

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").



Our solutions provide a **comfortable work- ing environment**

A good indoor climate in office buildings has a major impact on productivity, comfort and well-being, in particular. Our offering includes solutions for intelligent demand-controlled ventilation and cooling that save energy and ensure an optimum indoor climate. In 2017, these solutions were installed in offices across Europe. In Budapest, Hungary, a complete ventilation solution is being installed in a 34,000-square metre office space, comprising software such as LindQST and DIMsilencer.

Chairman's comments

Peter Nilsson has served as Chairman of the Board since May 2016. In 2017, the Board of Directors held 11 minuted meetings.

How did the Board perform in 2017?

It performed well. We continued to professionalise and modernise our working methods, among other things by anchoring the formal processes for the Remuneration Committee and the Audit Committee. It is important to stress that this is all part of the governance which we take most seriously and fees for the committee members are now included in the Nomination Committee's proposals to the Annual General Meeting. We have also established procedures for quickly introducing new Board members to the duties of the Board of Directors and to Lindab's operations – an initiative from which our two new Board members Anette Frumerie and John Hedberg have benefited. Anette's vast experience from the construction industry and John's solid financial expertise will strengthen the Board of Directors' collective expertise and experience.

What else happened during the year?

The Nomination Committee conducted a Board evaluation which found that the working environment on the Board and the interaction with the Executive Management has further improved. A close dialogue between the Board and Management is absolutely essential in view of the developments in the market, where conditions are changing rapidly as a result of digitisation and globalisation. Our Board meetings are characterised by speed and efficiency. We have introduced a fixed agenda item at the end of every meeting, where everyone present has the opportunity to assess the meeting and provide suggestions for improvements. A simple measure which further improves the quality of the Board's work. We also continued to actively promote diversity on the Board and in the company as a whole. The Board has adopted an equal opportunity policy for Lindab to ensure that no one is discriminated against based on gender, religion, ethnicity, etc. We are also working to achieve diversity and a gender balance on the Board and apply rule 4.1 of the Code as a diversity policy when the Nomination Committee puts forward a proposal to the Board prior to the Annual General Meeting.

What were the most important decisions?

Most notable was this autumn's decision to replace the CEO and evaluate Lindab's non-core business. The decisions were as a result of the strategic review conducted in 2016, where we established clear targets for the company in cooperation with the Executive Management. During the autumn of 2017, we found that the market conditions called for a faster execution of the strategy, hence the decision to replace the CEO and assess the areas of the business that we do not see as a natural part of



the strategy. We need to focus our resources on the ventilation business, as this is where Lindab has the greatest opportunities for creating sustainable and profitable growth.

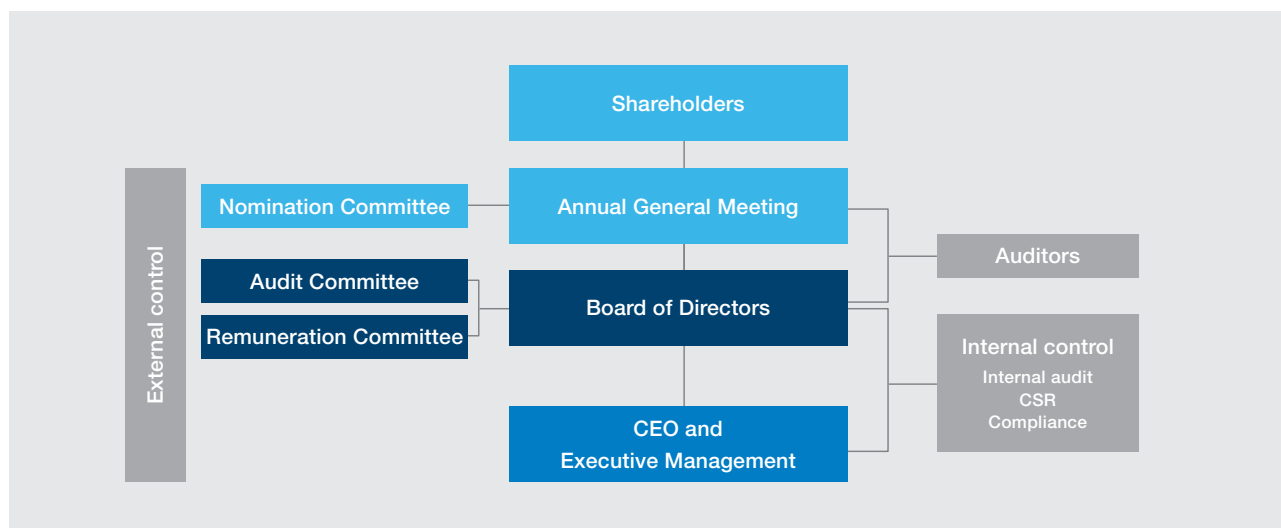
What is your primary focus in 2018?

All the important building blocks for the work of the Board of Directors are in place, and we now have a balanced and knowledgeable Board that works to safeguard Lindab's long-term interests. In addition, we have recruited Ola Ringdahl as the new permanent President and CEO of Lindab. Ola joins Lindab latest July 2018. Our immediate focus is on completing the evaluation and at the same time supporting Management in their work to accelerate the execution of the strategy. Quite simply, we need to do what we said we should do – develop Lindab as a leading supplier of ventilation and indoor climate solutions. This will also help us to meet our financial targets.

Important events in 2017

- Decision to replace the CEO.
- Decision to initiate an evaluation of Lindab's non-ventilation related business.
- Appointment of Anette Frumerie and John Hedberg as new Board members.

How Lindab is governed

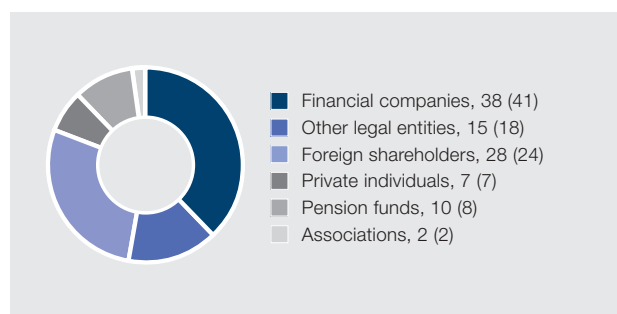


The corporate governance of Lindab is based on the Articles of Association, the Companies Act, the Annual Accounts Act, the Board’s rules of procedure, the regulations of the Stockholm Stock Exchange, the Swedish Code of Corporate Governance (“the Code”) and other applicable Swedish laws and regulations.

Shareholders

Lindab has 76,331,982 outstanding shares, of one class only, with an equal right to a share of the company’s assets and results. In addition, Lindab has 2,375,838 treasury shares of the same class, bringing the total number of shares to 78,707,820. On 31 December 2017, there were 6,970 (7,257) shareholders in Lindab. The largest shareholders, in relation to the number of outstanding shares, were Creades with 10.4 percent (10.3), Fjärde AP-fonden with 9.8 percent (8.0), Lannebo Fonder with 9.1 percent (8.0) and Handelsbanken Fonder with 8.1 percent (8.1). At the end of the year, the ten largest shareholders held 61.2 percent of the outstanding shares. More information about Lindab’s shareholders and the share’s performance in 2017 can be found on pages 42–43.

Distribution of ownership, %



Annual General Meeting

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 the Municipality of Ängelholm or Båstad, Sweden. The Annual General Meeting decides on matters referred to in the Companies Act and the Code, including matters concerning amendments of the Articles of Association and election of the Board of Directors and auditors.

Annual General Meeting 2017

The Annual General Meeting for the financial year 2016 was held on 9 April 2017 in Grevieparken, in the Municipality of Båstad. Approximately 200 shareholders were present. The minutes of the Annual General Meeting have been available on the company’s website since 16 May 2017. In addition to other matters, the 2017 Annual General Meeting adopted resolutions regarding

- re-election of the Board members Sonat Burman-Olsson, Per Bertland, Viveka Ekberg, Peter Nilsson, Bent Johansson and election of new Board members Anette Frumerie and John Hedberg
- re-election of Peter Nilsson as Chairman of the Board
- re-election of the registered accounting firm Deloitte AB as the company’s auditors
- procedure for the Nomination Committee
- guidelines for remuneration of senior executives
- warrant programme for senior executives.
- dividend of SEK 1.40 per share
- authorisation for the Board to decide on the transfer of treasury shares.

Annual General Meeting 2018

The Annual General Meeting for the financial year 2017 will be held on 3 May 2018 at 15.00 at Hotel Skansen, Båstad, 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 ("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. 26 April 2018, and must notify the company as specified in the notice to attend the 2018 Annual General Meeting.

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.

At the 2017 Annual General Meeting, it was resolved 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 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 3 October 2017, comprising

- Sven Hagströmer, representative for Creades (Chairman)
- Per Colléen, representative for Fjärde AP-fonden
- 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 2018 Annual General Meeting with regard to

- election of the Chairman at the 2018 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 2019 Annual General Meeting.

The Nomination Committee held one minuted meeting in 2017. In 2018, the Nomination Committee held two minuted meetings prior to the 2018 Annual General Meeting.

Shareholders wishing to contact the Nomination Committee may send an e-mail to valberedningen@lindab.com or write to "Lindab's Nomination Committee, Att: Fredrik Liedholm, Lindab International AB, 269 82 Båstad, Sweden."

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 employees also appoint two employee representatives to the Board as well as two deputies.

Composition of the Board of Directors in 2017

At the Annual General Meeting on 9 May 2017, it was resolved that the Board of Directors should consist of seven members without deputies. The CEO is the rapporteur for the Board of Directors. The Board meetings are also attended by some members of the Executive Management. The various assignments of the Board members are shown on pages 50–51.

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 carrying out well-informed discussions and resolutions. The Chairman represents the company in matters regarding ownership.

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 establishing policies and targets as well as internal control instruments, deciding on key matters, presenting the financial statements as well as evaluating the operational management and ensuring succession planning. The Board of Directors' responsibilities also include supervising the CEO's work through continuous monitoring of operations.

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.

During 2017, the Board of Directors met 11 times. At each ordinary meeting, the financial performance was reported and followed up on. 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. Certain members of the Executive Management were present at all Board meetings.

Key issues at each Board meeting

– 10 February	Year-End Report, dividend, auditors' report (current)
– 19 March	Annual Report
– 20 March	Notice to attend the Annual General Meeting
– 9 May	Interim Report
– 9 May	Constitutive meeting
– 15 June	Group refinancing
– 19 July	Interim Report
– 21–22 Sept	Visit to subsidiary in Luxembourg, strategy
– 24 Sept	Organisational changes
– 25 Oct	Interim Report
– 8 December	Budget

The work of the Board of Directors and the CEO was evaluated during the financial year. The evaluation showed that the CEO and the Board perform their duties very well.

The Board of Directors and breakdown of Board fees

Name	Elected Year	Company	Ownership	Board fee incl. committee, SEK	Remuneration Committee meetings	Audit Committee meetings	Board meetings
Peter Nilsson	2016	Independent	Independent	698,700	5/5	-	11/11
Pontus Andersson ¹⁾	1995			25,300	-	-	11/11
Per Bertland	2016	Independent	Independent	324,000	5/5	-	11/11
Marianne Brismar ³⁾	2015	Independent	Dependent	100,000	-	3/3	4/4
Sonat Burman Olsson	2011	Independent	Independent	304,000	-	-	10/11
Anette Frumerie ²⁾	2017	Independent	Independent	237,333	-	4/4	7/7
Viveka Ekberg	2016	Independent	Independent	370,700	-	7/7	11/11
John Hedberg ²⁾	2017	Independent	Dependent	237,333	-	4/4	7/7
Bent Johannesson	2016	Independent	Independent	304,000	-	2/3	11/11
Anders Lundberg ¹⁾	2016			25,300	-	-	10/11
Hans Porat ³⁾	2014	Independent	Independent	100,000	-	-	4/4
Summa				2,626,666			

¹⁾ Employee representatives replaced by deputies in their absence

²⁾ Elected to the Board on 9 May 2017, mandate period covered seven meetings

³⁾ Resigned from the Board on 9 May 2017, mandate period covered four meetings

Remuneration of the Board of Directors

At the Annual General Meeting on 9 May 2017, fees totalling SEK 2,550,000 were resolved and allocated as follows: SEK 663,000 to the Chairman of the Board, SEK 306,000 to each of the other elected Board members and SEK 25,500 to each of the employee representatives.

Board's responsibility for financial reporting

The Board of Directors ensures quality of internal financial reporting through instructions to the CEO, and through instructions relating to financial reporting to the Board of Directors. Furthermore, the Board of Directors ensures quality of external financial reporting through detailed discussions of interim reports, the annual report and the year-end report at Board meetings and during reviews with the auditors.

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. 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. Up until the 2017 Annual General Meeting, the Audit Committee consisted of Chairman Viveka Ekberg, Marianne Brismar and Bent Johannesson. After the Annual General Meeting the Audit Committee consisted of Chairman Viveka Ekberg, Anette Frumerie and John Hedberg. The work of the Audit Committee is guided by rules of procedure which are approved by the Board. In 2017, the Committee met on seven occasions. The auditors were present at all occasions. The Committee provides continuous oral and written reports to the Board and submits proposals on matters requiring the Board's consent. A fee of SEK 100,000 is paid to the Chairman of the Audit Committee, and each of the ordinary members receive a fee of SEK 50,000.

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. In 2017, the Remuneration Committee consisted of Chairman Peter Nilsson and Per Bertland. In 2017, the Committee met on five occasions. The Committee provides continuous oral reports to the Board and submits proposals on matters requiring the Board's consent. A fee of SEK 60,000 is paid to the Chairman of the Remuneration Committee, and the ordinary member receives a fee of SEK 30,000.

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 present the Auditors' Report which describes the review process and observations made.

At the 2017 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 does not perform any services that could raise doubts about their independence. Nor have the services performed by the auditors for Lindab, over and above the audit services, altered this opinion.

Auditors' fees

In 2017, the auditors' fees paid to Deloitte AB amounted to SEK 0.5 m for the parent company and SEK 6.2 m for the Group. Fees paid to Deloitte for other services to the Group amounted to SEK 0.6 m.

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.

Internal control

The internal corporate governance includes the Board's adopted rules of procedure together with codes and 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 maintained by an external party. The duties of this function are continuously reported to the Audit Committee by the CFO, which in turn reports to the Board of Directors. The internal audit is designed to ensure that the Group's

targets are met in terms of appropriate and effective processes, and that the financial statements are prepared in accordance with applicable laws and regulations.

Sustainability

An important part of the governance of the Group is Lindab's commitment to sustainability. Among other things, sustainability deals with how Lindab treats its employees and conducts itself in society. Sustainability 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 company operates according 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.

CEO and Executive Management

Anders Berg served as President and CEO of Lindab until 28 September 2017, when he was terminated from his position and Fredrik von Oelreich joined the Executive Management as acting President and CEO. For the full year 2017, the Executive Management comprised Kristian Aceby, CFO, Fredrik Liedholm, General Counsel and M&A and HR Director, and Bengt Andersson, Product and Market Director, Olof Christensson, Energy and Climate Solutions Manager, joined the Executive Management on 14 August 2017.

Policies

Corporate Governance Policy

Lindab has identified three main areas – sustainability, internal control and compliance – as central to its 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 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 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

The policy describes the strategy and guidelines for Lindab's management and protection of intellectual property rights.

IT Policy

The 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.

Anti-corruption Policy

The policy is the regulatory framework for Lindab's business and employees. Lindab has zero tolerance for corruption.

Competition Law Policy

It is important that the Group and its employees observe competition legislation. The adopted Competition Law Policy prevents violations of competition legislation.

Environmental Policy

The Environmental Policy governs Lindab's work on environmental issues and ensures that the company's operations consider the environment

and that the product solutions offered help to make buildings more energy-efficient.

Working Environment Policy

The policy has a clear message on responsibility issues and that the key to a safe working environment is prevention.

Treasury Policy

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

Equal Opportunity Policy

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

Board of Directors



Peter Nilsson, Chairman



Per Bertland



Sonat Burman-Olsson

<i>Born:</i>	1962	1957	1958
<i>Elected:</i>	2016	2016	2011
<i>Status:</i>	Independent	Independent	Independent
<i>Other offices held:</i>	Senior Industrial Advisor at EQT. Chairman of Eton AB, Independent Vetcare Ltd and Unilode International AG, member of the Board of Directors of Cramo Oyj.	President and CEO of Beijer Ref AB. Chairman of the Board of Directors of several of Beijer Ref's subsidiaries and AB Dendera Holding. Advisor to Small Cap Partners SCP and member of the Board of Directors of various foundations.	Member of the Board of Directors of Tredje AP-fonden, International Chamber of Commerce, Svensk Handel and Svensk Dagligvaruhandel.
<i>Former offices held:</i>	President and CEO of Sanitec and Duni AB. Chairman of the Board of Directors of Duni AB, Securitas Direct AB and Sanitec Holdings Oy. Various management positions within the Swedish Match Group.	CFO and COO of Beijer Ref. CFO of Indra AB and Ötab Sport AB, which is part of the Aritmos Group.	President and CEO of COOP Sverige. Deputy CEO and CFO of the ICA Group. Vice President of the Electrolux Group responsible for Global Marketing Strategies. Senior Vice President of Operational Development at Electrolux Europe and Vice President of Finance at Electrolux International (Asia & Latin America).
<i>Main qualifications:</i>	M.Sc. in Business and Economics, Stockholm School of Economics.	M.Sc. in Business and Economics, Lund University.	M.Sc. in Business and Economics, Executive MBA and retail management training in Oxford and at Harvard.
<i>Holding:</i>	28,800 shares	5,000 shares	0 shares

Board committees

Remuneration Committee

The Remuneration Committee consists of two Board members: Peter Nilsson (Chairman) and Per Bertland.

Audit Committee

The Audit Committee consists of three Board members: Viveka Ekberg (Chairman), Anette Frumerie and John Hedberg.

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.



Viveka Ekberg

1962

2016

Independent

Chairman of Apoteket AB's Pension Fund. Member of the Board of Directors of Apoteket AB's Pension Fund, Magnolia Bostad AB, Piab Group AB, SPP Pension & Försäkring, Svolder, the foundation Affärsvärlden, Centre for Justice and others.

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

M.Sc. in Business and Economics, Stockholm School of Economics.

11,900 shares



Anette Frumerie

1968

2017

Independent

CEO of Besqab AB. Member of the Board of Directors of the Swedish Construction Federation and Svedbergs i Dalstorp AB.

Business Unit President of Residential Development Nordic at Skanska (publ), Business Unit Manager of International Property Development & Construction at JM AB (publ) and other positions within the JM Group.

M.Sc. in Industrial Engineering, KTH Royal Institute of Technology in Stockholm.

1,000 shares



John Hedberg

1972

2017

Dependent

CEO of Creades AB. Chairman of the Board of Directors of NOTE AB and member of the Board of Directors of Acne Studios and LOTS Group, a company in the Scania Group.

Advisor to NC Advisory AB and Nordic Capitals Fonder, management consultant at McKinsey & Co and various positions at Bonnier and Relacom.

M.Sc. in Business and Economics, Stockholm School of Economics.

0 shares



Bent Johannesson

1954

2016

Independent

None.

CEO of Ramböll Sverige AB. Regional Director of Scandiaconsult AB. Head of the construction division of Kvaerner Pulping. Self-employed construction consultant. Board engagements within the Ramboll Group. Member of the Board of Directors of Almega, Svenska Teknik and Designföretagen, of which two years as Chairman.

M.Sc. in Industrial Engineering, Chalmers University of Technology.

0 shares



Pontus Andersson

Born: 1966

Elected: 1995

Employee representative for Unionen. Employed since 1987 and currently works as a development engineer.

Holding: 250 shares



Anders Lundberg

Born: 1962

Elected: 2016

Employee representative for LO (Swedish Trade Union Confederation). Employed since 1997 and currently Chairman of Verkstadsklubben IF Metall.

Holding: 10 shares

Executive Management



Fredrik von Oelreich

Born: 1961
 Acting President and CEO
 Acting since 2017. Member of the Executive Management since 2017.
Holding: 20,000 shares

Professional experience: President and CEO of Candyking Holding AB, Duni AB and 15 years' experience from various positions within the Swedish Match Group.

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



Kristian Ackeby

Born: 1977
 Executive Vice President and CFO
 Employed since 2015. Member of the Executive Management since 2015.
Holding: 10,000 shares, 20,000 WT*

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

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



Bengt Andersson

Born: 1960
 Executive Vice President of Corporate Development
 Employed since 1991. Member of the Executive Management since 2014.
Holding: 49,000 shares, 5,000 WT*
Related party holdings: 6,690 shares

Professional experience: Has held various positions within the Lindab Group, including Executive Vice President of Technology, Research and Product Development, Marketing Manager of Lindab Profil, and Production Manager of Lindab Ventilation.

Main qualifications: Technical college graduate in mechanical engineering.



Olof Christensson

Born: 1966
 Executive Vice President of Energy and Climate Solutions
 Employed since 2017. Member of the Executive Management since 2017.
Holding: 2,000 shares

Professional experience: President of Engineering Services at Semcon Group, CEO of Askö Hushåll AB, Market and Sales Director of Sensel AB – Vattenfall Group, Regional Director of Storel AB – Sonepar Group, Regional Director of Stena Technoworld AB – Stena Metall Group.

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



Fredrik Liedholm

Born: 1964
 Executive Vice President and General Counsel, M&A and HR Director.
 Employed since 2014. Member of the Executive Management since 2014.
Holding: 2,500 shares, 20,000 WT*

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.

*WT = Warrants 2017/2020

Remuneration of senior executives

Remuneration principles

At the 2017 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 should consist of a fixed salary, short- and long-term variable cash salary, pension and other benefits. The fixed salary should be individually determined based on the individual executive's specific responsibilities, experience, expertise and performance. The fixed salary should be reviewed at least every two years.

The short-term variable cash salary should be based on the executive's performance relative to individually established targets. For the CEO the short-term variable cash salary amounts to a maximum of 50 percent of the fixed salary, and for other senior executives a maximum of 40 percent of the fixed salary. The long-term variable cash salary should be linked to financial performance targets that reflect the company's value growth during a three-year period. For the CEO the long-term variable cash salary amounts to a maximum of 70 percent of the fixed salary, and for other senior executives a maximum of 40 percent of the fixed salary. Any profit of the long-term variable variable cash salary is presumed to be invested in shares or share-related instruments (e.g. warrants) in order to increase the executive's shareholding in Lindab and ensure alignment between the interests of shareholders and senior executives.

The pension must be a defined contribution plan. Senior executives who are not covered by the ITP plan should receive a maximum of 30 percent of their annual fixed salary as an annual contribution-based pension. Other benefits should not constitute a significant part of the total remuneration. 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 2017. Remuneration and other benefits for the Executive Management are shown in the table on the right. A further SEK 4.8 m has been recognised relating to social security contributions, including special employers' contributions to pensions.

Remuneration of the CEO

In 2017, the fixed salary for former President and CEO Anders Berg totalled SEK 4,200,000. Anders Berg was also entitled to a variable salary of up to 50 percent of his fixed salary. Pension contribution entitlements amounted to 30 percent of the fixed salary. In addition, Anders Berg was entitled to a company car and certain other benefits. Payments received by Anders Berg in the period January to September 2017 are shown in a separate table. The notice period for Anders Berg was 12 months on the part of the company and 6 months on the part of Anders Berg. During the notice period from 28 September, Anders Berg is entitled to retain his salary and employee benefits, excluding part of short term variable salary. Anders Berg is bound by a non-competition clause for a period of two years from the termination of employment, during which he is entitled to separate remuneration. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to Anders Berg.

Remuneration and other benefits for the Executive Management in 2017

SEK	Fredrik von Oelreich	Anders Berg*	Remuneration of other members of the Executive Management*	Total
Fee	1,770,000	-	-	1,770,000
Fixed salary incl. holiday pay	-	3,202,500	7,069,412	10,271,912
Variable salary	-	1,066,778	1,571,958	2,638,736
Pensions	-	945,291	2,034,237	2,979,528
Benefits	-	36,550	225,091	261,641
Total	1,770,000	5,251,119	10,900,698	17,921,817
Termination salary incl. benefits and pension		6,159,050	-	6,159,050
Total	1,770,000	11,410,169	10,900,698	24,080,867

* Excluding social charges and special payroll tax.

Remuneration of other members of the Executive Management

During the year, the Executive Management comprised, in addition to President and CEO Anders Berg, Fredrik von Oelreich, acting President and CEO, Kristian Aceby, CFO, Fredrik Liedholm, General Counsel and M&A and HR Director, Bengt Andersson, Product and Market Director, and Olof Christensson, Energy and Climate Solutions Manager. The remuneration of the Executive Management follows the guidelines adopted by the Annual General Meeting. The employment contracts of the current Executive Management include notice periods of 12 months on the part of the company and 6 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 separate 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 of the Executive Management, the application of guidelines for remuneration of senior executives and applicable remuneration structures and levels of remuneration in the company. The variable remuneration of 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 of 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.

The Board of Directors' Report on Internal Control

The Board of Directors' Report on Internal Control for the Financial Year 2017

Lindab's Board of Directors is responsible for the Group's internal control in accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance. Lindab's financial reporting complies with the laws and regulations applicable to companies listed on the NASDAQ OMX Nordic Exchange as well as the local regulations of each of the countries where the company operates. The description in this report is consistent with the Annual Accounts Act and is therefore limited to the internal control of financial reporting. The purpose of the report is to give shareholders and other stakeholders an understanding of how the internal control is organised at Lindab with regards to financial reporting.

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 prepared against this background.

Control environment and control instruments

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 the financial reporting. 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.

The Board also has an Audit Committee serving as a preparatory forum which considers matters related to the Group's financial statements, internal control, reporting and accounting policies as well as the consequences of potential changes these matters. The Audit Committee has regular contact with the company's external auditors and is also responsible for verifying the auditors' independence and qualifications as well as following the agreed remuneration.

Lindab's internal control structure is based on a management system which is rooted in the Group's organisation and methods for running the business, with clearly defined roles, responsibilities and delegated authority. Guidance documents, such as policies and guidelines, including the adopted Code of Ethics, also play an important role in the control structure. The guidance documents relating to accounting and financial reporting make up the most important parts of the control environment with regard to the financial reporting.

Risk assessment

The Group carries out an ongoing risk assessment to identify material risks. Lindab's risk management consists of identifying, measuring and taking an active position on the identified risks, with a view to either accepting, minimising or eliminating a potential risk based on the adopted strategy. Lindab has a risk management programme, Enterprise Risk Management (ERM),

covering all parts of the business, including segments and the Group's individual operating functions. The aim is to work on the prevention of risks in a structured way and make gradual improvements.

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, expenses, assessments of complex and/or changed business relationships, etc. Further risks include fraud and losses as a result of 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. The aim is to minimise material risks and promote accurate accounting, reporting and disclosure 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 reporting. Effectiveness and reliable processes are essential to ensuring compliance with applicable rules, regulations and guidelines.

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 reporting errors. Such activities may include clear decision-making processes for major decisions such as acquisitions, major investments, 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 critical business issues. Process managers at various levels are responsible for implementing the necessary controls regarding the financial reporting. 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 reporting. Continual analysis of the financial reporting in the individual unit, 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 reporting for each unit is accurate, complete and timely.

During the year, the Group completed the work on developing standardised process requirements and internal control activities relating to financial reporting at company level. The purpose of the work is to create a transparent system that facilitates the monitoring of financial flows. The newly established control model will gradually be rolled out in all active companies in a uniform manner, and documentation efforts concerning process/control identification have been initiated in selected units.

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 guidance documents such as internal guidelines, directives and policies. 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 all key documents on internal control and governance via the Group's intranet (Lindnet).

The Board of Directors receives financial reporting on a regular basis. External information and communication is governed by the company's Information Policy which describes Lindab's general principles for disclosure of 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 Audit Committee and the Board of Directors review the financial

statements. Lindab's management conducts monthly performance follow-ups, analysing deviations from the budget, forecasts and previous years. The external auditors' duties also include an annual review of the internal control of the group companies, the findings of which are also reported to the Board of Directors. The findings of the preliminary audit of the Q3 report and the audit of the annual accounts are also reported to the Board of Directors by the external auditors. The auditors usually attend two Board meetings per year.

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

Internal audit

Lindab has an internal audit function which is an integral part of the Group's 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 targets are met in terms of appropriate and effective processes, and that the financial statements are prepared in accordance with applicable laws and regulations.

Båstad, 18 March 2018

Board of Lindab International AB (publ)

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the general meeting of the shareholders in Lindab International corporate identity number 556606-5446

This is a translation of the Swedish language original. In the events of any differences between this translation and the Swedish original the latter shall prevail.

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the financial year 2017 on pages 44–55 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance

with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Gothenburg, 18 March 2018

Deloitte AB

Hans Warén

Authorised Public Accountant