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BACKGROUND

Employed at SSAB since 2006. Previously: CFO: SSAB APAC CFO: Tibnor and Head of Business Development: SSAB	Employed at SSAB since 2013. Previously: President: Merox VP, Group Sustainability: SSAB EVP & Head of Group Communications: SSAB Senior Consultant: JKL SVP Group Communications: Gambro	Employed at SSAB since 2001. Previously: EVP, Head of business area: SSAB APAC EVP and CTO: SSAB General Manager Slab Production: SSAB Plate Division Manager R&D: SSAB Plate Division	Employed at SSAB since 2018. Previously: Head of Sustainable Business: Sandvik Founder and partner: Ethos International and various positions: Sida, UNHCR and OSCE	Employed at SSAB since 2005. Previously: Design specialist and research leader: SSAB Knowledge Service Center Head of Strategic R&D: SSAB Assistant professor in Steel Structures: Luleå University of Technology	Employed at SSAB since 2011. Previously: VP and Head of Strategy: SSAB AB Associate Partner: McKinsey & Company Product manager: SAP Consultant: IBM
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¹⁾ Shareholdings include shares held by closely-related persons.

GROUP EXECUTIVE COMMITTEE

Group Executive Committee's work and responsibilities

The Group Executive Committee is responsible for formulating and implementing the group's overall strategies and addresses matters such as acquisitions and divestments. These matters, 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 CEO is responsible for the day-to-day management of the company in accordance with the Board of Directors' instructions and guidelines. As at December 31, 2018, the Group Executive Committee comprised, in addition to the CEO, the heads of SSAB Europe, SSAB Americas and SSAB Special Steels, the Chief Financial Officer, the Head of Legal, M&A and Procurement, the Chief Technical Officer, the Head of People, Culture and Communication, the Head of Research and Innovation, the Head of Strategy and Digitalization and the Head of Sustainability.

The Group Executive Committee holds monthly meetings to monitor the results and financial position of the group and the divisions. Other matters addressed at Group Executive Committee meetings include strategy issues and follow-up on budget and forecasts.

The head of each division is responsible for the relevant income statement and balance sheet. Overall operational control of the divisions takes place through quarterly performance reviews. In most cases, the CEO of the parent company is the Chairman of the Board of Directors of each of the directly owned major subsidiaries such as Tibnor and Ruukki Construction, and these boards also include other members of the Group Executive Committee as well as employee representatives. Parallel with the quarterly performance reviews, the boards of the subsidiaries monitor the ongoing operations and adopt their respective strategies and budgets.

REMUNERATION GUIDELINES

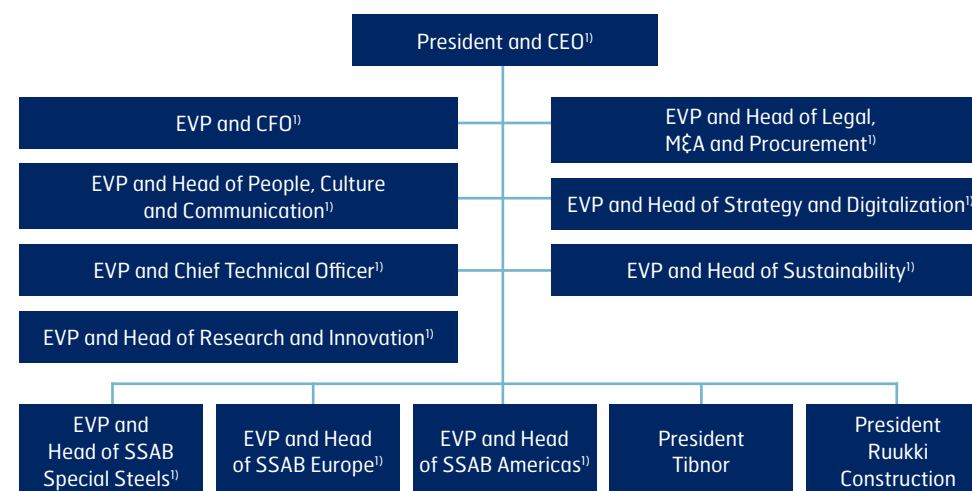
The 2018 Annual General Meeting resolved that the remuneration of the CEO and other members of the company's senior management comprises fixed salary, variable remuneration, other benefits such as a company car and pension. The total remuneration package must be on market terms and competitive in the employment market in which the executive works. Fixed salary and variable remuneration must be commensurate with the executive's responsibilities and powers. Variable remuneration must be based on results as compared with defined and measurable targets and capped in relation to fixed salary. Variable remuneration is not included in the basis for the computation of pension, except 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 remuneration may be included in the basis for pension computation

due to legislation or local market practice. Programs for variable remuneration should be formulated so that the Board of Directors, where exceptional circumstances prevail, limit or omit payment of variable remuneration where this is considered reasonable and consistent with the company's responsibility to its shareholders, employees and other stakeholders. To the extent a director performs work for the company alongside his or her Board work, a consultation fee at market rates may be paid.

The period of notice of termination of employment for senior executives in Sweden is 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. For senior executives outside Sweden, the termination period and severance compensation may vary due to legislation or practice in the local market. Pension benefits shall be contribution-based with individual retirement ages, in no case earlier than the age of 62. In the event the employment terminates prior to the retirement age, the executive shall receive a paid-up policy for earned pension.

The Board is entitled to derogate from the guidelines where there are special reasons to do so in an individual case.

Group operational management structure



¹⁾ Member of Group Executive Committee

Incentive program for senior executives

In 2011, a long-term incentive program was introduced for the entire Group. At the time the program covered a maximum of 100 (now 150) key employees, including the CEO and other senior executives. The program runs for rolling three-year periods, is cash based, and linked to the total return on SSAB's share compared to a benchmark group of the company's competitors and SSAB's financial targets.

The program was introduced to promote the company's ability to recruit and retain key employees. Reference is made to Note 2 for more information about current remuneration. The company has no share-related incentive programs.

INTERNAL CONTROL

The overall objective of 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, internal control ensures, with reasonable certainty, that external financial reporting is reliable and prepared in accordance with generally accepted auditing principles, and that it complies with applicable laws and regulations and the requirements imposed on listed companies.

RISK MANAGEMENT

The group is tasked with seeking to ensure that risks do not materialize and, through various measures, with mitigating the fallout of any loss that occurs. Risk mapping of the group's internal and external risks is carried out as an integrated part of the annual strategy process. The result of this work is reported to the Audit Committee and to the Board of Directors. The group's Risk Management oversees and follows up both work on actively preventing the occurrence of loss at all and work on minimizing the impact of such loss should it occur. Each division and subsidiary is responsible for working proactively to prevent loss. Each division has appointed a coordinating risk manager.

Sustainability risks

SSAB is responsible for not only how it runs its own operations and the working conditions of its employees, but also for the overall social impact of its operations. This means assuming responsibility for how all the links in the company's value chain are managed, from supplier to future use of the company's products. It is also about companies minimizing their environmental footprint by improving the efficiency of their production processes and working practices, as well as developing products that contribute to reduced emissions and lower environmental impacts.

SSAB has a Head of Group Sustainability who, since 2016, is on the Group Executive Committee and who is tasked with coordinating and driving sustainability issues at the group level. In 2018, a new Head of Group Sustainability was recruited and at the same time the role was converted to include sustainability issues only. At the group level, the Head of Group Sustainability heads a Sustainability Management Team, whose members create a network of expertise within, for example, HR, environment, health, procurement, safety and business ethics.

INTERNAL AUDIT

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

The internal audit is organized at an overall Group level, with an audit plan drawn up for the entire Group. The group's audit activities are planned by the head of internal audit and decided by the Audit Committee.

Most of the work is performed by means of audits in accordance with the audit plan. Other work largely consists of specific audits and the monitoring of self-assessments in the group as regards internal control.

Audits are performed in accordance with a submitted and adopted audit process which is constantly developed in order to optimize the way of working 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 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 internal audit work in 2018, see the next section "The Board's description of internal control and risk management regarding financial reporting".

During the year, internal audit performed a number of audits of subsidiaries according to the company's manual to audit the risks of fraud and corruption. Whilst these audits have shown no concrete irregularities, opportunities have been identified to reduce risks from this perspective. These improvement opportunities will be solved in accordance with action plans drawn up.

To further strengthen internal control and risk management, a whistleblower function is in place to enable the reporting of serious improprieties and violations of the group's Code of Conduct. This function is aimed, among other things, at guaranteeing safety in the workplace, upholding sound business ethics and curbing economic irregularities within SSAB to the benefit of the company's employees, customers, suppliers and owners.

THE BOARD'S DESCRIPTION OF INTERNAL CONTROL AND RISK MANAGEMENT REGARDING FINANCIAL REPORTING

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

Framework for internal control as regards financial reporting

SSAB's model for internal control as regards the financial reporting is based on the internationally established framework, Internal Control Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

SSAB's internal control process regarding 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 to reasonably ensure the quality and accuracy of financial reporting and to ensure that reporting is prepared in compliance with applicable laws and regulations, accounting standards as well as requirements imposed on listed companies in Sweden.

To achieve this, there must be a sound control environment, reliable risk assessments, established control activities, as well as the satisfactory functioning of information and communication and monitoring.

Control environment

The control environment is characterized by the organizational structure, management's way of working and values, as well as other roles and responsibilities within the organization. The Audit Committee assists the Board of Directors with important accounting matters that the group applies and monitors internal control with respect to financial reporting. To maintain an efficient control environment and sound internal control, the Board has delegated practical responsibility to the CEO,

who in turn has delegated responsibility to other members of the Group Executive Committee and to the CEOs of the subsidiaries.

The quality of financial reporting is ensured through a number of different measures and routines. Work takes place regularly on further developing directives and instructions for the entire Group. Among other things, there is a Group accounting manual (Financial Directive), which is regularly updated and communicated across the group. Apart from the Financial Directive, the group's most important overall control documents are the Finance Directive, Investment Directive, Information Directive, authorization rules and the Code of Conduct.

Work on communicating the group's Code of Conduct continued during 2018 and by the turn of 2018/2019, over 89% of the employees had completed the group's internal training module on business ethics.

Risk assessment

SSAB's organization is exposed to both internal and external risks. To reasonably ensure sound internal control, the risks which may affect financial reporting are identified and weighed up, and measures are taken accordingly. This constitutes an integrated part of the regular reporting to the Group Executive Committee and to the Board of Directors, and also constitutes the basis for assessing the risk of error in financial reporting. SSAB's operations are characterized by processes involving well-established routines and systems. Risk assessment therefore takes place largely within these processes. Only general risk assessments take place at the group level. The persons responsible identify, monitor and follow up risks. This creates the conditions for well-founded, correct business decisions at all levels.

Financial risks, such as currency, re-financing and counterparty, interest rate and credit risks are dealt with primarily by the parent company's treasury function in accordance with the group's Finance Policy (see [Note 29](#) in Financial reports). For an overview of the group's commercial risk exposure, see also the section "[Internal control and risk management](#)" above and the [Report of the Board of Directors](#).

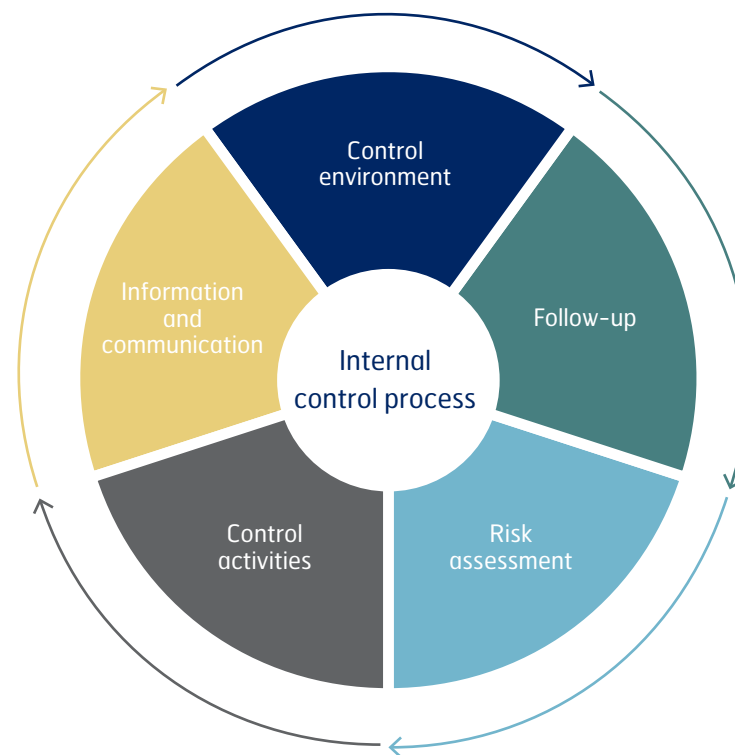
Control activities

The primary purpose of control activities is to prevent and identify at an early stage significant financial reporting errors so that they can be addressed and rectified. Control activities, both manual and automated, take place both at general and more detailed levels within the group. Routines and activities have been designed to manage and rectify significant risks associated with financial reporting as identified in the risk analysis. Corrective measures, implementation, documentation and quality assurance take place at a Group, subsidiary 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 control activities.

Recent years have seen an in-depth analysis carried out on the processes and control structures in Group companies. This has resulted in a more systematic approach to identifying financial risks and financial reporting risks, 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 evaluated through self-assessment supplemented with monitoring and review by internal audit. This way of working has been implemented in a system covering the entire Group which is used when verifying the reliability of financial reporting.

Control activities are carried out at all levels across 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 divisions and subsidiaries with regard to operations, their financial position and results, as well as financial and operational key performance indicators. The Board of Directors analyzes, on an ongoing basis, among other things, business reports in which the Group Executive Committee describes the most recent period and comments on the group's financial position and results. This is how major fluctuations and deviations are followed up to minimize the risk of errors in financial reporting.

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



Information and communication

EXTERNALLY

SSAB's communications must be correct, open, prompt and available simultaneously to all stakeholders. All communications must take place in compliance with the EU Market Abuse Regulation and the rules of NASDAQ Stockholm and NASDAQ Helsinki and in compliance with other applicable regulations. Financial information must provide the capital and stock markets, as well as existing and potential shareholders, with a comprehensive and clear view of the company, its operations, strategy and financial performance.

The Board of Directors approves the group's annual and half-yearly reports and instructs the CEO, in accordance with the Board's rules of procedure, to issue quarterly reports and year-end results. All financial reports and press releases are published on www.ssab.com simultaneously with disclosure via a news distributor and NASDAQ Stockholm and NASDAQ Helsinki, and notification to Finansinspektionen, Sweden's financial supervisory authority.

Financial information about the group may be provided only by the Chairman of the Board, CEO, CFO, Head of Group Communications and Head of Investor Relations. The divisions may disseminate financial information about their operations only after the group has published corresponding information.

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

In the event of a leakage of inside information or upon the occurrence of special events that may affect the valuation of the company, NASDAQ Stockholm and NASDAQ Helsinki must be notified according to SSAB's internal routines, after which a press release containing corresponding information will be sent out. Informational activities are governed by the company's disclosure directive and instruction.

INTERNALLY

The company's intranet, where information is constantly published, constitutes an important communication channel within the company. Additionally, there is an internal webcast for all personnel each quarter as well as All Managers' Meetings (AMMs) for managers, hosted either by the company's CEO or the heads of divisions. Regular joint accounting meetings are held with divisional chief financial officers. This is how the divisions are updated about the news and changes within, among other things, accounting, routines and internal control with respect to financial reporting. In addition, the parent company regularly communicates changes in joint Group accounting principles and policies, as well as other matters relevant to financial reporting.

Monitoring

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

During 2018, internal audit conducted regular and independent audits of the group's corporate governance, internal control and risk management in accordance with the adopted audit plan. The audit plan for 2018 was based on a risk analysis approved by the Group Executive Committee and subsequently adopted by the Audit Committee. The reviews were conducted in accordance with an adopted audit process and formally concluded with a report and planned follow-up. The result has been regularly submitted to divisional heads and the Audit Committee as regards observations, measures taken and implementation status.

Each year, the external auditors monitor selected parts of internal control within the scope of the statutory audit.

The external auditors report the results of their review to the Audit Committee and the Group Executive Committee. Major observations are also reported directly to the Board of Directors.



OTHER MANDATORY DISCLOSURES PURSUANT TO CHAPTER 6, SECTION 6 OF THE ANNUAL REPORTS ACT

The following information is provided pursuant to the provisions of Chapter 6, Section 6 of the Annual Accounts Act regarding certain specific information that must be disclosed in the corporate governance report:

- Of the company's shareholders, Industrivärden and Solidium Oy have direct or indirect shareholdings representing at least one-tenth (1/10) of the voting rights carried by all shares in the company. As at December 31, 2018, Industrivärden's holding account for 11.8% of the total voting rights and 4.3% of the total number of shares. As at December 31, 2018, Solidium's holding accounted for 10.0% of the total voting rights and 13.5% 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 Articles of Association contain no provisions regarding the removal of directors or the amendment of the Articles of Association.
- The general meeting has not granted the Board of Directors authority to decide that the company may purchase its own shares or issue new shares.

Further information

Further information about corporate governance at SSAB is available at www.ssab.com and includes the following information:

- Routines regarding the Annual General Meeting:
 - when and where the Annual General Meeting is to be held
 - notice of the Annual General Meeting and how to register
 - the resolutions to be proposed to the Annual General Meeting
- Information from SSAB's previous Annual General Meetings, including for instance notices, minutes, addresses by the CEO and press releases
- Articles of Association
- Corporate governance reports from previous years
- Information about the Nomination Committee

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the general meeting of the shareholders in SSAB AB (publ), corporate identity number 556016-3429

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2018, on pages 3–18, and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, 12 March 2019
PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorized Accountant





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