

The Nomination Committee's reasoned statement regarding a proposal for the board of directors of SSAB AB (publ), including a report of the work of the Nomination Committee

In accordance with authorization granted by the annual general meeting, Board Chairman Bengt Kjell invited the five largest shareholders in terms of votes to each appoint a member to form a Nomination Committee, together with the Chairman of the board, prior to the 2018 annual general meeting. The composition of the Nomination Committee was published on the Company's website on September 26, 2017 with details of which shareholders that had appointed the members. The Nomination Committee comprises the following individuals: Lars Pettersson, Industrivärden (chairman of the Nomination Committee), Annareetta Lumme-Timonen, Solidium Oy, Jan Moström, LKAB, Magnus Strömer, Handelsbanken Funds, Åsa Nisell, Swedbank Robur Funds, and Bengt Kjell (Board Chairman). Between publication of the Nomination Committee's composition and the end of the year, information was available on the Company's website as to how the shareholders were able to submit proposals to the Nomination Committee. No proposals were submitted to the Nomination Committee.

The Nomination Committee proposes the re-election of the current directors, namely Bengt Kjell, Petra Einarsson, Marika Fredriksson, Pasi Laine, Matti Lievonen, Martin Lindqvist, Annika Lundius and Lars Westerberg. John Tulloch has informed the Nomination Committee that he declines re-election at the Annual General Meeting. It is also proposed that Bengt Kjell be re-elected as Board Chairman.

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

The Nomination Committee's first meeting pending the 2018 annual general meeting took place on October 18, 2017, with introductory discussions concerning the proposals that the Nomination Committee is required to present to the general meeting, and at which future work was also

planned. Requirement profiles as regards future directors were updated and the recruitment consultant who had been engaged since last year continued its work with assisting the Nomination Committee on a long-term basis in sounding out potential directorial candidates. The Nomination Committee held five meetings at which all members were present. The Committee has, when preparing its proposal, applied its diversity policy as set out in Rule 4.1 in the Swedish Corporate Governance Code. In connection with a meeting during the fall, Bengt Kjell reported on the audit committee's evaluation of the work of the auditors. The Nomination Committee has also interviewed Marika Fredriksson and Matti Lievonen concerning their view on the work of the board. The CEO Martin Lindqvist has reported to the Nomination Committee on the Company's operations and strategy and was interviewed regarding the cooperation between the board and the group executive committee.

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

At present, three of the directors elected by the general meeting are women. The Nomination Committee's proposal entails that the number of women on the board is unchanged. As a consequence of the Nomination Committee's proposal to decrease the total number of directors elected by the general meeting, the percentage of women will slightly increase. The Nomination Committee works on reaching the long-term target of achieving a balanced representation of both genders on the board, in accordance with the ambition expressed by the Swedish Corporate Governance Board. The Nomination Committee will continue to endeavor to achieve an appropriate board composition which satisfies the needs of the board for diversity and breadth in terms of skills, experience and background, including gender structure. The Nomination

Committee also attaches particular importance to the directors having a reasonable total workload which enables sufficient time and care to be devoted to the directorship in SSAB.

In producing proposals for fees to the board of directors and its committees, the Nomination Committee has, among other things, taken into account board fee levels in similar companies. The board fees have remained unchanged since the Extraordinary General Meeting in autumn 2014. However, the committee fees were adjusted at the Annual General Meeting last year. The Nomination Committee now proposes a small increase in all fees in order to maintain a competitive fee level. The Chairman of the Board has explained that the Board is considering appointing a Deputy Chairman of the Board and after discussion, the Nomination Committee has estimated that SEK 800,000 constitutes a reasonable fee for such an assignment in SSAB.

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

Since the autumn of 2014, there have been a number of changes in the composition of the board, and the Nomination Committee considers that the need for stability and continuity in the work of the board is of great importance. At the same time, the Nomination Committee considers renewal in the work of the board to be important. The Nomination Committee is therefore working on a long-term basis with identifying potential candidates who may be proposed for election the immediate years. The Nomination Committee has however made the assessment that there is no imminent need to replace the resigning board member John Tulloch.

The Nomination Committee makes the assessment that Bengt Kjell's solid knowledge and long experience of board work makes him suitable to continue to serve as Board Chairman. The Nomination Committee thus considers that the composition of the proposed board is appropriate to meet the demands imposed by the operations of the Company.

The Nomination Committee has compiled the information below regarding the proposed candidates (stated shareholdings include holdings of closely related persons and closely related

companies), including the Nomination Committee's assessment of each candidate's independence in relation to the Company and major shareholders:

Bengt Kjell

Born: 1954

Board chairman since 2015.

Holding: 100,000 shares

Experience and current appointments:

MBA, Stockholm School of Economics. Chairman of Hemfosa Fastigheter AB and Vice Chairman of Indutrade AB. Director of AB Industrivärden, ICA Gruppen AB and Pandox AB, *et al.*

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

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

Petra Einarsson

Born: 1967

Director since 2014.

Holding: 10,000 shares

Experience and current appointments:

MBA. President and CEO of BillerudKorsnäs AB since 2018, Director of the Swedish Association of Industrial Employers and the Council of the Swedish Steel Producers' Association. Previously Financial Manager at Sandvik Materials Technology and President of Sandvik Materials Technology business area and Sandvik's Strip and Tube product areas.

Independent in relation to the Company and its major shareholders.

Marika Fredriksson

Born: 1963

Director since 2016.

Holding: 0

Experience and current appointments:

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

Independent in relation to the Company and its major shareholders.

Pasi Laine

Born: 1963

Director since 2017.

Holding: 4,743 shares

Experience and current appointments:

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

Independent in relation to the Company and its major shareholders.

Matti Lievonen

Born: 1958

Director since 2014.

Holding: 29,333 shares

Experience and current appointments:

BSc (Eng), eMBA, Bergsråd, D.Sc. (Tech.) h.c. President and CEO of Neste Corporation since 2008, Vice Board Chairman of Fortum Abp and Nynäs AB, Member of the Board of Chemical Industry Federation of Finland, member of the Advisory Board of National Emergency Supply Agency (Finland) and of the Supervisory Board of the Finnish Fair Corporation, the European Business Leaders' Convention and the Finnish Business and Policy Forum EVA. Previously held senior positions at UPM-Kymmene, Chairman of the Supervisory Board of Ilmarinen Mutual Pension Insurance Company, Vice Chairman of the Confederation of European Paper Industries,

Director and Vice Chairman of Rautaruukki Corporation, Finnish Oil and Gas Federation, EUROPIA and the Confederation of Finnish Industries.

Independent in relation to the Company and its major shareholders.

Martin Lindqvist

Born: 1962

Director since 2011.

Holding: 32,732 shares

Experience and current appointments:

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

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

Annika Lundius

Born: 1951

Director since 2011.

Holding: 13,125 shares

Experience and current appointments:

LLM. Director of AB Industrivärden. Previously director of Storebrand ASA and AMF Pension. Vice President of the Confederation of Swedish Industry, Legal Director and Financial Counsellor at the Swedish Ministry of Finance, CEO of the Swedish Insurance Association (currently Insurance Sweden) and the Insurance Industry's Employers' Association.

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

Lars Westerberg

Born: 1948

Director since 2006.

Holding: 20,000 shares

Experience and current appointments:

MSc and MBA. Director of AB Volvo, Sandvik AB and Stena AB. Previously President and CEO of Gränges AB, President, CEO and Chairman of Autoliv, Chairman of Husqvarna AB as well as Director of Meda AB.

Independent in relation to the Company and its major shareholders.