

Corporate Governance Report

Lindab International AB is a Swedish public limited company, which under the Articles of Association develops, produces and sells products to both the ventilation industry and the construction industry. Lindab is quoted on the NASDAQ OMX Nordic Exchange, Stockholm.

Lindab abides by the Swedish Code of Corporate Governance. The corporate governance report, including the remuneration of senior executives and the report on internal control, is reviewed by the company's auditors.

Lindab attaches great importance to corporate governance and this is supported by Lindab's core value, "Neatness and Order". The corporate governance of Lindab is based formally on the Articles of Association, the Companies Act, the adopted rules of procedure, the regulations of Stockholm Stock Exchange, the Swedish Code of Corporate Governance and other applicable Swedish and foreign laws and regulations. Lindab's corporate governance is clarified on page 50.

Deviations

The Nomination Committee consists of five members, three of whom, i.e. a majority, are members of the Board of Directors. The composition of the Nomination Committee was announced on 7 September 2012 in connection with the Extraordinary General Meeting. Since 16 October the entire Board constitutes the Audit Committee and Remuneration Committee.

Share capital and shareholders

Lindab's share capital amounted to SEK 78,707,820 at the end of the year. All shares have a face value of SEK 1, which means that there is only one class of share, numbering 78,707,820. Each share entitles the holder to one vote and an equal right to a share in the company's assets and results. Lindab holds 2,375,838 treasury shares following the sale of treasury shares in 2012. The number of outstanding shares is therefore 76,331,982. Lindab has no voting rights for the repurchased shares. There were 6,328 shareholders (6,129) at 31 December 2012. The four largest shareholders in relation to the number of outstanding shares were Creades with 12.2 percent (-), Systemair AB with 12.0 percent (-), Lannebo fonder with 9.0 percent (7.0) and Livförsäkringsaktiebolaget Skandia with 8.8 percent (9.5). Systemair are considered to be a related party to the company and transactions with them are reported in note 29. More information about Lindab's shareholders and the share development in 2012 can be found on pages 34–35.

General Meetings

Annual General Meeting 2012

The Annual General Meeting for the financial year 2011 was held on 9 May 2012 at the Lindab Arena in the municipality of Ängelholm. 202 shareholders participated. The minutes from the 2012 Annual General Meeting have been available on the company's website since 23 May 2012.

In addition to ordinary matters, the meeting adopted decisions regarding: guidelines for the appointment of the Nomination Committee, see below

- guidelines for remuneration for senior executives
- the Board's proposal to decide upon the introduction of a performance-based share savings programme (LTIP 2012)
- the Board's proposal requesting authorisation for the Board to transfer treasury shares.

Extraordinary General Meeting 2012

An Extraordinary General Meeting was held on 16 October 2012 at the request of the shareholder Systemair AB. 30 shareholders participated.

The General Meeting resolved:

- that there are to be six elected members of the Board
- that the Board shall be composed as detailed on page 48
- that Kjell Nilsson is the Chairman of the Board.

Annual General Meeting 2013

The Annual General Meeting for the financial year 2012 will be hosted at 14:00 (CET) on 15 May 2013 at the Lindab Arena, Ishallsvägen, in the municipality of Ängelholm. In accordance with the Articles of Association, notice to attend the Annual General Meeting will be published in Post och Inrikes Tidningar and on the company's website. It will be announced in Dagens Industri that the notice to attend has been given. Shareholders wishing to participate in the meeting must be entered into the company's share register 5 working days before the meeting, i.e. 8 May 2013, and must notify the company of their wish to participate as specified in the notice to attend the 2013 Annual General Meeting. Shareholders who wish to have a matter discussed at the Annual General Meeting must, as specified on the company's website, submit these matters to the Chairman of the Board no later than 27 March 2013.

Nomination Committee

At the Annual General Meeting in May 2012, it was decided that the company shall have a Nomination Committee consisting of at least four members, one of whom will be the Chairman of the Board. The Chairman is instructed to appoint a Nomination Committee prior to the 2012 Annual General Meeting, in consultation with the company's three largest shareholders. The mandate period for the Nomination Committee runs until a new Nomination Committee has been appointed.

As a result of the Extraordinary General Meeting being called, a Nomination Committee was formed on 31 August 2012 consisting of:

- Caroline af Ugglas, representative for Livförsäkringsaktiebolaget Skandia, Chairwoman
- Stefan Charette, representative for Creades AB
- Gerald Engström, representative for Systemair AB
- Ulf Gundemark, Chairman of the Board.

The Nomination Committee in this composition proposed the Extraordinary General Meeting in accordance with what is reported under Extraordinary General Meeting above.

At the meeting on 19 November, the Nomination Committee was expanded to include Peter Rönnström, representative for Lannebo fonder and Ulf Gundemark was replaced by Kjell Nilsson.

In accordance with the decision of the Annual General Meeting, the Nomination Committee shall evaluate the work and structure of the Board of Directors and produce proposals for the 2013 Annual General Meeting with regards to:

- election of Chairman for the 2013 Annual General Meeting
- election of the Board of Directors and Chairman of the Board of Directors
- election of auditors, when relevant
- fees for the Board of Directors and auditors
- composition of the Nomination Committee ahead of the 2014 Annual General Meeting.

The Nomination Committee held nine minuted meetings in 2012. In 2013, the Nomination Committee has held one minuted meeting prior to the 2013 Annual General Meeting.

The company's website states that shareholders wishing to make contact with the Nomination Committee may send:

- an email to carlgustav.nilsson@lindab.com (subject "To the Nomination Committee") or
- by letter addressed to: Lindab's Nomination Committee, Carl-Gustav Nilsson, Lindab International AB, SE-269 82, Båstad, Sweden.

The Board of Directors

It was decided at the Annual General Meeting on 9 May 2012, that the Board of Directors will consist of eight members without deputies. It was decided at the Extraordinary General Meeting on 16 October 2012, that the Board of Directors will consist of six members. The company's President is the spokesperson for the Board of Directors. The composition and the members' various appointments are detailed on pages 54–55 of the Annual Report.

The work of the Board of Directors

The work of the Board of Directors is governed by rules of procedure approved annually. The rules of procedure include the instructions to the Company's President, the duties of the Chairman, the Board's meeting procedures as well as the decision-making procedures together with instructions and policies. All documents have been adapted to Lindab's business and organisation. The company's former President, David Brodetsky, and the CFO, Per Nilsson, have been present at Board meetings, as well as the secretary of the Board of Directors, Chief Legal Counsel Carl-Gustav Nilsson, who has taken the minutes.

In 2012, the Board of Directors met seventeen times (two solely attributable to market reports), including eight additional meetings. At each scheduled meeting, the financial performance was reported and followed up. The Board held one meeting with the auditors, without the executive management present, to review the cooperation with the executive management regarding implementation of the audit process and other related matters. Key issues raised at Board meetings are shown separately.

Significant changes have been made to the composition of the Board of Directors during 2012. An evaluation of the work of the Board of Directors will therefore only take place in 2013. However, an evaluation of the President has been performed by the Board of Directors.

Key issues at each Board meeting

- 9 January Acquisition issues, financial targets, financing issues
- 13 February Year-end comments, auditors' report (present), financing issues, proposals for the Annual General Meeting, dividend, remuneration issues, internal control, acquisition issues
- 9 March Annual Report
- 21 March Acquisition issues
- 2 April Notice to attend the Annual General Meeting, incentive programme, investment decisions
- 26 April Interim report, acquisition issues, transfer of treasury shares
- 9 May Forecast, market review, acquisition issues, production facilities, remuneration issues
- 9 May Post-electoral Board meeting
- 27 June Acquisition issues, investments, production facilities, strategy issues
- 16 July Interim report, acquisition issues
- 22 August Briefing
- 6 September Performance review, forecast 2, acquisition issues, market review, strategy, production facilities
- 25 September Production facilities
- 16 October Post-electoral Board meeting
- 25 October Interim report
- 10 December Changes to the rules of procedure
- 13 December Budget, financing matters, acquisition matters, risk management, internal control, policy issues, remuneration issues

Breakdown of Board fees

| Name | Function | Board fees | Committee fees | Total |
|----------------------------------|----------|------------------|----------------|------------------|
| Kjell Nilsson ¹⁾ | Chairman | 136,291 | | 136,291 |
| Pontus Andersson ²⁾ | Member | 25,000 | - | 25,000 |
| Sonat Burman-Olsson | Member | 300,000 | 20,000 | 320,000 |
| Stefan Charette ³⁾ | Member | 203,904 | | 203,904 |
| Erik Eberhardson | Member | 300,000 | - | 300,000 |
| Gerald Engström ¹⁾ | Member | 62,903 | | 62,903 |
| Markku Rantala | Member | 25,000 | | 25,000 |
| Birgit Nørgaard ³⁾ | Member | 193,904 | | 193,904 |
| Per Frankling ⁴⁾ | Member | 237,903 | 20,000 | 257,903 |
| Ulf Gundemark ⁴⁾ | Chairman | 515,460 | 60,000 | 575,460 |
| Stig Karlsson ⁴⁾ | Member | 237,903 | 45,000 | 282,903 |
| Anders C. Karlsson ⁵⁾ | Member | 98,565 | | 98,565 |
| Annette Sadolin ⁵⁾ | Member | 107,258 | - | 107,258 |
| Jens Wikstedt ⁶⁾ | Member | 131,807 | | 131,807 |
| Total | | 2,477,333 | 145,000 | 2,622,333 |

The fees have been allocated proportionally.

The Board of Directors

| Name | Number of meetings present | | | Elected | | |
|---------------------------------------|-----------------------------------|--------------------------------------|-------------------------------|---------|-------------|-------------|
| | Board of Directors 17 meetings | Remuneration Committee 2 meetings | Audit Committee 3 meetings | Year | Company | Ownership |
| Kjell Nilsson, Chairman ¹⁾ | 4 | | | 2012 | Independent | Independent |
| Pontus Andersson ²⁾ | 15 | | | 1995 | | |
| Sonat Burman-Olsson | 16 | 2 | | 2011 | Independent | Independent |
| Stefan Charette ³⁾ | 10 | | 1 | 2012 | Independent | Dependent |
| Erik Eberhardson | 14 | | | 2009 | Independent | Independent |
| Gerald Engström ¹⁾ | 3 | | | 2012 | Independent | Dependent |
| Markku Rantala ²⁾ | 17 | | | 1998 | | |
| Birgit Nørgaard ³⁾ | 10 | | | 2012 | Independent | Independent |
| Per Frankling ⁴⁾ | 13 | 2 | | 2009 | Independent | Dependent |
| Ulf Gundemark, Chairman ⁴⁾ | 13 | 2 | 3 | 2009 | Independent | Independent |
| Stig Karlsson ⁴⁾ | 12 | | 3 | 2004 | Independent | Dependent |
| Anders C. Karlsson ⁵⁾ | 7 | | 2 | 2001 | Independent | Independent |
| Annette Sadolin ⁵⁾ | 6 | | | 2006 | Independent | Dependent |
| Jens Wikstedt ⁶⁾ | 6 | | | 2012 | Independent | Independent |

1) Elected to the Board of Directors on 16 October, mandate period covered 4 meetings.

2) Employee representatives replaced by deputies due to absence.

3) Elected to the Board of Directors on 9 May 2012, mandate period covered 10 meetings.

4) Resigned on 16 October 2012, mandate period covered 13 meetings.

5) Resigned on 9 May 2012, mandate period covered 7 meetings.

6) Elected to the Board of Directors on 9 May 2012, resigned on 16 October 2012. Mandate period covered 6 meetings.

Remuneration of the Board of Directors

At the Annual General Meeting on 9 May 2012, fees totalling SEK 2,990,000 were established, comprising Board fees of SEK 2,800,000, fees to the Audit Committee of SEK 120,000 and fees to the Remuneration Committee of SEK 70,000, see below. By reducing the Board of Directors to six members at the Extraordinary General Meeting on 16 October 2012, and by having the entire Board constituting the Remuneration Committee and the Audit Committee so that there are no committee fees, the Board's total remuneration is reduced to SEK 2,200,000. Remuneration of outgoing and incoming Board members and committee members has been paid proportionately for part of 2012.

Remuneration Committee

For the period ending 16 October 2012, the Remuneration Committee consisted of the Chairman of the Board, Ulf Gundemark, as Chairman, and the Board members Sonat Burman-Olsson and Per Frankling, and thereafter by the Board in its entirety. Acting as the Remuneration Committee, the Board of Directors shall prepare proposals for principles of remuneration of the executive management, to be approved by the Annual General Meeting. The Committee is also responsible for preparing questions regarding remuneration of the executive management to be decided by the Board of Directors. The Remuneration Committee was appointed at the Board meeting held on 9 May 2012 and has held two minuted meetings, at which matters relating to the remuneration of senior executives were discussed.

Audit Committee

For the period ending 16 October 2012, the Audit Committee consisted of Stig Karlsson (Chairman), Stefan Charette and Ulf Gundemark, as independent expert, and thereafter by the Board in its entirety. Acting as the Audit Committee, the Board of Directors with Sonat Burman-Olsson as independent expert, will ensure the quality of the financial statements, maintain ongoing contact with the auditors, evaluate the auditing work, assist the Nomination Committee during its preparations for the election of auditors, ensure that the company has a proper system for internal control and manage other related issues.

Auditors

At the 2010 Annual General Meeting, Ernst & Young were appointed to be the company's auditors for a term that will expire at the Annual General Meeting in 2014. The authorised public accountant Staffan Landén was elected at the 2010 Annual General Meeting and Jan Birgersson was elected at the 2012 Annual General Meeting to replace Bertel Enlund, who stepped down owing to retirement. Staffan Landén and Jan Birgersson are also commissioned by other listed companies, but this does not encroach on the time necessary to carry out their work for Lindab. The auditors do not perform any services that could bring their independence into question. Nor have the services performed by the auditors for Lindab over and above the auditing services altered this opinion.

Auditors' fees

For 2012, the auditors' fees paid to Ernst & Young amounted to SEK 0.3 m for the parent company and SEK 6.5 m for the Group. In addition, their fees for other services in the Group amounted to SEK 5.1 m. Services have included advice on tax matters, investigations and analysis in connection with acquisitions and divestments as well as investigations into certain accounting matters.

Rules of procedure

At the Annual General Meeting on 9 May 2012, the Board of Directors adopted rules of procedure for determining the distribution of duties between the Board of Directors and its committees, the Chairman's role, decision-making procedures and issues regarding financial reporting and internal control. The rules of procedure include the President's instructions for the clarification of the President's duties and responsibilities.

The Board of Directors, in its composition as of October 16, has adjusted its Rules of Procedure primarily regarding the removal of the Audit Committee and Remuneration Committee and the duties in this respect being performed by the Board in its entirety.

The Board of Directors has also established guidelines for the governance of the company and Group. These guidelines are explained below:

Code of Ethics

For Lindab and all its employees, it is important that laws, regulations and general ethical values are respected and followed. Lindab has insured itself of this through Lindab's Code of Ethics, which is monitored continuously.

Finance Policy

This governs how the Lindab Group manages financing issues, fixed interest periods, liquidity and currency exposure, see note 3.

Information Policy

The policy ensures that coherent and correct information about Lindab and its business, including financial targets, is received externally and that Lindab fulfils the requirements of the Stock Exchange regarding information to the stock market.

Insider Policy

This contains rules in order to prevent improper trading in shares or other financial instruments in Lindab by individuals who possess information that is not known to the stock market.

IPR policy

Intellectual property rights, consisting of registered rights such as patents, trademarks and designs, plus other rights such as copyrights, trade secrets and know-how, are valuable assets for Lindab. The policy describes the strategy and guidelines for Lindab's management and protection of intellectual property rights.

IT Policy

Lindab's IT Policy contains comprehensive rules for the Group's IT use and management. The goal is to ensure access to the IT structure that has been established to enable the business to be run effectively. It includes rules about how data centres are to be organised, including the management of critical IT equipment, access to support, backup procedures, and system administration.

Anti-corruption policy

Lindab has zero tolerance for corruption. The policy is the framework that supports Lindab's zero tolerance concerning this issue. The policy has been updated following the Swedish legislative changes made in 2012.

Competition Law Policy

It is important that the Group and its employees observe competition legislation. The adopted Competition Law Policy, which was implemented partly through the continuous training of executives and Group employees, protects against breaches of competition law.

Environmental Policy

An international Environmental Policy governs Lindab's environmental work, which is reported on pages 42–43.

Group management

Lindab's operations are divided into three Business Areas. The Group management consists of the President, the Group's business area managers, the CFO and Chief Legal Counsel. The HR Director was also included in Group Management for the period up to and including November 2012. This team structure ensures that the decision-making paths are short.

Overview of governance in the Lindab Group

Shareholders

Shareholders' right to decide about Lindab matters is exercised at the Annual General Meeting or, where appropriate at the Extraordinary General Meeting, which is Lindab's highest decision-making body. The Annual General Meeting is usually held during May in Båstad. The meeting decides upon matters referred to in the Companies Act or the company code.

Nomination Committee

The Nomination Committee submits proposals regarding various issues to the Annual General Meeting. See page 47.

Remuneration Committee

The Remuneration Committee assists the Board of Directors on remuneration issues. See page 49. From 16 October 2012, the Remuneration Committee consists of the Board in its entirety.

Audit Committee

The main task of the Audit Committee is to ensure compliance with the established principles for the financial statements and the internal control. See page 49. From 16 October 2012, the Audit Committee consists of the Board in its entirety.

The Board of Directors Composition of the Board of Directors

The Board of Directors consists of six members. The employees have appointed two members and two deputies to the Board of Directors. The President is the spokesperson for the Board of Directors. The Group's CFO participates in Board meetings, as does the Group's Chief Legal Counsel who is secretary to the Board of Directors. The Board of Directors has established two internal committees, the Audit Committee and the Remuneration Committee.

The Chairman's responsibilities

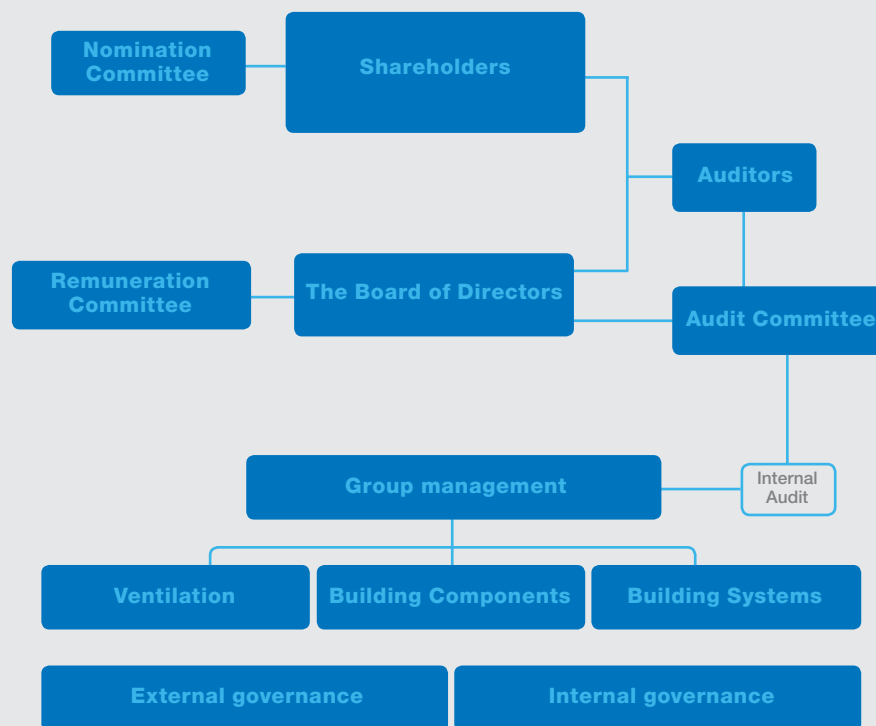
The Chairman leads the Board's work and follows its activities in dialogue with the President and is responsible for other Board members receiving the information and documentation necessary for high quality discussions and decisions. The Chairman represents the company in matters regarding ownership.

The work and responsibilities of the Board of Directors

The Board of Directors ensures that the Group's organisation, management and guidelines for the management of the Group's concerns are appropriate and that the internal control is satisfactory. In addition, the Board of Directors' responsibilities include the establishment of policies and objectives, establishing internal control instruments, deciding on key matters, issuing the financial statements as well as evaluating the operational management and ensuring succession planning. The Board of Directors' responsibilities include supervision of the President's work through continuous monitoring of operations.

The Board's responsibility for the financial statements

The Board of Directors ensures the quality of the internal financial statements through directing the President, and by directing the financial statements to the Board of Directors. Furthermore, the Board of Directors ensures the quality of the external financial statements through detailed discussion of interim reports, Annual Report and year-end report at Board meetings and during reviews with the auditor.



Auditors

Lindab's elected auditors review the company's Annual Report and accounts as well as the management of the Board of Directors and the President. The auditors work according to an audit plan and report their findings to the Group management and Audit Committee throughout the year and once annually to the Board of Directors. The auditors also participate at the Annual General Meeting to deliver the auditors' report, describing the review process and the observations made.

External governance

The external corporate governance consists of Swedish and foreign company law, Stock Exchange rules, the company code and other legislation that compellingly or dispositively governs Lindab's activities and corporate governance.

Internal governance

The internal corporate governance comprises the adopted rules of procedure together with instructions and policies based on Lindab's core values.

The President and Group management

The President leads the operations according to the framework established by the Board of Directors, including the instruction of the President. In consultation with the Chairman of the Board, the President provides the information and documentation necessary for the Board of Directors to be able to make informed decisions. The President presents issues and justifies proposals for decisions, and reports to the Board of Directors regarding Lindab's performance. The President leads the Group management work and makes decisions in consultation with the other members of the management team.

Internal audit and risk management

Lindab's Internal Control function reports regularly to the Group management and to Lindab's Audit Committee. The overall control environment that has been established by the Board and the management forms the basis for the internal control over financial reporting. See pages 52–53.

Remuneration to senior executives

Remuneration principles

At the 2012 Annual General Meeting, guidelines for the remuneration of senior executives were established. The guidelines are based on remuneration that reflects the market and the environment in which the executives operate. The remuneration should be competitive, facilitate recruitment and motivate employees to remain with the company.

The remuneration will consist of fixed salaries, variable salaries, benefits and pensions. The fixed salaries and benefits will be established individually, based on the above and on the specific skills of the post holder. The variable salary will be based on clear goals and awarded as a percentage of the fixed salary and will thus have a fixed ceiling of 20, 30 and 40 percent depending upon the position. The pension will be a defined contribution plan and shall be based on the same principles as for the fixed and variable salaries.

In special cases, the Board of Directors has the right to waive the guidelines. The Board of Directors has not exercised this mandate in 2012.

Remuneration and other benefits for the Group management are shown in the table on the right. A further SEK 7.9 m has been recorded relating to payroll overheads including special employer's contributions on pensions.

Remuneration of the President

David Brodetsky's fixed salary for 2012 totalled SEK 4,841,000 for the full year with a variable salary of up to 75 percent of the fixed salary, with the right to convert up to 35 percent of the variable salary to pension. The right to pension contributions amounts to 40 percent of the fixed and variable salary, but at least 55 percent of the fixed salary. In addition, David Brodetsky has the right to free accommodation for the duration of his employment, plus a free car and certain other benefits. What David Brodetsky received in 2012 is shown in the separate table. The employment runs with a notice period of one year from the company and six months from David Brodetsky. David Brodetsky is bound by a non-competition clause which is irrevocable by the company and is valid for one year from the termination of employment, during which he is entitled to remuneration equivalent to fixed and variable parts, plus the right to pension contributions as described above. Severance costs relating to David Brodetsky dismissal at the start of the first quarter 2013 were charged to the fourth quarter of 2012 as the process began during 2012. The costs are estimated at SEK 27 m.

Variable remuneration

Variable remuneration is based on the principles described in the section Remuneration principles.

Remuneration to Group management in general

For the full year 2012, the Group management included Nils-Johan Andersson, Peter Andsberg, Hans Berger, Carl-Gustav Nilsson and Per Nilsson. Christina Imméll was included in the Group management until November. The remuneration to Group management follows the guidelines adopted by the Annual General Meeting. The employment contracts contain notice periods of up to 24 months for the company and are bound with non-competition clauses.

Remuneration and other benefits for the Group management 2012

| SEK | David Brodetsky | Remuneration of other Group management | Total |
|--------------------------------|------------------|--|--------------------|
| Fixed salary incl. holiday pay | 4,918,456 | 11,927,242 | 16,845,698 |
| Variable salary | 1,016,610 | 1,449,152 | 2,465,762 |
| Incentive programme | 200,000 | 630,312 | 830,312 |
| Pension expenses | 2,827,625 | 2,348,766 | 5,176,391 |
| Benefits | 370,220 | 715,119 | 1,085,339 |
| Total | 9,332,911 | 17,070,591 | 26,403,502* |

Costs attributable to the dismissals of the President and HR Director

| SEK | Total |
|--------------------------------|--------------------|
| Fixed salary incl. holiday pay | 13,002,463 |
| Variable salary | 4,030,729 |
| Incentive programme | 0 |
| Pension expenses | 5,536,904 |
| Benefits | 415,000 |
| Total | 22,985,096* |

**) The above amount does not include social security contributions.*

Incentive programme

The Annual General Meeting 2012 decided, in accordance with the Board's proposal, to introduce a long-term incentive programme in the form of a performance-based share savings programme. The offer has been made to 83 participants in various management positions and senior executives at Lindab. Participation in the programme requires participants to make an initial investment in Lindab shares. The offer has been accepted by 63 people who have thereby acquired a total of 69,347 Lindab shares. Participation entitles the holder to receive new shares, provided that certain requirements are met. Performance is measured in the financial year for 2014 and compared to the financial year for 2011. On maximum allocation, 324,288 Lindab shares will be transferred to the participants. The total cost of the programme is estimated to be approximately SEK 5 m, based on a share price of SEK 45.66.

Evaluation

Prior to the 2011 Annual General Meeting, an external evaluation of Lindab's remuneration system was conducted by Nordea. The result of the evaluation was included in the meeting material ahead of the 2011 Annual General Meeting and was reported at the Annual General Meeting. Prior to the 2012 Annual General Meeting, the Board of Directors has conducted an internal evaluation via the Remuneration Committee. The conclusion drawn from the evaluation corresponds well with the statements and conclusions made by Nordea prior to the 2011 Annual General Meeting. The remuneration system is well balanced and the formulation of targets for the variable salary is based on predetermined targets. A review of the guidelines and remuneration principles will be conducted in 2013.

The Board of Directors' Report on Internal Control

The Board of Directors' Report on Internal Control for the Financial Year 2012

Lindab's Board of Directors is responsible for internal control in accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance. Lindab's financial statements comply with the laws and regulations applicable to companies listed on the NASDAQ OMX Nordic Exchange and the local rules in each country where business is conducted. The Board of Directors will issue a report on how the internal control over financial reporting is organised.

The objectives of Lindab's financial statements are:

- To be correct and complete and comply with applicable laws, rules and recommendations.
- To provide an accurate description of the company's operations.
- To support a rational and informed assessment of the business.

In addition to these objectives, the internal financial statements will provide support to correct business decisions at all levels within the Group.

The Board of Directors' description of the internal control uses the structure found in COSO's (Committee of Sponsoring Organizations of the Treadway Commission) framework as its starting point for internal control. This report has been established against this background.

Control environment

In order to create and maintain a working control environment, the Board of Directors has established a number of fundamental documents that are important for financial statements. These specifically include the Board of Directors' rules of procedure, instructions for the President and the committees. The primary responsibility for enforcing the Board's instructions regarding the control environment resides with the President. He reports regularly to the Board of Directors as part of established routines. Furthermore, there will be reports from the company's auditors.

The internal control structure also builds on a management system that is based on the company's organisation and methods of running the business, with clearly defined roles, areas of responsibility and delegated authorities. The controlling documents also play an important role in the control structure e.g. policies and guidelines including the Code of Ethics, which also includes business ethics. The controlling documents concerning accounting and financial statements comprise the most important parts of the control environment with regards to the financial statements.

These documents are continuously updated when, for example, there are changes to accounting standards, legislation and listing requirements.

Risk Assessment

The Group carries out an ongoing risk assessment for identifying material risks regarding the financial statements. With regards to the financial statements, the main risk is considered to comprise material misstatements in the accounts e.g. regarding book keeping and the valuation of assets, liabilities, income and expenses or other discrepancies. Fraud and losses through embezzlement are a further risk. Risk management is built into each process and different methods are used

for evaluating and limiting risks and for ensuring that the risks to which Lindab is exposed are managed in accordance with determined policies, instructions and established follow-up routines. The purpose of this is to minimise possible risks and promote correct accounting, reporting and the release of information.

Control Activities

These are intended for managing the risks that the Board of Directors and management consider to be significant for the business, the internal control and the financial statements.

The control structure partially consists of clear roles within the organisation which facilitate effective distribution of responsibilities for specific control activities, with the aim of discovering and preventing the risk of errors in the reports in time. Such control activities can be clear decision making and decision procedures for major decisions such as acquisitions, other types of larger investment, divestments, contracts, analytical follow-ups etc.

An important task for Lindab's staff is also to implement, further develop and enforce the Group's control routines and to implement the internal control for dealing with critical business matters. Those responsible for the process at different levels are responsible for implementing the necessary controls regarding the financial statements. In the annual accounts and reporting processes, there are controls pertaining to valuation, accounting principles and estimates. All units have their own controllers/financial managers who undertake an evaluation of their own reporting. The continual analysis made of the financial statements and the analysis made at Group level are very important for ensuring that the financial statements do not contain any material misstatements. The Group's controller organisation plays an important role in the internal control process and is responsible for ensuring that the financial statements from each unit are correct, complete and on time.

Information and communication

Lindab has internal information and communication channels that aim to promote completeness and correctness in the financial statements, e.g. through steering documents in the form of internal recommendations, guidelines and policies relating to the financial statements. Through regular updates and messages, the employees concerned are made aware of, and have access to, information about changes to accounting principles and reporting requirements or other released information. The organisation has access to policies and guidelines through the Group's intranet (Lindnet).

The Board of Directors receives monthly financial statements. The external information and communication is governed notably by the Information Policy, which describes Lindab's general principles for the release of information.

Follow up

The Group's adherence to the adopted policies and guidelines is followed-up by the Board of Directors and the executive management. The Company's financial situation is discussed at each Board meeting. The Board of Directors' Remuneration and Audit Committees play important roles with regards to, for example, remuneration, financial state-

ments and internal control. From 16 October 2012, the Audit Committee and Remuneration Committee consist of the Board in its entirety.

Before the publication of Interim Reports and Annual Reports, the Board of Directors reviews the financial statements. Lindab's management conducts monthly performance reviews with analyses of deviations from budget, forecasts and previous years. All monthly accounts are discussed with each business area's management. The external auditors' tasks include an annual review of the internal control in Group companies. The auditors normally attend Board meetings twice a year and report their findings from the review of internal control, the review of the third quarter financial statements and the review of the annual accounts.

Internal audit

Since 2008, Lindab has had an internal audit function that continuously reports directly to Lindab's Group management as well as to Lindab's Audit Committee. The direction and scope of the internal audit is determined by the Audit Committee. The completed internal audits are also reported directly to the Audit Committee. In 2012, the function

has continued to develop the internal controls through audits in accordance with an annual plan and through the development of Group policies and guidelines. This work has included offering advice to corporate functions in connection with the update of Group wide policies and various internal control issues within the organisation. Where control measures involve visits to subsidiaries, these activities are carried out according to an established and developed control process, which has been continuously developed during the year in order to optimise the approach and the provision of worthwhile reports. Within Lindab, the internal audit function aims to create added value for each operating unit by providing independent and objective scrutiny of the processes, and to identify and recommend improvements.

Internal audit is a dynamic process, evolving in line with the changes to the internal and external business conditions. This aims to ensure that the Group's objectives are met in terms of appropriate and effective processes, and that the financial statements are prepared in accordance with applicable laws and regulations in order to provide a reasonable assurance of reliability.

Båstad 7 March 2013

The Board of Directors of Lindab International AB

Auditor's report on the Corporate Governance Statement

To the annual meeting of the shareholders of Lindab International AB,

corporate identity number 556606-5446

It is the board of directors who is responsible for the corporate governance statement for the year 2012 on pages 52–53 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the corporate governance statement 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 statement is differ-

ent 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 statement has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Båstad 8 March 2013

Staffan Landén
Authorised Public Accountant
Ernst & Young AB

Jan Birgersson
Authorised Public Accountant
Ernst & Young AB

The Board of Directors



Kjell Nilsson

Born 1948.

Elected to the Board in 2012, independent. Chairman of the Board since 2012.

Kjell Nilsson was previously President and CEO of Semcon AB, Boliden AB and Trelleborg AB. He is the Chairman of Semcon AB and Symbrio AB. Board member of Choice Hotels AS, Home Properties AB and Home Invest AS.

Main qualifications: Economics and Business Studies Graduate from the School of Business, Economics and Law, University of Gothenburg.
Holding: 10,000 shares.



Birgit Nørgaard

Born 1958.

Elected to the Board in 2012, independent.

During the period 2006–2010 Birgit Nørgaard was CEO of the engineering consultancy company Grontmij, Carl Bro A/S and COO of Grontmij N.V. From 2003–2006 she was CEO of Carl Bro Group A/S. Her experience also includes Vice President at TDC Mobile International and Executive Vice President of Danisco Distillers. Birgit Nørgaard is Chairman of the Board of StockRate Invest, E. Pihl & Søn A.S. and NNE Pharmaplan A/S, as well as Board member of Danish Growth Capital, DSV A/S and Sonion A/S.

Main qualifications: M.Sc. MBA, INSEAD.
Holding: 0 shares.



Erik Eberhardson

Born 1970.

Elected to the Board in 2009, independent.

Vice President and founder of Ferronordic Machines AB and Ferronordic Group Ltd. Has extensive operational experience from Russia and Ukraine. President of Volvo Ukraine LLC between 1996–2000 and of Volvo Construction Equipment in the CIS countries and Russia from 2002 until 2005. Between 2005 and 2009, he held various positions within OJSC “GAZ”, Russia’s largest manufacturer of commercial vehicles, as Strategic Manager, President and Chairman. Between 2008 and 2009, he was a member of the Board of Magna International Ltd.

Main qualifications: MBA, Uppsala University.
Holding: 0 shares.



Pontus Andersson

Born 1966.

Elected to the Board in 1995.

Employee representative with Unionen (Swedish Union of Clerical and Technical Employees in Industry). Employed since 1987 and currently working as a development engineer. He has professional qualifications in engineering.

Holding: 250 shares.



Markku Rantala

Born 1952.

Elected to the Board in 1998.

Employee representative with LO (Swedish Trade Union Confederation). Employed since 1993 and currently working as Chairman of the local union branch of Lindab IF Metall.

Holding: 250 shares.



Gerald Engström

Born 1948.

Elected to the Board in 2012, dependent of the shareholder Systemair AB.

Board member as well as President and CEO of Systemair, and Chairman of Bluefish Pharmaceuticals AB.

Main qualifications: Upper secondary school qualification in Engineering, Business studies at Stockholm University.

Holding: 14,501 shares and indirectly 9,150,000 shares through Systemair AB and 600,000 shares through Färna Invest AB.



Sonat Burman-Olsson

Born 1958.

Elected to the Board in 2011, independent.

Deputy CEO and CFO of ICA Group since 2007. Before joining ICA, Sonat Burman-Olsson was Vice President of the Electrolux Group with responsibility for Global Marketing Strategies. She has also held positions as Senior Vice President, Operational Development for Electrolux Europe and Vice President, Finance for Electrolux International (Asia & Latin America). Prior to that, she held Executive Director positions at Siemens and British Petroleum.

Sonat Burman-Olsson is a member of the Boards of Tredje AP-fonden, ICA Banken and KappAhl.

Main qualifications: BBA and Executive MBA.

Holding: 0 shares.



Stefan Charette

Born 1972.

Elected to the Board in 2012, dependent of the shareholder Creades AB.

Stefan Charette is CEO of the investment company Creades AB. He was previously CEO of Investment AB Öresund, AB Custos and Brokk Group.

Stefan Charette is Chairman of the Board of Athanase Capital Partners AB, Concentric AB and NOTE AB, as well as Board member of Creades AB, Haldex AB and Transcom S.A.

Main qualifications: M.Sc. Mathematical Finance, B.Sc. Electrical Engineering.

Holding: 96,546 shares.

Peter Stensmar

Born 1964.

Elected to the Board in 2011.

Deputy employee representative. Employed since 1994 and currently working as an industrial sheet metal worker at Lindab Ventilation AB. Not pictured.

Holding: 400 shares.

Sandra Philipsson

Born 1982.

Elected to the Board in 2012.

Deputy employee representative. Employed since 2006 and currently working as design manager at Lindab Profil AB. Sandra is a mechanical engineer. Not pictured.

Holding: 50 shares.

Group management



Anders Berg

Born 1972.

President and CEO from 18 March 2013.

Employed since 2013.

Holding: 400 shares.



Per Nilsson

Born 1974.

CFO.

Employed since 1999.

Holding: 4,800 shares and 13,000 share warrants.



Carl-Gustav Nilsson

Born 1950.

Chief Legal Counsel. Acting President and CEO until 18 March 2013.

Employed since 2002.

Holding: 110,700 shares.



Nils-Johan Andersson

Born 1962.

Manager Ventilation business area.

Employed since 1999.

Holding: 125,295 shares.



Peter Andsberg

Born 1966.

Manager Building Components business area.

Employed since 1990.

Holding: 39,000 warrant options and 5,000 shares through legal entities.



Hans Berger

Born 1947.

Manager Building Systems business area.

Employed since 2010.

Holding: 50,000 shares.

Auditors

Staffan Landén

Born 1963.

Authorised Public Accountant, Ernst & Young AB, Gothenburg.

Auditor to Lindab since 2010. Extensive experience of auditing listed companies.

Not pictured.

Jan Birgeron

Born 1954.

Authorised Public Accountant, Ernst & Young AB, Stockholm.

Auditor to Lindab since 2012. Extensive experience of auditing listed companies.

Not pictured.