

Corporate Governance Report

Lindab International AB (publ) is a Swedish public limited company which, according to the Articles of Association, develops, produces and sells products to both the ventilation business area and the construction industry. Lindab is listed on the NASDAQ OMX Nordic Exchange in Stockholm.

Lindab applies the Swedish Code of Corporate Governance ("the Code").

The corporate governance of Lindab is based on the Articles of Association, the Companies Act, the Annual Accounts Act, the Board's rules of procedure, the regulations of the Stockholm Stock Exchange, the Code, and other applicable Swedish laws and regulations.

Lindab abides by the Code for the year 2015. However, it should be noted that, the Code, amongst other things, stipulates that Board members may serve on the Nomination Committee, but they may not represent the majority of the Nomination Committee's members. Lindab's Nomination Committee consists of four members, two of which are Board members. One of these members is the Chairman of the Board and one of the members represents Lindab's largest shareholder. None of these Board members are Chairman of the Nomination Committee. Lindab deems it appropriate that these representatives participate in the work of both the Nomination Committee and the Board.

Share capital and shareholders

Lindab's share capital amounted to SEK 78,707,820 at the end of the year. All shares, only one class, have a face value of SEK 1, meaning that the total number of shares amounts to 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. The number of outstanding shares therefore amounts to 76,331,982. Lindab has no voting rights for the repurchased shares. There were 8,313 shareholders (8,202) at 31 December 2015. The four largest shareholders, in relation to the number of outstanding shares, were Creades with 10.3 percent (10.3), Lannebo Fonder with 8.1 percent (9.0), Fjärde AP-fonden with 8.0 percent (3.3), and AFA Försäkring with 6.7 percent (4.3). More information about Lindab's shareholders and the share development in 2015 can be found on pages 42–43.

Annual General Meeting 2015

The Annual General Meeting for the financial year 2014 was held on 27 April 2015 in Grevieparken, in the municipality of Båstad. 220 shareholders participated. The minutes of the 2015 Annual General Meeting have been available since 11 May 2015 on the company's website.

In addition to other matters, the 2015 Annual General Meeting adopted decisions regarding:

- The re-election of the Chairman of the Board, Kjell Nilsson, and Board members Sonat Burman-Olsson, Stefan Charette, Erik Eberhardson and Hans Porat as well as the election of Marianne Brismar and Per Frankling as new members of the Board.
- The re-election of the registered accounting firm Deloitte AB as the company's auditors.

- Resolution regarding Nomination Committee
- Guidelines for remuneration of senior executives
- Authorisation for the Board to decide on the transfer of treasury shares.

Annual General Meeting 2016

The Annual General Meeting for the financial year 2015 will take place on 3 May 2016 at 16.00 in Grevieparken, Grevie, municipality of Båstad, Sweden. In accordance with the Articles of Association, notice to attend the Annual General Meeting will be published in the Official Swedish Gazette (Sw. Post and Inrikes Tidningar), as well as on the company's website. The fact that notice has been given will be published in Dagens Industri. Shareholders wishing to attend the meeting must be entered into the company's share register five weekdays before the meeting, i.e., 27 April 2016, and must notify the company as specified in the notice to attend the 2016 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 the matter to the Chairman no later than 15 March 2016.

Nomination Committee

At the 2015 Annual General Meeting, it was decided that the company must have a Nomination Committee consisting of a minimum of four members, one of whom will be the Chairman of the Board. The Chairman was instructed at the end of the third quarter of 2015 to contact the three largest shareholders in the company and request them to appoint their representative to the Nomination Committee as soon as possible. The Chairman of the Nomination Committee shall be the member who is appointed by the largest shareholder, unless agreed otherwise by the Nomination Committee. The Nomination Committee's mandate period runs until a new Nomination Committee has been appointed.

A Nomination Committee was constituted on 29 September 2015, comprising:

- Peter Rönström, representative for Lannebo Fonder (Chairman)
- Per Frankling, representative for Creades
- Per Colléen, representative for Fjärde AP-fonden
- Kjell Nilsson, Chairman of the Board of Lindab International AB (publ).

In accordance with the resolution at the Annual General Meeting, the Nomination Committee must evaluate the composition and work of the Board of Directors and submit proposals for the 2016 Annual General Meeting with regard to:

- election of the Chairman at the 2016 Annual General Meeting
- election of the Board and Chairman of the Board
- election of auditors
- fees for the Board of Directors, any Board committee and auditors
- composition of the Nomination Committee for the 2017 Annual General Meeting.

The Nomination Committee held two minuted meetings in 2015. In 2016, the Nomination Committee held three minuted meeting prior to the 2016 Annual General Meeting.

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

- an e-mail to fredrik.liedholm@lindab.com (subject "To the Nomination Committee") or
- a letter to "Lindab's Nomination Committee", Fredrik Liedholm, Lindab International AB (publ), SE-269 82 Båstad, Sweden.

Board of Directors

At the Annual General Meeting on 27 April 2015, it was decided that the Board of Directors would consist of six members without deputies. The company's CEO is the rapporteur for the Board of Directors. The various assignments of the members of the Board of Directors are shown on page 52 of the Annual Report.

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 CEO, the duties of the Chairman, the Board's meeting procedures as well as decision-making procedures together with instructions and policies. The Group's Executive management has been present at Board meetings.

During 2015, the Board of Directors had eight board meetings. At each ordinary 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 addressed at Board meetings are shown separately.

An evaluation of the work of the Board took place in 2015. All Board members have carried out a written evaluation of the work of the Board and answered a number of questions relating to the work from various aspects. The members' answers have been compiled and reported to the Board and the Nomination Committee. The Board has also evaluated the CEO's performance in 2015. The evaluations showed that the work of the CEO and the Board have been well performed.

The Board of Directors and breakdown of Board fees

Name	Function	Number of meetings present 8 meetings	Elected year	Company	Ownership	Board fees
Kjell Nilsson	Chairman	8	2012	Independent	Independent	650,000
Pontus Andersson ¹⁾	Member	8	1995			25,000
Marianne Brismar ²⁾	Member	6	2015	Independent	Dependent	200,000
Sonat Burman-Olsson	Member	8	2011	Independent	Independent	300,000
Stefan Charette ³⁾	Member	1	2012	Independent	Dependent	100,000
Erik Eberhardson	Member	6	2009	Independent	Independent	300,000
Per Frankling ³⁾	Member	6	2015	Independent	Dependent	200,000
Birgit Nørgaard ³⁾	Member	2	2012	Independent	Independent	100,000
Hans Porat	Member	8	2014	Independent	Independent	300,000
Markku Rantala ¹⁾	Member	8	1998			25,000
Total						2,200,000

¹⁾ Employee representatives replaced by deputies due to absence

²⁾ Elected to the Board of Directors on 27 April 2015, mandate period covered six meetings

³⁾ Resigned on 27 April 2015, mandate period covered two meetings

Key issues at each Board meeting

- 9 Feb Year-end Report 2015, dividend
- 27 April Quarterly report, acquisitions
- 27 April Constitutive meeting
- 16 June Rules of procedure, strategy, acquisitions, divestments
- 16 July Interim Report
- 16 Sept Visit, subsidiary in the Czech Republic
- 26 Oct Interim report, Board evaluation
- 14 Dec Budget

Remuneration to the Board of Directors

At the Annual General Meeting on 27 April 2015, fees totalling SEK 2,200,000 were resolved and allocated as follows: SEK 650,000 to the Chairman of the Board, SEK 300,000 to each of the other elected Board members and SEK 25,000 to each of the employee representatives.

Remuneration Committee

The Board in its entirety performs the duties of the Remuneration Committee as this is deemed appropriate considering the high priority of the issues concerned. No separate fee is paid for the Remuneration Committee as it consists of the Board of Directors in its entirety.

Audit Committee

In addition, the Board in its entirety will discharge matters that are referred to the Audit Committee. The Board will thus ensure the quality of the financial statements, maintain ongoing contact with the auditors, evaluate the auditing work, assist the Nomination Committee in its preparations for the election of auditors, ensure that the company has a proper system for internal control, risk management and other related issues. Sonat Burman-Olsson is an independent member with specialist expertise in accounting and auditing matters. No separate fee is paid for the Audit Committee as it consists of the Board of Directors in its entirety.

Auditors

At the 2015 Annual General Meeting, the accounting firm Deloitte AB was elected to be the company's auditor. Authorised public accountant Hans Warén was appointed as lead auditor. Hans Warén is also appointed by other listed companies, but this does not encroach on the time necessary to carry out his work for Lindab. The accounting firm, Deloitte AB, and the lead auditor, Hans Warén, do not perform any services that could bring their independence into question. Nor have the services performed by the auditor for Lindab, over and above the auditing services, altered this opinion.

Auditors' fees

The auditors' fees paid to the company's accounting firm, Deloitte AB, amounted to SEK 0.3 m for the parent company and SEK 6.3 m for the Group. Fees paid to Deloitte for other services for the Group amounted to SEK 3.4 m.

Rules of Procedure

At the constitutive Board Meeting on 27 April 2015, the Board of Directors adopted rules of procedure for determining the distribution of duties between the members of the Board, the Chairman's role, decision-making procedures and issues regarding financial reporting and internal control. The rules of procedure include the CEO's instructions for the determination of the CEO's duties and responsibilities.

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

Corporate Governance Policy

Lindab has identified three main areas, CSR, internal control and compliance, within corporate governance and has established a Corporate Governance Committee, CGC, which is primarily responsible for ensuring good corporate governance within the Group.

Code of Conduct

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

Information Policy

The policy ensures that the public receives coherent and correct information about Lindab and its business, including financial targets, and that Lindab fulfils the requirements of the stock exchange regarding information to the stock market.

Insider Policy

This policy 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 by the market.

IPR Policy

Intellectual property rights, consisting of registered rights, such as patents, trade marks and designs, as well as other rights such as copyright, trade secrets and know-how, are valuable assets for Lindab. The policy describes the strategy and guidelines for Lindab's management and protection of their 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 built to enable the business to be run effectively. It contains rules about how the data centres will 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 regulatory framework for Lindab's business and employees.

Anti-trust Policy

It is important that the Group and its employees observe competition legislation. The adopted Anti-trust Policy protects against breaches of competition legislation.

Environmental Policy

An Environmental Policy governs Lindab's work with environmental issues and ensures that the operations are conducted with consideration to the environment and that the product solutions offered help make buildings more energy-efficient.

Working Environment Policy

The Working Environment Policy is in line with Lindab's efforts to ensure a safe and healthy working environment. The policy provides a clear message concerning responsibility and that the key to a safe working environment is prevention.

Treasury Policy

The purpose of the Treasury Policy is to define the framework for the Lindab Group's management of financial risks and transactions. These issues are handled centrally by the Group treasury function in order to minimise costs.

Equal Opportunity Policy

The Policy establishes guidelines to ensure that all employees at Lindab receive equal treatment and that no one is discriminated based on their gender, religion, ethnicity, or other similar reasons.

CEO and Executive management

Anders Berg is President and CEO of Lindab since 18 March 2013. For the full year 2015, in addition to Anders Berg, President and CEO, the Executive management included Fredrik Liedholm, General Counsel and M&A- and HR Director, and Bengt Andersson, Group Market and Product Director. Former CFO Per Nilsson was included in the Executive management until 30 April 2015. He was then replaced by acting CFO Linda Kjellgren. On 1 December 2015, Kristian Ackeby took over as new CFO.

Overview of governance in the Lindab Group

Shareholders

Shareholders' rights to decide on Lindab matters are 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 April or May in Ängelholm or Båstad. The Annual General Meeting decides on matters referred to in the Companies Act and the company Code, including matters concerning amendments of the Articles of Association and election of the Board of Directors and auditors.

Nomination Committee

The Nomination Committee submits proposals to the Annual General Meeting for the election of the Chairman of the Meeting, Board of Directors, Chairman of the Board, auditors, remuneration of the Board and auditors, as well as composition of the Nomination Committee prior to the next Annual General Meeting.

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 CEO. The auditors work according to an audit plan and report their findings to the Executive management throughout the year and at least once annually to the Board of Directors. The auditors also attend the Annual General Meeting to deliver the Auditors' Report which describes the review process and observations made.

Board of Directors

Composition of the Board of Directors

According to the Articles of Association, the Board must consist of between three and ten members, with a maximum of ten deputies. Members and deputies are elected at the Annual General Meeting for the period from the date of the Annual General Meeting until the end of the next Annual General Meeting. The Board consists of six members elected by the Annual General Meeting and two employee representatives. The employees have also appointed two deputies to the Board. The CEO is the rapporteur for the Board of Directors. The rest of the Executive management also participates in the Board meetings.

The Chairman's responsibilities

The Chairman leads the Board's work, follows its activities in dialogue with the CEO 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 affairs 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 CEO'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 instructions to the CEO, 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 the interim reports, Annual Report and Year-end Report at Board meetings and during reviews with the auditors.



External control

The external regulations concerning Lindab's corporate governance include the Companies Act, the Annual Accounts Act, rules for issuers of shares on the NASDAQ OMX Exchange, Stockholm, and the Code.

Internal control

The internal corporate governance includes the Board's adopted rules of procedure together with codes or policies as well as other corporate governance documents such as directives adopted by the Executive management. Lindab's Corporate Governance Policy and Code of Conduct constitute the two overall most important policy documents. Lindab has established a Corporate Governance Committee whose main task is to ensure good corporate governance within the Group.

Internal audit

Lindab has an internal audit function that continuously reports directly to the Executive management which, in turn, reports to the Board of Directors. The internal audit is designed 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.

CSR

An important part of the governance of the Group is Lindab's commitment to social responsibility, CSR. Among other things, CSR deals with how Lindab treats its employees and conducts itself in society. CSR is also concerned with Lindab's focused work on continuous environmental improvements.

Compliance

Compliance is about ensuring that Lindab complies with laws and other applicable regulations and that the company is operated to the highest standards of integrity and ethics. Within this area, Lindab has, among other things, adopted policies to prevent all forms of corruption and anti-competitive behaviour.

Remuneration of senior executives

Remuneration principles

At the 2015 Annual General Meeting, guidelines for the remuneration of senior executives were established. The guidelines are based on remuneration that reflects the market and 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 each individual. The variable salary will be based on clear goals for the Group and awarded as a percentage of the fixed salary and will have a cap not exceeding 50 percent of the fixed remuneration. The pension will be a defined contribution plan. The extent of the pension is founded on the same criteria as for fixed remuneration and based partly on fixed and partly on variable salaries. In special cases, the Board of Directors has the right to deviate from the guidelines. The Board of Directors did not exercise this mandate in 2015.

Remuneration and other benefits for the Executive management are shown in the table on the right. A further SEK 3.3 m has been recorded relating to payroll overheads, including special employers' contributions on pensions.

Remuneration of the CEO

Anders Berg's fixed salary for 2015 totalled SEK 3,600,000. Anders Berg can also receive a variable salary of up to 50 percent of the fixed salary. Pension contribution entitlements amount to 30 percent of the fixed salary. In addition, Anders Berg has the right to a free car and certain other benefits. Payments received by Anders Berg in 2015 are shown in a separate table. The notice period for Anders Berg is twelve months on the part of the company and six months on the part of Anders Berg. During the notice period, Anders Berg is entitled to retain his salary and employee benefits, excluding the variable remuneration. Anders Berg is bound by a non-competition clause that is valid for two years from the termination of employment, during which he is entitled to remuneration of up to 60 percent of the fixed salary. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to Anders Berg.

Remuneration to Executive Management in general

For the full year 2015, the Executive management included Anders Berg, President and CEO, Fredrik Liedholm, General Counsel and M&A- and HR Director, and Bengt Andersson, Group Market and Product Director. Former CFO Per Nilsson was included in the Executive management until 1 May 2015. Acting CFO Linda Kjellgren was then part of the Executive management until she was replaced by CFO Kristian Ackeby on 1 December 2015. The remuneration to the Executive management follows the guidelines adopted by the Annual General Meeting. The employment contracts of the current Executive management include notice periods of twelve months on the part of the company and six months on the part of the employee. During the notice period, the company may exercise the right to release the employee from the duty to work, whereby any salary from another employer will be deducted from the salary the employee receives from Lindab during the notice period. The Executive Management is bound by non-competition clauses effective for one year from the expiration of employment, during which they are entitled to remuneration of up to 60 or 20 percent, of the fixed salary. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to the employee.

Remuneration and other benefits for the Executive management 2015

SEK	Anders Berg	Remuneration of other Executive management*	Total
Fixed salary incl. holiday pay	3,669,600	4,681,764	8,351,364
Variable salary	0	0	0
Incentive programme	0	352,555	352,555
Pension expenses	1,080,000	1,203,603	2,283,603
Benefits	133,624	211,429	345,053
Total	4,883,224	6,449,351	11,332,575**

**) Includes remuneration for Per Nilsson until 30 April 2015, for Linda Kjellgren from 1 May 2015 to 30 November 2015 and for Kristian Ackeby from 1 December 2015.*

****) The above amount does not include social security contributions or special employers' contributions.*

Incentive programme

The Annual General Meetings in 2011 and 2012 decided to introduce long-term incentive programmes in the form of performance-based share-savings programmes for each year. Participation in these programmes required participants to make their own investments in Lindab shares. Participation entitled the holder to receive new shares, provided that certain requirements were met. The first programme was settled on 30 June 2014. The second programme was settled on 12 June 2015 and included 45 people who together invested in a total of 46,057 shares. In total, 46,057 matching shares were allocated. No allocation of performance shares has occurred as none of the set targets were met. The total cost of the second programme was approximately SEK 2 m.

The Board did not propose an incentive programme the 2013–2015 Annual General Meetings.

Evaluation

The Board has monitored and evaluated the company's programmes for variable remuneration to the Executive management, the application of guidelines for remuneration to senior executives and applicable remuneration structures and levels of remuneration in the company. The variable remuneration to the Executive management has been found to be appropriate and in accordance with the guidelines laid down by the Annual General Meeting. The application of guidelines for the remuneration of senior executives was also found to be correct and the Board's assessment is that the remuneration for senior executives provides a good balance between motivating employees and providing compensation in a competitive manner. Thus, the remuneration structures and levels within the company are well balanced and in accordance with market practice.

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 Chairman of Semcon AB.

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

Holding: 60,000 own shares and 110,000 shares through insurance.



Erik Eberhardson

Born 1970.

Elected to the Board in 2009, independent.

Executive Vice Chairman and founder of Ferronordic Machines AB and Scandsib Holdings Ltd. President of Volvo Ukraine LLC, 1996–2000, and of Volvo Construction Equipment in the CIS countries, 2002–2005. Between 2005 and 2009, Erik Eberhardson held various positions in OJSC “GAZ”, Russia’s largest manufacturer of commercial vehicles, as Strategic Manager, President and Chairman.

Main qualifications: MBA at Uppsala University, and Engineering Physics at Royal Institute of Technology in Stockholm.

Holding: 0 shares.



Sonat Burman-Olsson

Born 1958.

Elected to the Board in 2011, independent.

President and CEO of COOP Sverige AB since 2014. Deputy CEO and CFO of the ICA Group from 2007 to 2013. Prior to the above, 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). Sonat Burman-Olsson is a member of the Boards of Tredje AP-fonden, Svensk Handel and Svensk Dagligvaruhandel.

Main qualifications: M.Sc. in Business and Economics, Executive MBA and retail management training in Oxford and at Harvard.

Holding: 0 shares.



Hans Porat

Born 1955.

Elected to the Board in 2014, independent.

President and CEO of Nolato AB with many years of experience from leading positions within Fläkt AB, ABB, Vice President of Trelleborg AB and CEO of Gadelius Trelleborg AB Japan. Other directorships: Autoropa AB, Nolato AB.

Main qualifications: Mining engineering.

Holding: 10,000 shares.

Kjell Nilsson, Chairman of the Board

The transformation of Lindab must contribute to strengthening our offering

It has been another intense year for Lindab’s Board of Directors. What has been the most important part of your work?

Naturally, there’s been a lot of focus on assisting the Executive management in implementing the strategy. It’s important that all the decisions made by the Board contribute to supporting the transformation and development of Lindab, creating an integrated and customer-focused company that can take advantage of global trends and internal strengths to a even greater extent.





Per Frankling

Born 1971.

Elected to the Board in 2015, dependent on the shareholder Creades AB.

CEO of Creades AB. Board member of Transcom and Acne studios. Chairman of the Board of Inet. He has previously served as Investment Director of Ratos AB, management consultant at McKinsey and Arkwright as well as a member of the Board of Lindab and Inwido, Tornet, Stofa, Nordic Cinema Group, Nebula, Jøtul and others. Main qualifications: M.Sc. in Business and Economics, Stockholm School of Economics and M.Sc. in Engineering, Royal Institute of Technology in Stockholm.

Holding: 0 shares.



Marianne Brismar

Born 1961.

Elected to the Board in 2015, dependent on the shareholder Creades AB.

Former CEO and owner of Atlet AB. Board member of Beijer Alma AB, Concentric AB, Axel Johnson International AB, Semcon AB, Creades AB and JOAB AB.

Main qualifications: Pharmacist and M.Sc. in Business and Economics, University of Gothenburg.

Holding: 10,000 shares.



Markku Rantala

Born 1952.

Elected to the Board in 1998.

Employee representative with LO (Swedish Trade Union Confederation). Employed since 1993 and currently Chairman of Verkstadsklubben Lindab IF Metall.

Holding: 250 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 a technical collage graduate in engineering.

Holding: 250 shares.

After seven acquisitions in two years, is there scope for additional acquisitions in the coming years?

All acquisitions, regardless of size, are about quickly familiarising new employees with Lindab's work processes. We have therefore not only considered which companies and skills we need, but also whether the culture was the right one. IMP Klima, Nather and MP3 are good examples of how quickly we have begun to speak the same language in a short period of time. This ensures faster roll-out of new, innovative offerings, among other things. More acquisitions may be considered, but it's also important that we deliver on the promises made with respect to the acquisitions already completed.

Sales continued to grow in 2015, but profitability fell. What will it take for Lindab to be able to achieve its goal of an operating margin of 10 percent in one business cycle?

The transformation of Lindab is also about strengthening the offering, developing more complete solutions within ventilation and indoor climate, thereby increasing the sales volume while also getting paid for our expertise. This, combined with the continued streamlining of pur-

chasing, production and logistics, will gradually bring Lindab one step closer to its operating margin target.

One final question: what should be the Board's primary focus areas for 2016?

As in 2015, we need to do what's required to support management in the strategy work. 2016 will be an exciting year with many new products and solutions to be rolled out in all Lindab's markets, and the new distribution centre in Grevie will also be taking shape. In recent years, much hard work has gone into advancing Products & Solutions' and Building Systems' positions. Now the trick is to translate this into continued profitable growth, despite challenging markets.

Executive management



Anders Berg

Born 1972.

President and CEO (member of the Executive Board since 2013).

Employed since 2013.

Directorships: Board member of Symbrio AB.

Professional experience: Various positions within the SSAB Group, including Vice President, in Shanghai, China, and Managing Director of Plannja AB.

Main qualifications: M.Sc. in Industrial Engineering, Luleå University of Technology.

Holding: 66,000 shares.



Bengt Andersson

Born: 1960.

Product and Market Director (member of the Executive management since 2014).

Employed since 1991.

Professional experience: Has held various positions within the Lindab Group.

Main qualifications: Technical college graduate, in mechanical engineering.

Holding: 46,900 shares.

Related party holdings: 5,690 shares.



Fredrik Liedholm

Born: 1964.

General Counsel, M&A- and HR Director (member of the Executive management since 2014).

Employed since 2014.

Professional experience: Legal counsel, Frigoscandia Equipment AB, Associate General Counsel, FMC Technologies, Advokatfirman Lindahl, and most recently General Counsel, Kockums AB.

Main qualifications: Master of Laws, Lund University.

Holding: 1,500 shares.



Kristian Ackeby

Born: 1977.

Chief Financial Officer (member of the Executive management since 2015).

Employed since 2015.

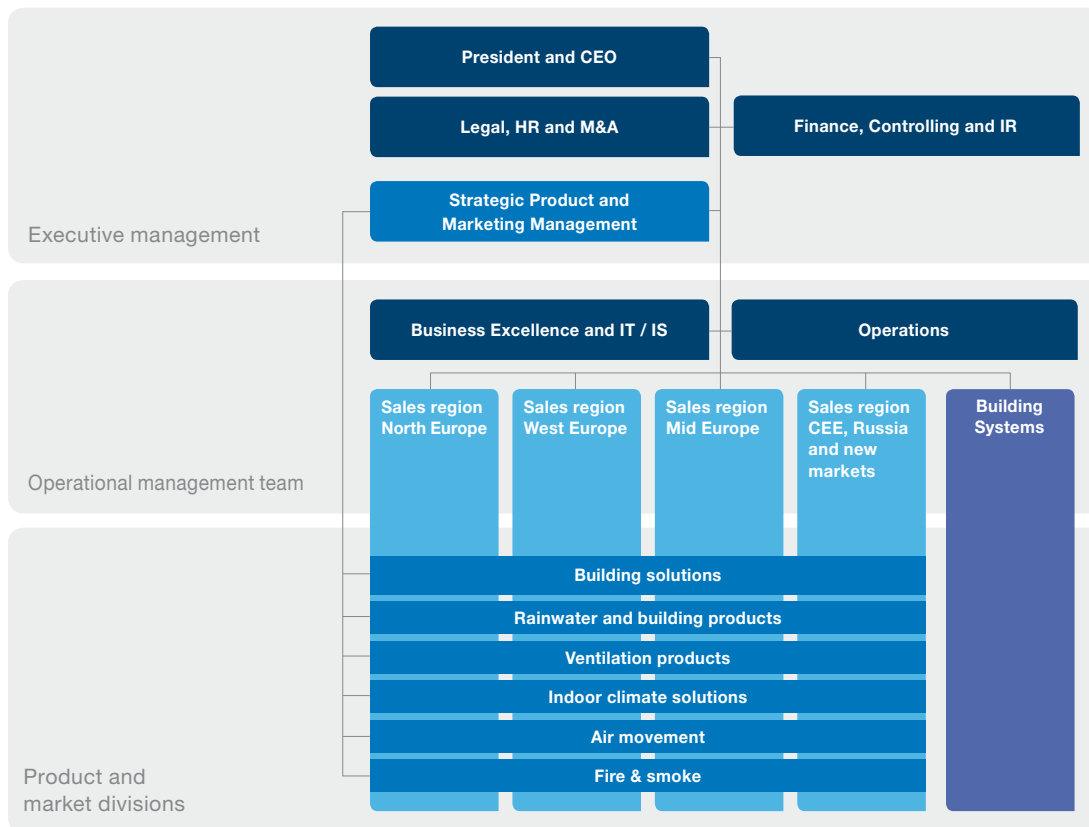
Professional experience: Various positions within the Autoliv Group and most recently Vice President, Corporate Control. Previously Financial Manager, Coop Inköp and Kategori AB.

Main qualifications: B.Sc. in Business and Economics, University of Skövde.

Holding: 3,000 shares.

Lindab's organisation

Lindab's matrix organisation – with four geographical sales regions, six product areas and one division – allows Lindab to get even closer to its customers and better utilise synergies and expertise within the Group. The operational management team consists of a total of ten people, including the four members of the Executive management, and focuses on strengthening the Group's offering.



Auditors

Deloitte AB

Lead auditor:

Hans Warén

Born 1964.

Authorised public accountant, Deloitte AB, Gothenburg, Sweden.

Auditor to Lindab since 2014.

Extensive experience of publicly listed companies.

The Board of Directors' Report on Internal Control

The Board of Directors' Report on Internal Control for the Financial Year 2015

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 of each of the countries in which business is conducted. The Board of Directors will issue a report on how the internal control of the financial statements is organised.

The objectives of Lindab's financial statements are:

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

In addition to these objectives, the internal financial statements will provide support to ensure correct business decisions are made at every level within the Group.

The Board of Directors' description of the internal control uses the structure found in COSO's (Committee of Sponsoring Organisations 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 CEO and the committees. The primary responsibility for enforcing the Board's instructions regarding the control environment resides with the CEO. He reports regularly to the Board as part of established routines. In addition, reports are issued by the company's auditors.

The internal control structure is based on a management system that is based on the company's organisation and methods for 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 concerned with accounting and financial reporting comprise the most important parts of the control environment with regard to the financial statements.

Risk assessment

The Group carries out an ongoing risk assessment to identify material risks. Lindab's risk management consists in identifying, measuring and trying to prevent risks from being realised, and continually making improvements to minimise potential risks. Since 2012, Lindab has a risk management programme, Enterprise Risk Management (ERM), covering all parts of the business including segments and Group functions. The aim is to work on the prevention of risks in a more structured way than previously.

The main risk associated with the financial statements is considered to be material misstatements in the accounts, e.g. regarding the accounting and valuation of assets, liabilities, income and expenses or other discrepancies. Further risks include fraud and losses through embezzlement. Risk management is built into every process while various methods are

used to evaluate and limit risks, and ensure that the risks to which Lindab is exposed are managed according to established policies, instructions and follow-up procedures. This is to minimise potential risks and promote accurate accounting, reporting and the issuing of information.

Control activities

Control activities are designed to manage 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 consists of clear roles within the organisation that allow for efficient distribution of responsibilities for specific control activities, the aim being to discover and prevent any risk of errors in the reports. Such activities may include clear decision-making processes for major decisions such as acquisitions and other types of major investment, divestments, agreements and analytical follow-ups.

Another important task for Lindab's staff is to implement, develop and maintain the Group's control routines and implement internal controls for dealing with business-critical issues. Process managers at various levels are responsible for implementing the necessary controls regarding the financial statements. The accounting and reporting processes include controls pertaining to valuation, accounting principles and estimates. All reporting units have their own controllers/financial managers who are responsible for ensuring accurate reporting. Continual analysis of the financial statements, together with the analysis performed at Group level, is extremely important to ensure that the financial statements are free from material misstatement. 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 accurate, complete, and timely.

Information and communication

Lindab has internal information and communication channels aimed at promoting completeness and accuracy in the financial statements, for example by means of controlling documents in the form of internal instructions, guidelines and policies relating to the financial statements. Regular updates and communications concerning changes in accounting policies, reporting requirements or other forms of information are made available and known to the employees concerned. The organisation has access to policies and guidelines through the Group's intranet (Lindnet).

The Board of Directors receives financial statements on a regular basis. External information and communication is controlled by the company's Information Policy which describes Lindab's general principles for releasing information.

Follow-up

The Group's compliance with adopted policies and guidelines is followed up by the Board of Directors and Executive management. The company's financial situation is discussed at every Board meeting. The Board's Remuneration Committee and Audit Committee play an important role in matters concerned with remuneration, financial statements and internal control. The Board of Directors in its entirety constitutes both the Audit Committee and the Remuneration Committee.

Before the publication of interim and annual reports, the Board of Directors reviews the financial statements. Lindab's management conducts monthly result follow-ups with analyses of deviations from budget, forecast and previous years. The external auditors' duties also include an annual

review of the internal control of the Group companies. The auditors normally attend the Board meetings twice a year and report their findings from their audit of the internal control, their preliminary audit of the third quarter financial statements and their audit of the financial statements.

Lindab has identified three main areas, CSR, internal control and compliance, within corporate governance and has set up a Corporate Governance Committee, CGC, which is primarily responsible for ensuring good corporate governance within the Group.

Internal audit

Lindab has an internal audit function that is an integral part of the Group financial function. This function reports continuously to Lindab's Execu-

tive management which in turn reports to Lindab's Board of Directors in its capacity as Audit Committee. The direction and scope of the internal audit work is determined by the Board. The function develops the internal control by means of audits according to an annual plan. This included consultancy work in relation to internal control issues within the business. Control measures that involve visits to subsidiaries are implemented according to an established and evolved control process which has been continuously developed throughout the year to optimise the approach and provision of value-added reports. The aim of Lindab's internal audit function is to create added value for each operating unit by providing independent, objective scrutiny of its processes, and to identify and recommend improvements.

Båstad, 10 March 2016

Board of Lindab International AB (publ)

Auditor's statement concerning the Corporate Governance Report

To the Annual General Meeting of the shareholders of Lindab International AB,

Corporate Identity Number 556606-5446

The Board is responsible for the Corporate Governance Report for 2015, which is included in the printed version of this document on pages 47–57, and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Report and, based on this reading and our knowledge of the company and the Group, we believe that we have a sufficient basis for our opinions. This implies that our statutory

examination of the Corporate Governance Report has a different focus and is substantially smaller 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 consolidated accounts.

Gothenburg, 10 March 2016

Deloitte AB

Hans Warén
Authorised Public Accountant