

The cover of the Corporate Governance Report 2015 is a composite image. The left side shows two men in an office setting; one man with glasses is pointing at a laptop screen while the other looks on. The right side shows a high-speed train on tracks with overhead power lines. A white triangle on the right side contains the title text. The SSAB logo is in the bottom right corner.

**CORPORATE
GOVERNANCE
REPORT
2015**

SSAB

**CORPORATE
GOVERNANCE REPORT**

- 1 Corporate governance report 2015**
- 5 Board of Directors**
- 11 Group Executive Committee**

FINANCIAL REPORTS 2015

- 20 Operating expenses**
- 24 Auditor's report**

CORPORATE GOVERNANCE REPORT 2015

SSAB's organization is characterized by a decentralized way of working in which responsibilities and powers are largely delegated to the respective divisions. SSAB's share is listed on Nasdaq OMX Stockholm and has a secondary listing on Nasdaq OMX 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.

ORGANIZATION AS AT DECEMBER 31, 2015

SSAB is structured across five divisions: SSAB Special Steels, SSAB Europe, SSAB Americas, Tibnor and Ruukki Construction. The two latter divisions are run as independent subsidiaries through their respective boards of directors.

The diagram below shows SSAB's corporate governance framework as at December 31, 2015 and how the central bodies operate.

DEROGATIONS FROM THE CORPORATE CODE

During 2015, the Remuneration Committee comprised Bengt Kjell (chairman, who during the year replaced Sverker Martin-Löf), John Tulloch and Kim Gran. Under the main rule in Rule 9.2 of the Corporate Code, the members of the Remuneration Committee who are elected by the general

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 Guidelines) and Finance Policy
- Code of Conduct

Significant external rules

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



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 derogation from the rules of the Corporate Code. The Company currently 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 considers the derogation from Rule 9.2 of the Corporate Code to be justified.

SHAREHOLDERS

SSAB's share capital consists of class A and class B shares, with class A shares carrying one (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, 2015, there were a total of 103,800 shareholders. Industrivärden was the largest shareholder in terms of voting rights, followed by Solidium Oy, Invesco Funds and Swedbank Robur Funds. Of the shareholders, 66% held 1,000 shares or fewer, whereas the ten largest shareholders owned an aggregate of around 41% of all the shares in issue. Owners outside Finland and Sweden held 15% of the voting rights and 11% of the share capital in the Company. See [Shares and shareholders](#) for more information about the ownership structure.

| OWNERS AS AT DECEMBER 31, 2015 | | |
|--|--------------|--------------------|
| | % of votes | % of share capital |
| Industrivärden | 17.7 | 10.7 |
| Solidium | 10.1 | 17.1 |
| Invesco Funds¹⁾ | 5.0 | 3.0 |
| Swedbank Robur Funds | 4.9 | 4.0 |
| LKAB | 3.8 | 2.2 |
| Catella Funds | 2.5 | 1.5 |
| Handelsbanken Pensionstiftelsen and Handelsbanken Liv | 1.5 | 1.3 |
| SEB Investment Management | 0.9 | 0.6 |
| Folksam | 0.7 | 0.7 |
| AMF | 0.5 | 0.3 |
| Other shareholders | 52.4 | 58.6 |
| TOTAL | 100.0 | 100.0 |
| Whereof foreign-registered shareholders²⁾ | 14.8 | 11.4 |

¹⁾ Information from flagging notice 26 Nov 2015

²⁾ Includes shareholders outside Sweden and Finland
Source: Euroclear

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 of the CEO and other senior executives

2015 Annual General Meeting

The 2015 Annual General Meeting adopted the annual report and consolidated financial statements for 2014 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 of the Board and of the auditors in accordance with the Nomination Committee's proposals. It was resolved that the Board will comprise eight directors and accordingly re-elected Petra Einarsson, Kim Gran, Matti Lievonen, Martin Lindqvist (President and CEO), Annika Lundius, John Tulloch and Lars Westerberg. Bengt Kjell was elected to the Board both as a new director and as its chairman. Sverker Martin-Löf and Jan Johansson stood down from the Board. The general meeting decided that the number of auditors would comprise a registered firm of accountants. Accordingly, PricewaterhouseCoopers was re-elected for a term of office up to and including the 2016 Annual General Meeting. The general meeting resolved not to pay a dividend for the financial year 2014.

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. 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 October 8, 2015.

NOMINATION COMMITTEE AHEAD OF THE 2016 ANNUAL GENERAL MEETING

| Appointed by, name | Share (%) of voting capital as at December 31, 2015 |
|---|---|
| Industrivärden, Helena Stjernholm, Chairman | 17.7 |
| Solidium Oy, Kari Järvinen | 10.1 |
| Swedbank Robur Funds, Åsa Nisell | 4.9 |
| Catella Funds, Ulf Strömsten | 2.5 |
| Bengt Kjell, Chairman of the Board | – |

Shareholders were able to submit proposals to the Nomination Committee by, for example, email, until December 31, 2015. 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 2016 Annual General Meeting

The Nomination Committee has convened four times since it was appointed in fall 2015.

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 the evaluation. 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, directors individually completed a relatively extensive questionnaire. Thereafter, the replies were compiled and formed the basis for the actual evaluation discussion at which the responses were reviewed in detail. 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. The Nomination Committee was assisted by the Audit Committee in submitting its proposals regarding the election of auditors and the fees for audit work.

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, 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 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, including the Group's accident statistics.

Chairman of the Board

The chairman of the Board of Directors presides over the Board's work, represents the Company on ownership issues, and is responsible for the evaluation of the work of the Board. In addition, the chairman 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.

Work of the Board in 2015

In 2015, the Board of Directors held eight 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.

The continuing difficulties in the global steel industry during 2015 also resulted in the Board devoting considerable time to the measures the Company has taken to improve its competitiveness and secure its financial position. The Board's work during 2015 was further largely characterized by matters relating to integration and synergies following SSAB's acquisition of Rautaruukki in 2014. The Board has also particularly addressed matters concerning safety in the workplace, as well as issues concerning the environment, control functions, corporate governance and strategy. The Board also monitors price trends as regards the Company's most important raw materials: iron ore, scrap metal and coal.



BOARD OF DIRECTORS - APPOINTED BY THE ANNUAL GENERAL MEETING



| Bengt Kjell (1954) | Petra Einarsson (1967) | Kim Gran (1954) | Matti Lievonen (1958) | Martin Lindqvist (1962) | Annika Lundius (1951) |
|---|--|--|--|---|---|
| Chairman since 2015 MBA, Stockholm School of Economics Nationality: Swedish | BSc (Business Administration and Economics) Nationality: Swedish | BSc (Economics), Honorary Finnish title of Vuorineuvos Nationality: Finnish | BSc (Engineering), eMBA Honorary Finnish title of Vuorineuvos Nationality: Finnish | President and CEO BSc (Economics) Nationality: Swedish | LLM Nationality: Swedish |
| Elected to the Board | | | | | |
| 2015 | 2014 | 2014 | 2014 | 2011 | 2011 |
| Shareholding¹⁾ | | | | | |
| 50,000 B shares | 10,000 B shares | 6,265 A shares 15,995 B shares | 4,315 A shares 11,018 B shares | 11,709 A shares 5,400 B shares | 7,000 B shares |
| Previous appointments | | | | | |
| Acting President: Industrivärden, CEO: AB Handel och Industri, Vice President: Industrivärden, Senior partner: Navet AB, Board Chairman: Kungsleden AB and Board Member: Höganäs AB, Skanska AB and Munters AB. | Financial Manager: Sandvik Materials Technology, President: Sandvik Strip product area and President: Sandvik Tube product area. | President and CEO: Nokian Tyres plc, Managing Director: Pechiney Cebal, Corby UK, Cebal-Printal, Devizes UK, Board Chairman: Rautaruukki Corporation and Board Member Nokian Tyres plc, Konecranes plc, Ilmarinen Mutual Pension Insurance Company and M-real plc. | Director: Confederation of Finnish Industries, Rautaruukki Corporation, Finnish Oil and Gas Federation and EUROPIA, Several senior positions: UPM-Kymmene and Deputy Chairman of the Board: Confederation of European Paper Industries. | Director: Indutrade, Head of business area: SSAB EMEA, CFO: SSAB AB and Chief controller: NCC. | Deputy Director-General of the Confederation of Swedish Enterprise, Legal Director and Financial Counselor: Swedish Ministry of Finance and CEO: Insurance Sweden and Swedish Insurance Employers' Association. |
| Current appointments | | | | | |
| Board Chairman: Hemfosa Fastigheter AB and Skånska Byggarvar AB (until January 4, 2016), Vice Chairman of the Board: Indutrade AB and Director: Industrivärden, ICA Gruppen AB and Pandox AB. | President: Sandvik Materials Technology business area (since 2013), Board member: Swedish Association of Industrial Employers and Member of the Council: Swedish Steel Producers' Association. | Vice Chairman of the Board: YIT Group. | President and CEO: Neste Corporation (since 2008), Board Chairman: Nynäs AB, Chairman of the Supervisory Board: Ilmarinen Mutual Pension Insurance Company, Vice Chairman of the Board: Chemical Industry Federation of Finland, Member of the Advisory Board: National Emergency Supply Agency (Finland) and Member of the Supervisory Board: the Finnish Fair Corporation. | President and CEO: SSAB (employed at SSAB since 1998), Chairman: Swedish Association of Industrial Employers and Director: Confederation of Swedish Enterprise. | Director: Industrivärden and AMF Pension. |

¹⁾ Shareholdings include shares owned by closely-related persons at December 31, 2015.

Sverker Martin-Löf (replaced by Bengt Kjell as chairman) and Jan Johansson were members of the Board until April 8, 2015.

BOARD OF DIRECTORS - APPOINTED BY THE ANNUAL GENERAL MEETING



John Tulloch (1947)

BA (AgrSc), MSc
Nationality: American

Elected to the Board

2009

Shareholding¹⁾

10,000 A shares
5,000 B shares

Previous appointments

Executive Vice President,
Steel & Chief Commercial
Officer: IPSCO and Executive
Vice President: SSAB &
President of IPSCO Division.

Current appointments

Director: Russel Metals Inc.



Lars Westerberg (1948)

MSc and MBA
Nationality: Swedish

2006

10,000 B shares

Board Chairman: Husqvarna,
President and CEO: Gränges
and President, CEO and
Chairman: Autoliv.

Director: Volvo, Sandvik,
Stena and Meda.

**Jonas Bergstrand,
EVP, Legal & Strategy,
serves as secretary to
the Board of Directors.
Honorary Chairman:
Björn Wahlström since
1991 (passed away in
February 2016).**

BOARD OF DIRECTORS - APPOINTED BY THE EMPLOYEES



Peter Holmér (1958)

**Elected to the Board
2012**

Current appointment
Mechanic, 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

¹⁾ Shareholdings include shares owned by closely-related persons at December 31, 2015.

Sverker Martin-Löf (replaced by Bengt Kjell as chairman) and Jan Johansson were members of the Board until April 8, 2015.

AUDITORS

Under its Articles of Association, SSAB has one or two external auditors, or one or two registered public accounting firms. The 2015 Annual General Meeting re-elected 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 Industrivärden. In all, PricewaterhouseCoopers are the elected auditors in 27 out of 63 companies in the Large Cap segment and in 94 out of a total of 254 companies listed on Nasdaq OMX, Stockholm.

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.

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

For information about fees, see [Note 2 in Financial reports](#).

Honorary Chairman: Björn Wahlström since 1991 (passed away in February 2016).

¹⁾ Newly elected on April 8, 2015 and replaced Sverker Martin-Löf.

²⁾ Took up the position on April 8, 2015 and replaced Bert Johansson.

³⁾ Took up the position on April 8, 2015 and replaced Uno Granbom.

| MEMBER OF THE BOARD | Attendance statistics 2015 | | | | 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 AGM | | | | | | |
| Bengt Kjell, Chairman since 2015 ¹⁾ | 2015 | 6 | 3 | 4 | Yes | No, Board member of Industrivärden |
| Petra Einarsson | 2014 | 8 | | | Yes | Yes |
| Kim Gran | 2014 | 6 | 4 | | Yes | Yes |
| Matti Lievonen | 2014 | 7 | | | Yes | Yes |
| Martin Lindqvist, President and CEO | 2011 | 8 | | | No, CEO at the company | Yes |
| Annika Lundius | 2011 | 8 | | 5 | Yes | No, Board member of Industrivärden |
| John Tulloch | 2009 | 8 | 4 | | No, former President of IPSCO Division | Yes |
| Lars Westerberg | 2006 | 7 | | 5 | Yes | Yes |
| Employee representatives | | | | | | |
| Peter Holmér | 2012 | 8 | | | – | – |
| Tomas Jansson | 2014 | 8 | | | – | – |
| Tomas Karlsson ²⁾ | 2015 | 6 | | | – | – |
| Alternate members | | | | | | |
| Sture Bergvall | 2005 | 8 | | | – | – |
| Patrick Sjöholm | 2011 | 8 | | | – | – |
| Tomas Westman ³⁾ | 2015 | 6 | | | – | – |

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 2015

During 2015, the Remuneration Committee held four meetings at which minutes were taken. The Remuneration Committee comprised Bengt Kjell, chairman, (who replaced Sverker Martin-Löf following the annual general meeting on April 8, 2015), John Tulloch and Kim Gran. The CEO is co-opted to the Committee, but does not participate in discussions concerning his own salary and employment terms and conditions.

AUDIT COMMITTEE

Duties

Under the Board of Directors' rules of procedure, the Audit Committee comprises at least three directors elected by the general meeting. Members of the Audit Committee may not be employees of the Company. Most of the members must be independent both of the Company and of the Company's management. At least one of the members who is independent both of the Company and of the Company's management must also be independent of the Company's major shareholders and possess accounting or auditing expertise. The Committee elects a chairman, who may not be the chairman of the Board, from among its members. 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. 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 production 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 2015

During 2015, the Audit Committee further developed the presentation of external financial reporting to take into account the inclusion of Rautaruukki. In addition, the Committee discussed and approved the final acquisition analysis of Rautaruukki. The Audit Committee, together with the external auditors, reviewed and analyzed the risk analysis and audit plan prepared by the auditors as a basis for the statutory audit.

The Audit Committee's members were Lars Westerberg (chairman), Bengt Kjell (who replaced Sverker Martin-Löf following the annual general meeting held on April 8, 2015) and Annika Lundius. In 2015, the Audit Committee held five meetings at which minutes were taken.

GROUP EXECUTIVE COMMITTEE

| | | | | |
|--|--|---|--|--|
|  |  |  |  |  |
| Martin Lindqvist (1962)²⁾ | Olavi Huhtala (1962) | Charles Schmitt (1959) | Per Olof Stark (1954) | Jonas Bergstrand (1965) |
| President and CEO Nationality: Swedish | Executive Vice President and Head of SSAB Europe Nationality: Finnish | Executive Vice President and Head of SSAB Americas Nationality: American | Executive Vice President and Head of SSAB Special Steels Nationality: Swedish | Executive Vice President, Legal & Strategy Nationality: Swedish |
| Member of the Group Executive Committee | | | | |
| 2001 | 2014 | 2011 | 2014 | 2006 |
| Shareholding¹⁾ | | | | |
| 11,709 A shares 5,400 B shares | 17,578 A shares 44,873 B shares | - | 2,000 A shares | 10,000 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 and Chief Controller: NCC. | Employed at Rautaruukki/ SSAB since 1987. Previously: EVP: Ruukki Metals, President: Ruukki Fabrication and Executive roles in Sales and Production: Rautaruukki Metform. | Employed at IPSCO/SSAB since 1990. Previously: Several positions: US Steel Corporation and 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 marketing: SSAB's former Plate Division, Head of business area: Europe and the US and Head of global Marketing, Head of Sales and Product development: SSAB Plate. | Employed at SSAB since 2006. Previously: Corporate counsel: ABB, OM Gruppen and Ericsson Radio Systems. |

¹⁾ Shareholdings include shares owned by closely-related persons at December 31, 2015.

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

Marko Somerma, former Head of Ruukki Construction and Mikael Nyquist, Head of Tibnor, were members of the GEC until February 9, 2015.

GROUP EXECUTIVE COMMITTEE



| Håkan Folin (1976) | Monika Gutén ³⁾ (1975) | Taina Kyllönen (1967) | Gregoire Parenty ³⁾ (1962) | Martin Pei (1963) |
|--|---|---|--|---|
| Executive Vice President and CFO Nationality: Swedish | Executive Vice President and Head of Group Human Resources, Procurement and Shared Services Nationality: Swedish | Executive Vice President and Head of Group Communications Nationality: Finnish | Executive Vice President and Head of Market Development Nationality: French | Executive Vice President and CTO Nationality: Swedish |
| Member of the Group Executive Committee | | | | |
| 2013 | 2011 | 2014 | 2012 | 2007 |
| Shareholding¹⁾ | | | | |
| 4,000 B shares | 1,000 A shares 1,500 B shares | 6,188 A shares 15,798 B shares | - | 300 A shares 700 B shares |
| Education | | | | |
| MSc, KTH Royal Institute of Technology, Stockholm. | MSc (Business Administration), Stockholm University. | MSc (Economics), Aalto University, Helsinki. | Maîtrise de Sciences Economiques, Sorbonne University, MBA, Dallas University. | PhD, KTH Royal Institute of Technology, Stockholm. |
| Background | | | | |
| Employed at SSAB since 2006. Previously: CFO: SSAB APAC, CFO: Tibnor and Head of Business Development: SSAB. | Employed at SSAB since 2007. Previously: Head of Human Resources: SSAB EMEA and Head of Business Development: SSAB. | Employed at Rautaruukki/SSAB since 2004. Previously: SVP, Marketing and Communications; SVP, Marketing; VP, Communications and Branding: Rautaruukki Corporation and VP, Investor Relations: Metso Corporation and Rauma Corporation. | Employed at SSAB since 2004. Previously: Head of Market: SSAB EMEA and Several positions: ArcelorMittal. | Employed at SSAB since 2001. Previously: Head of business area SSAB APAC, EVP, Technical Director: SSAB, Manager R&D Department: SSAB and General Manager, Slab Production: SSAB Plate. |

¹⁾ Shareholdings include shares owned by closely-related persons at December 31, 2015.

³⁾ Monika Gutén and Gregoire Parenty have left their positions on the Group Executive Committee as of February 1, 2016. Monika Gutén has taken up the position as Head of Tibnor Sweden and Gregoire Parenty as Head of SSAB Services. Maria Långberg has been appointed Executive Vice President and Head of HR and Sustainability and became a member of the Group Executive Committee as of February 1, 2016.

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, 2015, 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 Market Development, the Head of Legal & Strategy, the Head of Group Human Resources, the Head of Technical Development and the Head of Group Communications.

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.

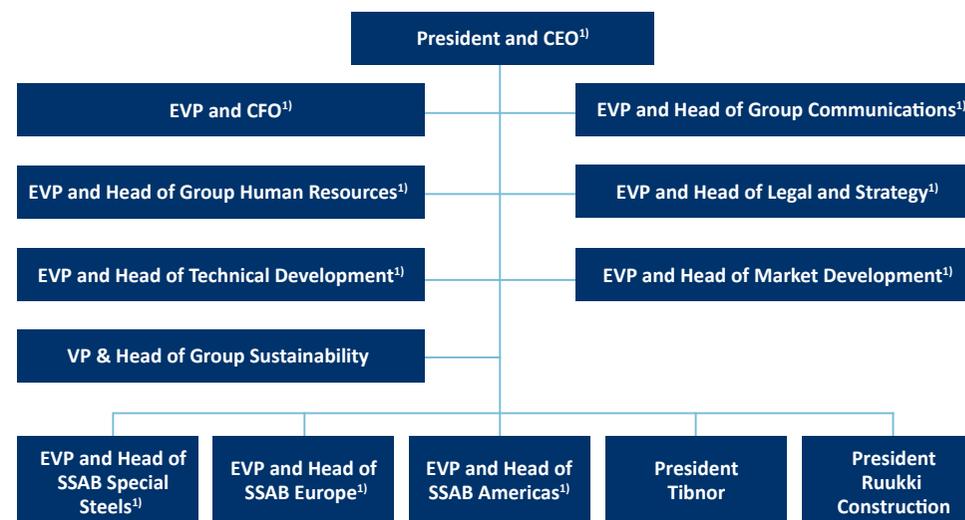
The head of each division is responsible for the relevant income statement and balance sheet. Overall operational control of the divisions takes place through quarterly performance reviews. In most cases, the CEO of the parent company is the chairman of the Board of Directors of each of the directly-owned 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 2015 Annual General Meeting resolved that the remuneration of the CEO and other members of the Company's senior management comprises fixed salary, possible 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 must be 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 Board is entitled to derogate from the guidelines where there are special reasons to do so in an individual case.

Group operational management structure as at December 31, 2015



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. 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 AND RISK MANAGEMENT

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.

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. The Group's Risk Management organization manages the work of preventing the occurrence of loss at all, and of mitigating the effects of such loss should it nevertheless occur. Each division and subsidiary is responsible for working proactively to prevent loss. Each division has appointed a coordinating risk manager.

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

The Group Risk Manager is functionally responsible for the Group's risk works and collaborates with the respective risk manager from each division to optimize the work from a joint Group perspective. This work is conducted in, for example, a Risk Forum, which meets regularly to discuss topical risk management issues and insurances.

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.

Since fall 2014, SSAB has had a VP & Head of Group Sustainability, who reports directly to the CEO and who is tasked with coordinating and driving sustainability issues at the Group level. 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, the environment, health and safety, and business ethics. A Sustainability Board, comprising members of the Group Executive Committee and the Chief Strategy Officer, was established in fall 2014 to consider various sustainability issues and to prepare a basis for decision-making for the Group Executive Committee. A decision was taken in September 2015 to replace the Sustainability Board by quarterly meetings with the entire Group Executive Committee and the Chief Strategy Officer. This change in the way of working will ensure the entire Group Executive Committee is involved and engaged in sustainability work. Besides the Head of Group Sustainability, also some members of the Sustainability Management Team attend the quarterly meetings depending on the sustainability issues in focus.

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 2015, 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 financial reporting model 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 with 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 heads of divisions.

The quality of financial reporting is ensured through a number of different measures and routines. Work takes place regularly on further developing manuals and policies for the entire Group. Among other things, there is a Group accounting manual (Financial Guidelines), which is regularly updated and communicated across the Group. Apart from the Financial Guidelines, the Group's most important overall control documents are the Finance Policy, Investment Policy, Information Policy, authorization rules and the Code of Conduct. During the year, the Code of Conduct was updated and adopted by the Board of Directors.

All divisions have adopted guidelines on business ethics. Work on communicating the Group's Code of Conduct continued during 2015 and by the turn of 2015/2016, 75% of employees had completed the Group's internal training module on business ethics.

Risk assessment

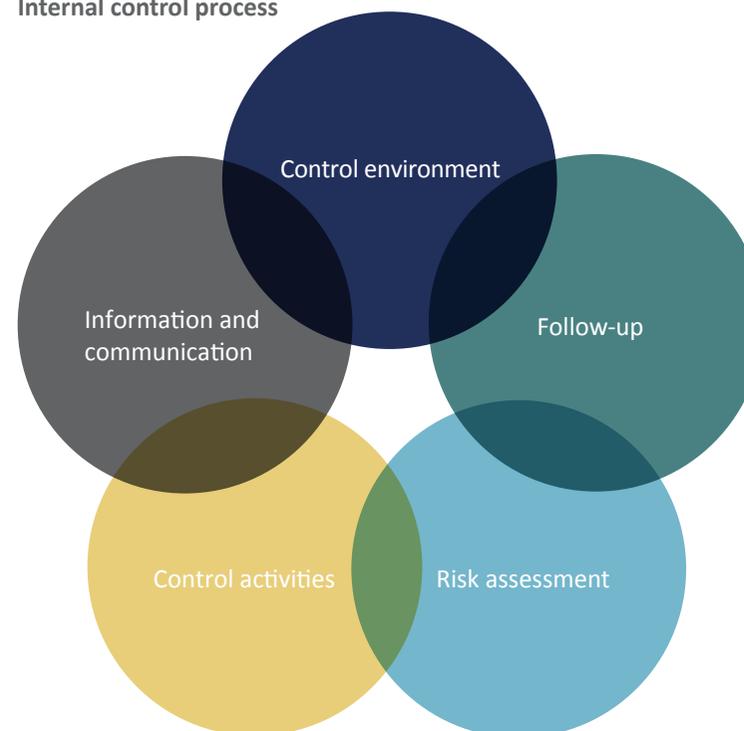
SSAB's organization is exposed to both internal and external risks. To reasonably ensure sound internal control, the risks which may affect financial reporting are identified and weighed up, and measures are taken accordingly. This constitutes an integrated part of the regular reporting to the Group 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 of 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 working has been implemented in a system covering the entire Group which is used when verifying the reliability of financial reporting. During 2015, work started

Internal control process



on merging this way of working and system in the acquired company Rautaruukki. A similar system has been in use in the American operations for some time.

The Group has a joint consolidation system where all legal entities report. This provides sound internal control 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 rules of Nasdaq OMX Stockholm and Nasdaq OMX Helsinki, and in compliance with other 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 Nasdaq OMX Stockholm and Nasdaq OMX Helsinki, and notification to Finansinspektionen, Sweden's financial supervisory authority.

Financial information about the Group may be provided only by the CEO, CFO, Head of Group Communications and Head of Investor Relations. The divisions 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 price-sensitive information or upon the occurrence of special events that may affect the valuation of the Company, Nasdaq OMX Stockholm and Nasdaq OMX Helsinki must be notified, after which a press release containing corresponding information will be sent out. Informational activities are governed by the Company's information policy

INTERNALLY

The local intranets, where information is constantly published, constitute important communications channels within the Company. 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 2015, 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 2015 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, 2015, Industrivärden's holding account for 17.7% of the total voting rights and 10.7% of the total number of shares. As at December 31, 2015, Solidium's holding accounted for 10.1% of the total voting rights and 17.1% of the total number of shares.
- There are no restrictions on the number of votes that each shareholder may cast at a general meeting.
- Under the Articles of Association, the directors are appointed at the Company's annual 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.

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 the annual general meeting is to be held
 - notice of the meeting and how to register
 - the resolutions to be proposed to the annual general meeting
- Information from SSAB's previous annual general meetings (since 2005), including notices, minutes, addresses by the CEO and releases
- Articles of Association
- Corporate governance reports from previous years
- Information about the Nomination Committee

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE REPORT

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

It is the Board of Directors who is responsible for the Corporate governance report for the year 2015 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the Corporate governance report and based on that reading and our knowledge of the company and the Group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate governance report 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.

In our opinion, the Corporate governance report has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm, February 18, 2016
PricewaterhouseCoopers AB
Magnus Svensson Henryson
Authorized Public Accountant



**FINANCIAL
REPORTS
2015**

SSAB

2 Operating expenses

| Type of cost SEK millions | Group | | Parent Company | |
|--|---------------|---------------|----------------|------------|
| | 2015 | 2014 | 2015 | 2014 |
| Raw materials in the steel operations, including change in raw material inventory | 19,014 | 17,949 | - | - |
| Supplies and inputs | 1,506 | 1,280 | - | - |
| Purchased products in the trading operations | 1,784 | 2,755 | - | - |
| Purchased products in the steel operations | 3,019 | 4,735 | - | - |
| Energy | 3,280 | 2,671 | - | - |
| Change in inventory, work in progress and finished products | 3,185 | 862 | - | - |
| Compensation to employees | 9,673 | 7,337 | 80 | 108 |
| Material, services and maintenance | 7,595 | 5,169 | 151 | 241 |
| Depreciation/amortization | 3,836 | 3,412 | 0 | 0 |
| Other | 4,909 | 2,436 | 50 | 38 |
| Total operating expenses | 57,801 | 48,606 | 281 | 387 |

| Audit fees and related services SEK millions | Group | | Parent Company | |
|--|-----------|-----------|----------------|-----------|
| | 2015 | 2014 | 2015 | 2014 |
| PricewaterhouseCoopers | | | | |
| Audit fees | 16 | 14 | 2 | 4 |
| Audit related services | 1 | 4 | - | 4 |
| Tax consulting | 1 | 2 | 0 | 0 |
| Other services | 3 | 18 | 0 | 10 |
| Total audit fees and related services to PricewaterhouseCoopers | 21 | 38 | 2 | 18 |
| Other audit firms | | | | |
| Audits and related services | 3 | 6 | - | - |
| Other services | 13 | 13 | 4 | 3 |
| Total audit fees and services to audit firms | 37 | 57 | 6 | 21 |

Operating expenses have been reduced by the following government and other grants:

| SEK millions | Group | | Parent Company | |
|---------------------|-----------|-----------|----------------|----------|
| | 2015 | 2014 | 2015 | 2014 |
| Investment grant | 38 | 26 | - | - |
| Other | 19 | 14 | - | - |
| Total grants | 57 | 40 | - | - |

| Compensation to employees SEK millions | Board, President and Executive Vice | | Other employees | |
|--|-------------------------------------|-----------|-----------------|--------------|
| | 2015 | 2014 | 2015 | 2014 |
| Parent Company ¹⁾ | 23 | 17 | 54 | 74 |
| Subsidiaries in Sweden | 7 | 9 | 2,865 | 2,689 |
| Subsidiaries outside Sweden | 23 | 29 | 4,124 | 2,528 |
| Total wages and salaries²⁾ | 53 | 55 | 7,043 | 5,291 |
| Social security expenses | 21 | 20 | 2,174 | 1,677 |
| (of which pension expenses) | (11) | (10) | (915) | (616) |
| Other expenses for employee benefits | 4 | 3 | 378 | 291 |
| Total compensation to employees | 78 | 78 | 9,595 | 7,259 |

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

²⁾ Total wages and salaries include variable salary components to Presidents in the amount of SEK 10 (6) million, of which SEK 5 (3) million in the parent company.

2 Operating expenses cont.

Board fees

BOARD OF DIRECTORS

At the annual general meeting (AGM) in April 2015, Bengt Kjell was elected as new Chairman of the Board. Sverker Martin-Löf and Jan Johansson had announced that they were leaving the Board of Directors in conjunction with the AGM. At the AGM, it was decided that the Chairman's fee should amount to SEK 1,650,000 and directors' fees (excluding the President) to SEK 550,000 each. Members of Board committees should receive a fee of SEK 100,000 for each committee on which the member served, with the exception of the Chairman of the Audit Committee, who instead should receive SEK 125,000. Thus, in total SEK 5,575 (5,750) thousand was paid in fees to the Board of Directors.

Salaries and compensation for the President and other senior executives

RESOLUTION OF THE ANNUAL GENERAL MEETING

According to a resolution adopted by the AGM in April 2015, the President and other persons in the Company's senior management shall receive compensation comprising fixed salary, possible variable compensations, other benefits such as company car, and pension. "Other members of the Company's senior management" mean members of the Group Executive Committee other than the President. The total compensation package shall be

on market terms and conditions and competitive on the employment market on which the executive works. Fixed salary and variable compensation shall be related to the executive's responsibilities and authority. The variable compensation shall be based on results as compared with defined and measurable targets and capped in relation to the fixed salary. The variable compensations shall not be included in the basis for computation of pension, except in those cases where so provided in the rules of a general pension plan, e.g. the Swedish ITP plan. For senior executives outside Sweden, all or parts of the variable compensations may be included in the basis for pension computation due to legislation or competitive practice in the local market.

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

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

Board members

| Elected by general meeting | Elected | Position | Fee 2015, SEK ¹⁾ | | Fee 2014, SEK ¹⁾ | |
|-----------------------------------|---------|-------------------|-----------------------------|---------------|-----------------------------|---------------|
| | | | Board fee | Committee fee | Board fee | Committee fee |
| Bengt Kjell | 2015 | Chairman | 1,650,000 | 200,000 | - | - |
| Petra Einarsson | 2014 | Member | 550,000 | - | 275,000 | - |
| Kim Gran | 2014 | Member | 550,000 | 100,000 | 275,000 | 50,000 |
| Matti Lievonen | 2014 | Member | 550,000 | - | 275,000 | - |
| Martin Lindqvist | 2011 | Member, President | - | - | - | - |
| Annika Lundius | 2011 | Member | 550,000 | 100,000 | 512,500 | 100,000 |
| John Tulloch | 2009 | Member | 550,000 | 100,000 | 512,500 | 100,000 |
| Lars Westerberg | 2006 | Member | 550,000 | 125,000 | 512,500 | 112,500 |
| Sverker Martin-Löf, resigned 2015 | 2003 | Chairman | - | - | 1,537,500 | 200,000 |
| Jan Johansson, resigned 2015 | 2011 | Member | - | - | 512,500 | - |
| Anders G Carlberg, resigned 2014 | 1986 | Member | - | - | 237,500 | 62,500 |
| Matti Sundberg, resigned 2014 | 2004 | Member | - | - | 237,500 | - |
| Pär Östberg, resigned 2014 | 2013 | Member | - | - | 235,700 | - |

¹⁾The fee relates to the full term.

2 Operating expenses cont.

The period of notice of termination of employment for senior executives in Sweden shall be six months in the event of termination by the executive. In the event of termination by the Company, the total of the period of notice of termination and the period during which severance compensation is payable shall not exceed 24 months. Pension benefits shall be either benefit-based or contribution-based or a combination thereof, with individual retirement ages; however in no case earlier than the age of 69. Benefit-based pension benefits are conditional on the benefits being earned during a pre-determined period of employment. In the event the employment terminates prior to the retirement age, the executive shall receive a paid-up policy for earned pension. For senior executives outside Sweden, the termination period and severance compensation may vary due to legislation or practice on the local market.

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

REMUNERATION COMMITTEE

Within the Board of Directors there is a Remuneration 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 Bengt Kjell (Chairman), Kim Gran and John Tulloch. The President is a co-opted member of the Committee but does not participate in discussions concerning his own salary and employment terms and conditions.

COMPENSATION IN 2015

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

For the members of the Group Executive committee who are not stationed in the USA, there is a short-term variable salary component which is related to the Group's EBITDA margin relative to other comparable steel companies and to a target related to injury frequency established by the Board, combined with one or more individual targets. This variable salary component is capped at 75% of fixed salary for the President and 50% for others.

In conjunction with the acquisition of Rautaruukki, the Board decided on a temporary incentive program for a number of key employees within four defined categories who are working on the integration of Rautaruukki,

among them certain members of the Group Executive Committee, including the President. This temporary incentive program replaces existing variable salary components during the corresponding period of time in respect of the key employees participating in the program. The program will extend over 18 months (July 1, 2014 -December 31, 2015) and is contingent on the results that the Company achieves, with the target being related to the Group's EBITDA margin compared with a number of comparable steel companies during the measurement period. The outcome is capped in relation to each participant's fixed annual salary and shall not exceed 5, 9 or 18 monthly salaries, depending on the participant's category affiliation. However, participants are guaranteed a result of at least 50% of the maximum amount.

In 2011, a long-term incentive program was introduced covering then a maximum of 100 (now 150) key persons throughout the Group, including the Company's President and other senior executives. The program applies for rolling three-year periods, is cash-based, and linked to the total return on the SSAB share compared with a comparison group comprising the Company's competitors. For participants in the program outside North America, the result is capped at between 18 and 30% of fixed salary. The maximum outcome for participants in North America is in line with the restrictions which applied under their earlier program; for these participants, the program is also linked to SSAB Americas' results and return on capital employed. The total annual cost for the program is SEK 24 million in the event of target realization, and SEK 48 million in the event of maximum target realization, of which approximately 2/3 constitutes the cost for participants in North America. The program has been introduced with the aim of promoting the Company's ability to recruit and retain particularly important employees.

The member of the Group Executive committee who is stationed in the United States receives compensation which is considered to be competitive from a North American perspective. He receives a fixed salary and, in addition, an annual variable salary component which is linked to the same targets as for the rest of the Group Executive Committee. His annual variable salary is capped relative to fixed salary. The target result is 60% of fixed salary but may amount to a maximum of 180% in the event of extremely high profitability. As a supplement, for year 2015, the maximum level was raised from 180% to 300%. In addition, during his employment he is entitled to participate in the Group's long-term incentive program. The outcome is capped relative to fixed salary. Fully developed, the plan has a target outcome of 90% of fixed annual salary, but in the event of extremely good results may amount to a maximum of 150%. Payments under the long-term incentive program take place in cash, and solely on condition that he remains in his employment.

PRESIDENT AND CHIEF EXECUTIVE OFFICER

The total paid compensation package, excluding pension, amounted to SEK 10.0 (8.0) million. The total paid amount of SEK 10.0 million includes a payment of SEK 0.4 (-) million regarding variable salary for 2014 (2013).

2 Operating expenses cont.

The retirement age is 62. The pension is based on contributions and is covered by insurance. The cost amounted to 42 (42) % of fixed salary. Earned pension is inviolable but premium payments cease upon termination of employment.

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

OTHER GROUP EXECUTIVE COMMITTEE MEMBERS

Apart from the President, the Group Executive Committee comprised 9 (11) persons. During 2014, Rautaruukki was acquired and the Group reorganized, with the Group Executive Committee being expanded to include an additional three members as of September 1, 2014. On February 10, 2015, Mikael Nyqvist and Marko Somerma left the Group Executive Committee. The Group Executive Committee is presented in [the Corporate Governance Report](#).

The minimum retirement age for other members of the Group Executive Committee stationed outside the USA is 62. Pensions are based on contributions, apart from in the case of Olavi Huhtala; he continues to be covered by the benefit-based pension scheme with a retirement age of 60 (via Ruukki A-Pension Foundation), of which he has long been covered through his employment at Rautaruukki. The other members of the Group Executive Committee are entitled to 12 months' notice in the event of dismissal by the Company. In addition, in such a situation severance compensation is payable equivalent to 6–12 months' salary. Members of the Group Executive committee must give 6 months' notice of resignation, whereupon there is no entitlement to severance compensation.

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

Total compensation and benefits are shown in the adjacent table.

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

| SEK millions | President | | Other Group Executive Committee | |
|--|-------------|-------------|---------------------------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| Fixed salary ¹⁾ | 9.3 | 7.7 | 27.8 | 29.0 |
| Other benefits ²⁾ | 0.3 | 0.3 | 2.3 | 2.3 |
| Short-term variable salary ³⁾ | 0.4 | - | 4.0 | 1.0 |
| Long-term variable salary ³⁾ | - | - | 0.5 | 0.4 |
| Total compensation | 10.0 | 8.0 | 34.6 | 32.7 |
| Pension expenses | 3.9 | 3.2 | 8.0 | 6.8 |
| Total | 13.9 | 11.2 | 42.6 | 39.5 |

¹⁾ For 2015, includes payment of SEK 0.1 (0.1) million to the President in respect of accrued, non-utilized vacation, and vacation compensation, as well as cost compensation in respect of company residence in the amount of SEK 0.2 (0.2) million.

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

³⁾ The amounts relate to payments made in the relevant financial year, which were earned in previous years. Since the compensation is not known at the end of the accounting year due to the fact that comparisons are made with competitors who have not yet reported their figures, and also the fact that the Board can decide to reduce the compensation if special reasons exist, compensation in this table is reported only in the year in which payment has taken place. Booked variable salary components for the entire Group Executive Committee amounted to SEK 16.2 (10.3) million.

AUDITOR'S REPORT

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

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of SSAB AB (publ) for the year 2015. The annual accounts and consolidated accounts of the company are included in the printed version of this document with the heading Financial Reports 2015 on [pages 1–85](#).

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

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

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the President, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

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

OPINIONS

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of December 31, 2015 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31, 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the President of SSAB AB (publ) for the year 2015.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the President are responsible for administration under the Companies Act.

AUDITOR'S RESPONSIBILITY

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

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

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

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

OPINIONS

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

Stockholm February 18, 2016

PricewaterhouseCoopers AB
Magnus Svensson Henryson
Authorized Public Accountant

SSAB AB

Box 70

SE-101 21 Stockholm, Sweden

Tel. +46 8 454 5700

Fax. +46 8 454 5725

Visitors:

Klarabergsviadukten 70, D6

www.ssab.com

SSAB