

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 Nordic Exchange in Stockholm. Lindab applies the Swedish Code of Corporate Governance (“the Code”).

Manshausen, Norway RooFit, roofing concept

Lindab’s new roofing concept RooFit, with a 30-year warranty, has been given high praise by customers. One of the more spectacular projects in 2018 was in Manshausen in northern Norway where five ‘cabins’ were erected in an extremely exposed environment. Lindab supplied a complete roofing solution with calculations, substrate, surface layer, clips and fixings. The work was carried out by Norwegian sheet metal company, Svolvaer Blikk.

Chairman's comments



Interview with the Chairman Peter Nilsson

What did the Board's work involve in 2018?

Having been through a period where we strengthened and made extensive changes to the framework and tools at the Board's disposal, in 2018 we focused mainly on cementing this work and the conditions for this. Moreover, I have had the privilege of working with exactly the same Board as in 2017. No members have left or joined and I have the Board I want to have. Consequently, we have been able to focus all our energy on mentoring and supporting Lindab's new CEO, Ola Ringdahl, and his team in their work to drive change and streamline operations in order to enter a new phase of Lindab's development.

Can you comment on strategic development?

Considering we have had some of the strongest European construction market conditions in recent years, Lindab's profitability has been too low to enable investment and sustainable growth. This was the main reason behind us taking action during autumn 2017 and launching a strategic evaluation of non-ventilation related activities and reviewing the options for disposing Building Systems. Since then we have gained valuable insight and have concluded that by making the underlying businesses more transparent within the Group, we can create significant value across all operations. This can be best achieved through three clear business areas with a decentralised structure. In addition, we have continued with unrelenting determination to implement the turnaround plan for Building Systems which has shown results. Building Systems' development was on the agenda of every Board meeting in 2018 and included a detailed description of activities provided by its Head.

"We prioritise close and ongoing dialogue with Executive Management."

The streamlining of operations has also gone hand in hand with a significant improvement in business activities. Keeping this in mind, we considered the offer we received to be far too low and we look forward to the continued development of this business area in the coming year, with great confidence. We continue to emphasise that ventilation is Lindab's core business with continued good market prospects and an area where Lindab has a very competitive offering.

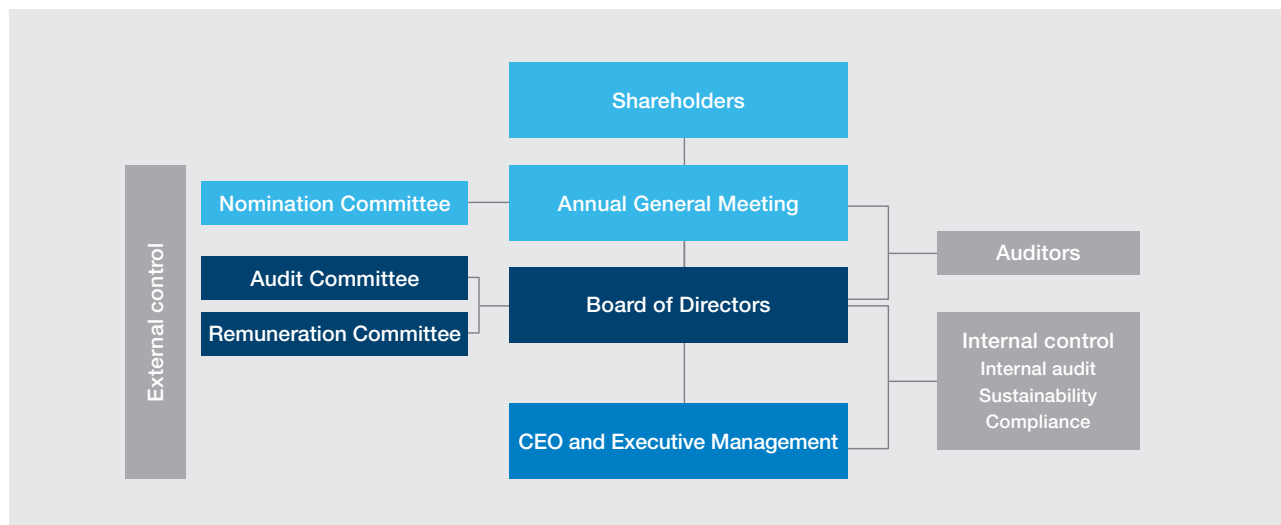
Where is the focus now?

Now it is time to shift into the top gear. With a new and expanded management team, with stronger operational focus, it is now about executing the plan to increase the Group's profitability. This includes everything from reviewing the cost structures to accelerating product development and sales work. The Board prioritises a close and ongoing dialogue with management in order to take the decisions Lindab needs to speed up its development. I work closely with Ola Ringdahl, supporting and mentoring him and his team with decisions that now have to be made in order to clearly differentiate Lindab as the leading supplier in the industry.

Important events in 2018

- Ola Ringdahl new President and CEO and Malin Samulesson new CFO
- All activities remain following completion of the strategic review
- New divisionalised operations structure with three business areas from 2019
- Turnaround plan in Building Systems and greater focus on operational efficiency in other operations

How Lindab is governed

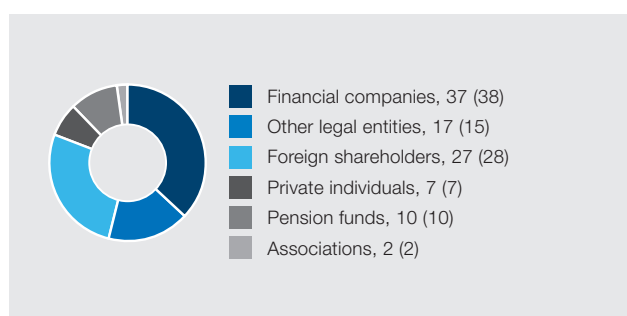


The corporate governance of Lindab is based on the Articles of Association, the Companies Act, the Annual Accounts Act, the Board’s rules of procedure, the regulations of the Stockholm Stock Exchange, the Swedish Code of Corporate Governance (“the Code”) and other applicable Swedish laws and regulations.

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 2018, there were 6,400 (6,970) shareholders in Lindab. The largest shareholders in relation to the number of outstanding shares were Creades 10.4 percent (10.4), Lannebo Fonder 10.1 percent (9.1), Fjärde AP-fonden 9.8 percent (9.8) and IF Skadeförsäkring AB 5.1 percent (5.1). At the end of the year, the ten largest shareholders held 59.9 percent of the outstanding shares. More information about Lindab’s shareholders and the share’s performance in 2018 can be found on pages 34–35.

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 2018

The Annual General Meeting for the financial year 2017 was held on 3 May 2018 at Hotel Skansen, Båstad, in the Municipality of Båstad. Approximately 190 shareholders were present. The minutes of the Annual General Meeting have been available on the company’s website since 17 May 2018. In addition to other matters, the 2018 Annual General Meeting adopted resolutions regarding

- re-election of the Board members Peter Nilsson, Per Bertland, Sonat Burman-Olsson, Viveka Ekberg, Anette Frumerie, John Hedberg and Bent Johannesson
- 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 1.55 per share
- authorisation for the Board to decide on the transfer of treasury shares.

Annual General Meeting 2019

The Annual General Meeting for the financial year 2018 will be held on 8 May 2019 at 15.00 at Norrviken, 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. 2 May 2019, and must notify the company as specified in the notice to attend the 2019 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 2018 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 26 September 2018, 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 shall evaluate the composition and work of the Board of Directors and submit proposals for the 2019 Annual General Meeting with regard to

- election of the Chairman at the 2019 Annual General Meeting
- election of the Board and Chairman of the Board
- fees for the Board of Directors, any Board committee and auditors
- composition of the Nomination Committee for the 2020 Annual General Meeting.

The Nomination Committee held four minuted meetings in 2018. In 2019, the Nomination Committee held two minuted meetings prior to the 2019 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 2018

At the Annual General Meeting on 3 May 2018, 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 42–43.

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 2018, the Board of Directors met 12 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

– 9 Jan	Recruitment of senior executives
– 7 Feb	Year-end report, dividend. Auditor's report (current)
– 26 Feb	Incentive programme
– 18 Mar	Annual Report, notice to attend the Annual General Meeting
– 2 May	Interim report, Group refinancing
– 3 May	Constitutive meeting
– 9 May	Strategy monitoring
– 14 June	Strategy planning
– 18 July	Interim Report
– 20-21 Sep	Strategy meeting
– 24 Oct	Interim Report
– 6 Dec	Budget

The Board of Directors and breakdown of Board fees

Name	Year elected	Company	Ownership	Board fee incl. Remuneration Committee, SEK	Remuneration Committee meetings	Audit Committee meetings	Attendance at Board meetings
Peter Nilsson ¹⁾	2016	Independent	Independent	737,667	3/3	-	12/12
Per Bertland	2016	Independent	Independent	341,334	3/3	-	12/12
Sonat Burman Olsson	2011	Independent	Independent	310,667	-	-	12/12
Viveka Ekberg	2016	Independent	Independent	412,000	-	7/7	12/12
Anette Frumerie	2017	Independent	Independent	361,334	-	6/7	12/12
John Hedberg	2017	Independent	Dependent	361,334	-	7/7	12/12
Bent Johannesson	2016	Independent	Independent	310,667	-	-	11/12
Pontus Andersson ²⁾	1995			25,800	-	-	12/12
Anders Lundberg ²⁾	2016			25,800	-	-	12/12
Total				2,886,603			

1) Chairman 2) Employee representatives replaced by deputies in their absence.

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 well.

Remuneration of the Board of Directors

At the Annual General Meeting on 3 May 2018, fees totalling SEK 2,615,000 were resolved and allocated as follows: SEK 685,000 to the Chairman of the Board, SEK 313,000 to each of the other elected Board members and SEK 26,000 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. From the 2018 Annual General Meeting the Audit Committee consisted of Chairman Viveka Ekberg, Anette Frumerie and John Hedberg. 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 2018, 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 102,000 is paid to the Chairman of the Audit Committee, and each of the ordinary members receive a fee of SEK 51,000.

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 2018, the Remuneration Committee consisted of Chairman Peter Nilsson and Per Bertland. In 2018, the Committee met on three occasions. The Committee provides continuous oral reports to the Board and submits proposals on matters requiring the Board's consent. A fee of SEK 61,000 is paid to the Chairman of the Remuneration Committee, and the ordinary member receives a fee of SEK 31,000.

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 2018 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 2018, the auditors' fees paid to Deloitte AB amounted to SEK 0.4 m for the parent company and SEK 7.1 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 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 most important overall 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 reported to the Audit Committee at least once a year by the external party and continuously 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 operations are run 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

Fredrik von Oelreich was Acting President and CEO until 18 June 2018 when Ola Ringdahl was appointed President and CEO and joined the Executive Management. General Counsel and M&A and HR Director, Frederik Liedholm, Product and Marketing Director, Bengt Andersson and Olof Christensson, Energy and Climate Solutions Manager were part of the Executive Management throughout 2018. CFO, Kristian Ackeby, was part of the Executive Management until 13 August when he left the company. Malin Samuelsson was appointed new CFO and has been part of the Executive Management since 1 September 2018.

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

This 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

This policy contains comprehensive rules for the Group's IT use and management. The goal is to ensure access to the IT structure that is required for 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>	Chairman of 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 iZettle AB, Postnord AB and Lantmännen.
<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. Among other Vice President of the Electrolux Group responsible for Global Marketing Strategies. Chairman of Svensk Dagligvaruhandel, Member of the Board of Directors of Svensk Handel, ICC Sverige, Tredje AP-fonden and ICA Banken.
<i>Main qualifications:</i>	M.Sc. in Business and Economics, Stockholm School of Economics.	M.Sc., Lund University.	M.Sc. in Business and Economics, Executive MBA, Strategic Man. Oxford and Harvard.
<i>Holding:</i>	28,800 shares	5,000 shares	None

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 C.A.G Group, Magnolia Bostad 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. Member of the Board of Directors of Acne Studios, Avanza Pension AB and LOTS Group, a company in the Scania Group.

Partner in NC Advisory AB, advisor to 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.

None



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.

None



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



Ola Ringdahl

Born: 1972
 President and CEO
 Employed since 2018. Member of the Executive Management since 2018.
Holding: 19,000 shares, 40,000 WT¹⁾
Related party holdings: 1,000 shares

Professional experience: CEO of Nord-Lock 2013-2018, Regional Director at Capio Healthcare 2011-2013. From 2003 to 2011 management positions at Crawford, which became part of Assa Abloy Entrance Systems in 2011.
Main qualifications: M.Sc. in Business and Economics, Stockholm School of Economics.



Malin Samuelsson

Born: 1972
 Executive Vice President and CFO
 Employed since 2018. Member of the Executive Management since 2018.
Holding: 10,000 shares, 25,000 WT¹⁾

Professional experience: Various positions within the Vestas Group 2008-2018, most recently as VP Financial Planning and previously as Regional CFO Northern Europe. Previous experience includes various roles within controlling and finance at AstraZeneca R&D.
Main qualifications: Graduate in International Economics, School of Business and Economics, Växjö.



Bengt Andersson

Born: 1960
 Executive Vice President of Corporate Development
 Employed since 1991. Member of the Executive Management since 2014.
Holding: 49,000 shares, 25,000 WT¹⁾
Related party holdings: 6,990 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, 25,000 WT¹⁾

Professional experience: Engineering Services Manager, Semcon Group Previously CEO of Asko Hushåll AB, Sales and Marketing Manager at Sensel AB and Regional Manager at Storel AB and Stena Technoworld AB.
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: 4,500 shares, 45,000 WT¹⁾

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.

1) WT = Warrants 2017/2020 and 2018/2021.

Broadened Executive Management 2019

Lindab is an international company with a large number of operations around Europe close to its customers. In order to take better advantage of this, Lindab's Executive Management was increased from five to eleven on 1 January 2019, with members in operational management roles from Sweden, Denmark, France, Czech Republic, Luxembourg and Romania. The new Executive Management will provide the opportunity for more business-related decisions and contribute to better best practice between the various units.

Remuneration of senior executives

Remuneration principles

At the 2018 Annual General Meeting, guidelines for the remuneration of senior executives were established. The guidelines assume remuneration based on the market and the environment in which each of the executives work and remuneration will be competitive, facilitate the recruitment of new executives as well as motivate senior executives 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 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 2018. Remuneration and other benefits for the Executive Management are shown in the table on the right. A further SEK 6.3 m has been recognised relating to social security contributions, including special employers' contributions to pensions.

Remuneration of the CEO

The fee billed by Acting CEO, Fredrik von Oelreichs, for the period from January to June amounted to SEK 3,540,000. Ola Ringdahl's fixed salary for 2018 from the starting date of 18 June totalled SEK 3,013,890. Ola Ringdahl is also entitled to a short- and long-term variable cash salary. In addition, Ola Ringdahl is entitled to a company car and certain other benefits. Payments received by Ola Ringdahl in the period June to December 2018 are shown in a separate table. The notice period for Ola Ringdahl is 12 months on the part of the company and 6 months on the part of Ola Ringdahl. Ola Ringdahl is bound by a non-competition clause for a period of two years from the termination of his 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 Ola Ringdahl.

Remuneration and other benefits for the Executive Management in 2018

SEK	Ola Ringdahl ¹⁾	Fredrik von Oelreich	Remuneration of other Executive Management ¹⁾	Total
Fee	-	3,540,000	-	3,540,000
Fixed salary incl. holiday pay	3,013,890	-	8,956,241	11,970,131
Variable salary	1,859,708	-	3,403,276	5,262,984
Pensions	900,139	-	2,316,811	3,216,950
Benefits	52,001	-	235,408	287,409
Total	5,825,738	3,540,000	14,911,736	24,277,474

1) Excluding social charges and special payroll tax.

Remuneration of other members of the Executive Management

During the year, the Executive Management comprised President and CEO Ola Ringdahl, Fredrik von Oelreich, Acting President and CEO, Kristian Ackeby, 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 2018

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 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.

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 findings of the preliminary audit of the Q3 report, the audit of the annual accounts and the examination of the administration of the Board of Directors and

the Managing Director 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 and is maintained by an external party. 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, 17 March 2019

Board of Lindab International AB (publ)

Auditor's report on the Corporate Governance Statement

To the general meeting of the shareholders in Lindab International AB (publ) corporate identity number 556606-5446

Engagement and responsibility

It is the Board of Directors who is responsible for the Corporate Governance report for the financial year 2018 on pages 36–47 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 *Auditor's examination of the corporate governance report*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with Inter-

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

Opinion

A corporate governance report 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, 17 March 2019

Deloitte AB

Hans Warén

Authorised Public Accountant