

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 four 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 2017 annual general meeting. Invesco Funds and LKAB were asked whether they were interested in being included in the Nomination Committee, but they decided to decline. The composition of the Nomination Committee was published on the Company's website on September 29, 2016 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), Kari A.J. Järvinen, Solidium Oy, Åsa Nisell, Swedbank Robur Funds, Magnus Strömer, Handelsbanken 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 all current directors, namely Bengt Kjell, Petra Einarsson, Marika Fredriksson, Matti Lievonen, Martin Lindqvist, Annika Lundius, John Tulloch and Lars Westerberg, as well as the election of Pasi Laine as a new director. 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 board will comprise nine directors elected by the general meeting and no alternate directors, as was the case prior to the 2016 annual general meeting.

The Nomination Committee's first meeting pending the 2017 annual general meeting took place on October 5, 2016, 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 six 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 met with and interviewed Petra Einarsson and Marika Fredriksson concerning their view on the work of the board. The CEO Martin Lindqvist has reported to the Nomination Committee on the Company's operations and strategy and was interviewed regarding the cooperation between the board and the group executive committee. The Nomination Committee also met and interviewed the proposed directorial candidate Pasi Laine.

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 increase the total number of directors elected by the general meeting, the percentage of women will slightly decrease. However, the Nomination Committee will continue its work 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. 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, and the purpose of the Committee's proposal is to satisfy both these aspects. The proposed new candidate, Pasi Laine, holds a Master of Science degree in Engineering from the University of Technology in Helsinki and has been the President and CEO of Valmet Oyj since 2013. Pasi Laine possesses relevant knowledge and experience from both the industrial sector as well as with respect to the requirements applicable to a listed company. Pasi Laine is independent in relation to the Company and the Company's management, as well as in relation to major shareholders. Overall, the Nomination Committee considers that Pasi Laine satisfies the requirements on expertise and experience which has been adopted by the Nomination Committee in its requirements profile and, as such, that Pasi Laine is very well suited as board director of SSAB.

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 Padox AB, *et al.*

Previously Acting President of Industrivärden, CEO of Handel och Industri, Vice President of Industrivärden and Senior partner of Navet AB, as well as Chairman of Kungsleden AB and Skånska Byggvaror 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 of the Sandvik Materials Technology business area since 2013; 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'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 ÅF. Previously CFO of Gambro and Autoliv as well as Finance Director and Head of Strategy at Volvo Construction Equipment, and Director of Ferronordic Machines.

Independent in relation to the Company and its major shareholders.

Pasi Laine

Born: 1963

Proposed for new election.

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 Chairman of Nynäs AB, Vice Chairman of Chemical Industry Federation of Finland, Chairman of the Supervisory Board of Ilmarinen Mutual Pension Insurance Company, member of the Advisory Board of National Emergency Supply Agency (Finland) and of the Supervisory Board of the Finnish Fair Corporation. Previously held senior positions at UPM-Kymmene, Vice Chairman of the Confederation of European Paper Industries, Director of Rautaruukki, 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 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 Swedish Confederation of Industry.

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 Industrivärden and AMF Pension. Previously 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.

John Tulloch

Born: 1947

Director since 2009.

Holding: 15,000 shares

Experience and current appointments:

Bachelor of Agricultural Science (majored in Agricultural Economics) and Master of Science.

Director of Russel Metals Inc. Previously Executive Vice President, Steel & Chief Commercial

Officer of IPSCO and Executive Vice President of SSAB and President of IPSCO Division. The Company has informed the Nomination Committee that John Tulloch has a consultancy agreement with one of SSAB's US subsidiaries under which he is retained to provide advice regarding industry and customer issues in North America. The consultancy appointment is non-executive in nature and does not conflict with his appointment as a director.

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

Lars Westerberg

Born: 1948

Director since 2006.

Holding: 20,000 shares

Experience and current appointments:

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

Independent in relation to the Company and its major shareholders.