

Corporate Governance Report

Lindab International AB (publ) is a Swedish public limited company which, according to the Articles of Association, develops, manufactures and sells products to the ventilation industry 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 2016 Code. However, it should be noted that, among other things, the Code 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 up until the Annual General Meeting in 2016 consisted of four members, two of which were members of the Board of Directors. One of these members was the Chairman of the Board, and one of the members represented Lindab's largest shareholder. None of these Board members were Chairman of the Nomination Committee. Lindab deemed 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 7,257 shareholders (8,313) on 31 December 2016. The four largest shareholders, in relation to the number of outstanding shares, were Creades with 10.3 percent (10.3), Handelsbanken Fonder with 8.1 percent (6.1), Fjärde AP-fonden with 8.0 percent (8.0) and Lannebo Fonder with 8.0 percent (8.1). More information about Lindab's shareholders and the share's performance in 2016 can be found on pages 44–45.

Annual General Meeting 2016

The Annual General Meeting for the financial year 2015 was held on 3 April 2016 in Grevieparken, in the municipality of Båstad. 220 shareholders participated. The minutes of the 2016 Annual General Meeting have been available since 17 May 2016 on the company's website.

In addition to other matters, the 2016 Annual General Meeting adopted decisions regarding

- re-election of the Board members Marianne Brismar, Sonat Burman-Olsson and Hans Porat and new election of Per Bertland, Viveka Ekberg, Bent Johannesson and Peter Nilsson as Board members
- new election of Peter Nilsson as Chairman of the Board
- re-election of the registered accounting firm Deloitte AB as the company's auditors.
- the Nomination Committee

- guidelines for remuneration of senior executives
- dividend of SEK 1.25 per share
- authorisation for the Board to decide on the transfer of treasury shares.

Annual General Meeting 2017

The Annual General Meeting for the financial year 2016 will be held on 9 May 2017 at 15.00 in Grevieparken, Grevie, in the municipality of Båstad. 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 working days before the meeting, i.e. 3 May 2017, and must notify the company as specified in the notice to attend the 2017 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 21 March 2017.

Nomination Committee

At the 2016 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 2016 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 must 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 19 October 2016, comprising

- Sven Hagströmer, representative for Creades (Chairman)
- Carl Cederschiöld, representative for Handelsbanken Fonder
- Göran Espelund, representative for Lannebo Fonder
- Peter Nilsson, Chairman of Lindab International AB (publ).

In accordance with the resolution of the Annual General Meeting, the Nomination Committee must evaluate the composition and work of the Board of Directors and submit proposals for the 2017 Annual General Meeting with regard to

- election of the Chairman at the 2017 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 2018 Annual General Meeting.

The Nomination Committee held one minuted meeting in 2016. In 2017, the Nomination Committee held four minuted meetings prior to the 2017 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), 269 82 Båstad".

Board of Directors

At the Annual General Meeting on 3 May 2016, it was decided that the Board of Directors would consist of seven 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 pages 52–53 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 2016, the Board of Directors met ten times. 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.

The work of the Board of Directors and the CEO was evaluated in 2016 with the assistance of Alumni. The evaluation showed that the CEO and the Board perform their duties very well.

Remuneration to the Board of Directors

At the Annual General Meeting on 3 May 2016, fees totalling SEK 2,500,000 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 of Directors has appointed a Remuneration Committee consisting of Peter Nilsson, Chairman, and Per Bertland. The work of the Remuneration Committee is guided by rules of procedure which are approved by the Board. The Remuneration Committee will present proposals to the Board concerning remuneration matters and continuously monitor and assess remuneration structures and levels for the CEO and other senior executives in the Group's Executive Management. The Committee has met on four occasions. The Committee will provide continuous oral reports to the Board and submit proposals on matters requiring the Board's consent. The Remuneration Committee receives no separate fee.

Key issues at each Board meeting

- | | |
|---------------|---|
| – 10 February | Year-End Report, dividend, auditors' report (current) |
| – 10 March | Annual Report |
| – 21 March | Notice to attend the Annual General Meeting |
| – 3 May | Interim Report |
| – 3 May | Constitutive meeting |
| – 27 June | Rules of Procedure, committee nomination |
| – 18 July | Interim Report |
| – 8 September | Visit to subsidiary in the Czech Republic, strategy |
| – 26 October | Interim Report |
| – 8 December | Budget |

The Board of Directors and breakdown of Board fees

Name	Elected Year	Company	Ownership	Board fees	Remuneration Committee meetings	Audit Committee meetings	Board meetings
Peter Nilsson ²⁾	2016	Independent	Independent	SEK 433,300	4/4	-	6/6
Kjell Nilsson ³⁾	2012	Independent	Independent	SEK 216,700	-	-	4/4
Pontus Andersson ¹⁾	1995			SEK 25,000	-	-	9/10
Per Bertland ²⁾	2016	Independent	Independent	SEK 200,000	4/4	-	6/6
Marianne Brismar	2015	Independent	Dependent	SEK 300,000	-	3/3	10/10
Sonat Burman Olsson	2011	Independent	Independent	SEK 300,000	-	-	9/10
Erik Eberhardson ³⁾	2009	Independent	Independent	SEK 100,000	-	-	3/4
Viveka Ekberg ²⁾	2016	Independent	Independent	SEK 200,000	-	3/3	6/6
Per Frankling ³⁾	2015	Independent	Dependent	SEK 100,000	-	-	4/4
Bent Johannesson ²⁾	2016	Independent	Independent	SEK 200,000	-	2/3	6/6
Anders Lundberg ^{1) 5)}	2016			-	-	-	3/3
Hans Porat	2014	Independent	Independent	SEK 300,000	-	-	9/10
Markku Rantala ^{1) 4)}	1998			SEK 25,000	-	-	7/7

¹⁾ Employee representatives replaced by deputies due to absence

²⁾ Elected to the Board of Directors on 3 May 2016, mandate period covered six meetings

³⁾ Resigned on 3 May 2016, mandate period covered four meetings

⁴⁾ Retires in August, mandate period covered seven meetings

⁵⁾ Appointed in August, mandate period covered three meetings

Audit Committee

The Board has appointed an Audit Committee consisting of Viveka Ekberg, Chairman, Marianne Brismar and Bent Johannesson. The work of the Audit Committee is guided by rules of procedure which are approved by the Board. The role of the Audit Committee is to strengthen and streamline the Board's supervisory responsibilities in terms of internal control, audit, internal audit, risk management, accounting and financial reporting. The Audit Committee will also prepare matters pertaining to procurement of audit and other audit services and prepare certain accounting and auditing matters to be dealt with by the Board of Directors. The Committee has met on three occasions. The Committee will provide continuous oral reports to the Board and submit proposals on matters requiring the Board's consent. The Audit Committee receives no separate fee.

Auditors

At the 2016 Annual General Meeting, the accounting firm Deloitte AB was elected as 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 audit services, altered this opinion.

Auditors' fees

In 2016, the auditors' fees paid to the company's accounting firm, Deloitte AB, amounted to SEK 0.5 m for the parent company and SEK 6.5 m for the Group. Fees paid to Deloitte for other services to the Group amounted to SEK 3.5 m.

Rules of procedure

At the Board Meeting on 27 June 2017, 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 set up 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 ensures this through Lindab's Code of Conduct.

Communications 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 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 efficient running of the business. It contains rules on 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.

Competition Law Policy

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

Environmental Policy

An international Environmental Policy governs Lindab's work with environmental issues and ensures that the company's operations consider 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.

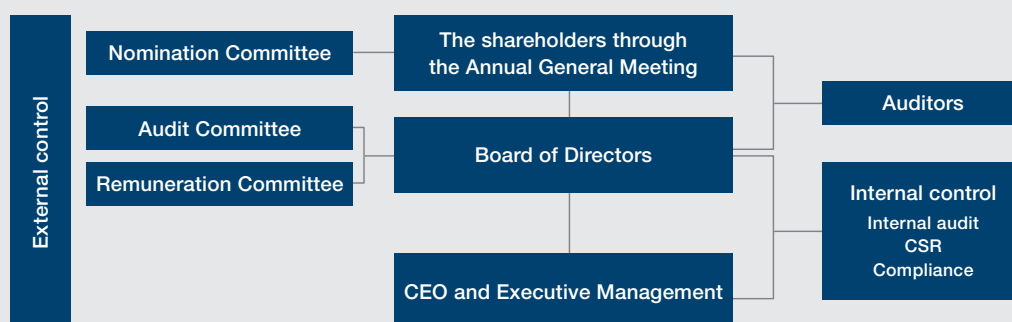
Equal Opportunity Policy

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

CEO and Executive Management

Anders Berg has been President and CEO of Lindab since 18 March 2013. In addition to Anders Berg, President and CEO, the Executive Management comprised Kristian Ackeby, CFO, Fredrik Liedholm, General Counsel and M&A and HR Director, and Bengt Andersson, Product and Market Director, for the full year 2016.

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, fees for the Board and auditors, as well as composition of the Nomination Committee prior to the next Annual General Meeting.

Audit Committee

The Board has appointed an Audit Committee which is responsible for strengthening and streamlining the Board's supervisory responsibilities in terms of internal control, audit, internal audit, risk management, accounting and financial reporting.

Remuneration Committee

The Board has appointed a Remuneration Committee which will present proposals to the Board concerning remuneration matters and continuously monitor and assess remuneration structures and levels for the CEO and other senior executives in the Group's Executive Management.

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 no less than three and no more than 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 seven 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.

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.

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.

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.

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 set up 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.

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 Nordic Exchange, Stockholm, and the Code.

Remuneration of senior executives

Remuneration principles

At the 2016 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 2016.

It should be noted that Lindab does not have any outstanding incentive programme.

Remuneration and other benefits for the Executive Management are shown in the table on the right. A further SEK 4.3 m has been recognised relating to social security contributions, including special employers' contributions on pensions.

Remuneration of the CEO

Anders Berg's fixed salary for 2016 totalled SEK 3,600,000. Anders Berg may 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 company car and certain other benefits. Payments received by Anders Berg in 2016 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 a certain remuneration. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to Anders Berg.

Remuneration of Executive Management in general

In addition to Anders Berg, President and CEO, the Executive Management comprised Kristian Ackeby, CFO, Fredrik Liedholm, General Counsel and M&A and HR Director, and Bengt Andersson, Product and Market Director. 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

Remuneration and other benefits for the Executive Management 2016

SEK	Remuneration of		Total
	Anders Berg	Executive Management in general	
Fixed salary incl. holiday pay	3,643,200	5,415,292	9,058,492
Variable salary	1,152,000	1,380,833	2,532,833
Pension expenses	1,081,566	1,442,912	2,524,478
Benefits	49,323	200,970	250,293
Total	5,926,089	8,440,007	14,366,096*

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

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 give the employee garden leave, 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 termination of employment, during which they are entitled to a certain remuneration. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to the employee.

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 ensures a good balance between motivating employees and providing competitive compensation. Thus, the remuneration structures and levels within the company are well balanced and in accordance with market practice.

Board of Directors



Peter Nilsson

Born 1962.

Elected to the Board in 2016, independent.

Chairman of the Board since 2016.

Senior Industrial Advisor within the EQT area since 2004 and has held various positions and commissions of trust for different EQT entities. Former President and CEO of Duni 2004–2007 and President and CEO of Sanitec 2010–2015. Former Chairman of Duni AB, Securitas Direct AB and Sanitec Holdings Oy. Held various management positions within the Swedish Match Group between 1987–2003.

Main qualifications: M.Sc. in Business and Economics, Stockholm School of Economics.

Other directorships: Chairman of the Board of Eton AB, Chep Aerospace Solutions and member of the Board of Evidencia AB, Cramo Oyj

Holding: 15,000 shares

Interview with Peter Nilsson, Chairman of the Board

Peter Nilsson, you were appointed new Chairman of the Board by the Annual General Meeting in May following Kjell Nilsson's resignation. What has it been like to take over the chairmanship?

Interesting and stimulating. There were four of us who were elected as new members of the Board. For me and the other members, the task was to quickly get to know the company, the strategy and how the management works so as not to lose momentum. Another important area was laying down the framework for the Board's work and establishing work methods and processes in order to ensure the highest level of efficiency in the best interest of the company. As Chairman you must always be involved in the ongoing work to develop the company.

What characterised the Board's work during the year?

We established an effective framework for our corporate governance which also included setting up important separate elements such as the Compensation Committee and Audit Committee to further sharpen our focus. We also asked Lindab's management to perform a strategy review, update and adjust the strategy and formulate a clear plan for the coming years so that we have a common idea of what we are working towards and need to do to address the challenges. In fact, establishing general consensus between the management and the Board has been key to our work. We have had a number of meetings together, and we have participated in training courses at Lindab in order to gain deeper insight into the business and thus be able to make the right decisions.



Bent Johansson

Born 1954.

Elected to the Board in 2016, independent.

CEO of Ramböll Sverige AB 2003–2016. Former Regional Manager at Skandiansult AB and Manager of the Construction department at Kvaerner Pulping. Previously self-employed within construction consulting. Has held various Board positions within the Ramböll Group in Sweden, Denmark and Russia, and has served as member of the Board of the Swedish Federation of Consulting Engineers and Architects for ten years, including two years as Chairman. During this period, he also served as a Board member in Almega.

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

Other directorships: None

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 responsible for Global Marketing Strategies. She has also held positions as Senior Vice President, Operational Development at Electrolux Europe and Vice President, Finance at Electrolux International (Asia & Latin America).

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

Other directorships: Member of the Boards of Tredje AP-fonden, International Chamber of Commerce, Svensk Handel and Svensk Dagligvaruhandel.

Holding: 0 shares.



Hans Porat

Born 1955.

Elected to the Board in 2014, independent.

Former President and CEO of Nolato AB and Gadelius with many years of experience from leading positions within Trelleborg AB, ABB and the Fläkt Group.

Main qualifications: Mining engineer.

Other directorships:

Chairman of the Board of Autoropa AB and member of the Boards of Cloetta AB, Gränges AB, Ecolean AB and DIAB.

Holding: 10,000 shares.



Marianne Brismar

Born 1961.

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

Former CEO and owner of Atlet AB.

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

Other directorships: Board member of Beijer Alma AB, Concentric AB, Axel Johnson International AB, Semcon AB, Creades AB and JOAB AB.

Holding: 10,000 shares.

The so-called global megatrends are becoming increasingly important to Lindab's industry and business. How will these trends affect your strategy work?

What we are seeing is that trends such as IoT and Connectivity are gaining momentum and are having a greater impact on us than they have had in previous years. We are certainly not the only ones to feel this, but I think that Lindab is in a unique position to strengthen its position in key areas. Lindab is also right on the mark with its long-term strategy of moving from being a product supplier to being a system supplier. We have to constantly be on our toes because the technological development is happening so fast. The acquisitions made within Air Movement and Fire & Smoke have been important in terms of strengthening our system solution offering, and these types of acquisitions, which also include organic expertise, must continue. Lindab's size and relationship with installers give us a head start, but moving from being a seller to a consulting partner implies an entirely new way of making money.

How has the work on the implementation of the strategy progressed in 2016? Any comments on the targets?

Lindab's strategy work is now in the implementation phase; in other words, delivering what we promised to do. The organisation needed to do so is largely in place, and so is the knowledge needed to keep up the high pace if we are to continue to lead and drive the development. We constantly have to ask ourselves

questions like "Do we have the expertise? What new measures do we have to take?". With its system solution offering, Lindab is also moving from a local perspective to a pan-European perspective which paves the way for more strategic partnerships and acquisitions. At the same time, environmental and climate considerations are central to everything we do. Corporate social responsibility issues are basically what drive the company which is well in line with the strategy. We therefore continue to work towards our long-term targets, both the sustainability targets and the financial targets.

One final question: What do you see as the main priorities for the Board of Directors and Lindab's management in 2017?

We must continue to help Lindab deliver on its strategy. We must not forget that Lindab operates in an exciting industry and in a market where a lot will happen in the coming years. Our work on the Board is about supporting the management to ensure that they can quickly achieve everything that we set out to do together. Speed, on the Board and the management, indeed across the whole of Lindab, is what determines whether we will succeed in our strategy.



Per Bertland

Born 1957.

Elected to the Board in 2016, independent.

President and CEO of Beijer Ref since 2013. Has been with the company since 1993, acting as CFO until 2000 and COO in the period 2000-2013. Former CFO of Indra AB and Ötab Sport AB, which is part of the Aritmos Group.

Main qualifications: M.Sc. in Business and Economics, Lund University.

Other directorships: Chairman of the Board of several subsidiaries of Beijer Ref, and of AB Dendera Holding, advisor to Small Cap Partners SCP and Board member in various foundations.

Holding: 5,000 shares



Viveka Ekberg

Born 1962.

Elected to the Board in 2016, independent.

Former CEO of PP Pension, Nordic Manager at Morgan Stanley Investment Management, Associate Partner at Brummer & Partners, Manager at SEB Institutionell Förvaltning and share analyst at Alfred Berg Fondkommission and Affärsvärlden.

Main qualifications: M.Sc. in Business and Economics, Stockholm School of Economics.

Other directorships: Chairman of the Board of Apoteket AB's Pension Foundation, Board member in C.A.G Group, Magnolia Bostad AB, SPP Pension & Försäkring, Svolder, the foundation Affärsvärlden, Centre for Justice and others.

Holding: 9,000 shares



Anders Lundberg

Born 1962.

Elected to the Board in 2016.

Employee representative with LO (Swedish Trade Union Confederation). Employed since 1997 and currently working in product development.

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. Technical college graduate in engineering.

Holding: 250 shares.

Executive Management



Anders Berg

Born 1972.

President and CEO.

Employed since 2013. Member of the Executive Management since 2013.

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

Main qualifications: M.Sc. in Industrial Engineering.

Holding: 66,000 shares.



Bengt Andersson

Born 1960.

Product and Market Director.

Employed since 1991. Member of the Executive Management since 2014.

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

Main qualifications: Technical college graduate in mechanical engineering.

Holding: 50,000 shares.

Related party holdings: 6,690 shares.



Fredrik Liedholm

Born 1964.

General Counsel, M&A and HR Director.

Employed since 2014. Member of the Executive Management 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: 2,500 shares.



Kristian Ackeby

Born 1977.

CFO.

Employed since 2015. Member of the Executive Management since 2015

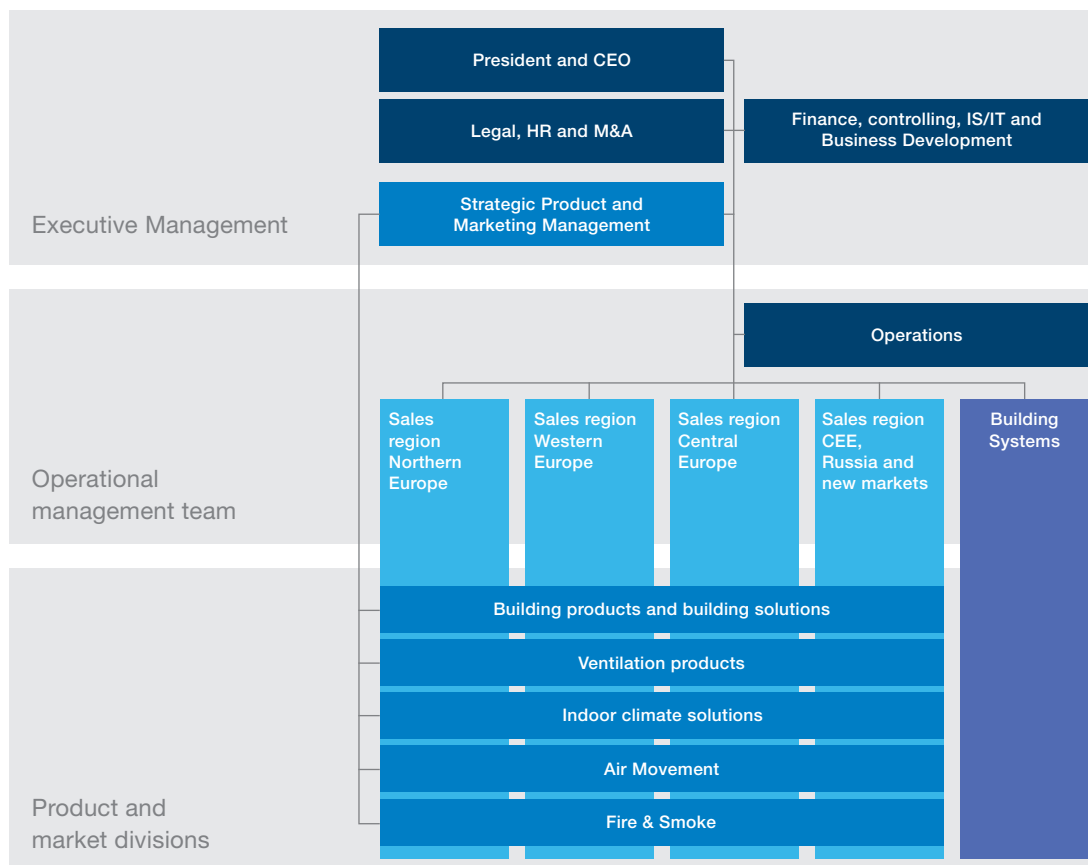
Professional experience: Various positions within the Autoliv Group and most recently Vice President, Corporate Control. Previously Financial Manager, Coop Inköp and Kategori AB.

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

Holding: 17,000 shares.

Lindab's organisation

Lindab works in a matrix organisation with four geographical sales regions, five product areas and one division. This organisation allows us to get closer to our customers and better utilise synergies and expertise within the Group. The operational management team consists of ten people, including the four members of the Executive Management, and focuses on continuously 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 in publicly listed companies.

The Board of Directors' Report on Internal Control

The Board of Directors' Report on Internal Control for the Financial Year 2016

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 description is consistent with the Annual Accounts Act and is therefore limited to the internal control of the financial statements. The purpose of this description is to give shareholders and other stakeholders an understanding of how the internal control is organised at Lindab as regards the financial statements.

The Board of Directors' description of the internal control is based on the structure found in COSO's (Committee of Sponsoring Organisations of the Treadway Commission) framework 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 of identifying, measuring and trying to prevent risks from occurring, and continually making improvements to minimise potential risks. 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 structured way.

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, complex or changed business relationships, etc. 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 division 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 organisation is to implement, develop and maintain the Group's control routines, focusing on 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 policies and estimates. All reporting units have their own controllers/financial managers who are responsible for ensuring accurate financial statements. Continual analysis of the financial statements, together with the analysis performed at Group level, is 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 for each unit are accurate, complete, and timely.

During the year, a project aimed at standardising and strengthening the internal control was initiated. This included implementation of standardised requirements for financial statements for all companies in the Group. The aim is also to develop systems which facilitate the monitoring of financial flows.

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 guidelines, directives and policies relating to the financial statements. Regular updates and communication concerning changes in accounting policies, reporting requirements or other types of information are made available and known to the employees concerned. The organisation has access to policies, directives 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.

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 meet-

ings twice a year and report their findings from their audit of the internal control, their preliminary audit of the Q3 report and their audit of the annual accounts.

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 continuously reports to Lindab's Executive Management which, in turn, reports to the Audit Committee. The direction and scope of the internal audit work is determined by the Audit Committee. 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.

Båstad, 19 March 2017

Board of Lindab International AB (publ)

Auditor's statement concerning the Corporate Governance Report

To the Annual General Meeting of Lindab International AB
corporate identification number 556606-5446

Task and division of responsibilities

The Board is responsible for the Corporate Governance Report for 2016 on pages 47-55, and for ensuring that it is prepared in accordance with the Annual Accounts Act.

Scope of review

Our review has been performed in accordance with FAR's RevU 16 *Auditor's review of the Corporate Governance Report*. This implies that our review 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. We believe that this review provides a sufficient basis for our opinion.

Opinion

A corporate Governance Report has been prepared. Disclosures in accordance with part 6, section 6(2), items 2-6, and part 7, section 31(2) of the Annual Accounts Act are consistent with the annual accounts and the consolidated annual accounts as well as the Annual Accounts Act.

Gothenburg, 19 March 2017

Deloitte AB

Hans Warén

Authorised Public Accountant