

Corporate governance report

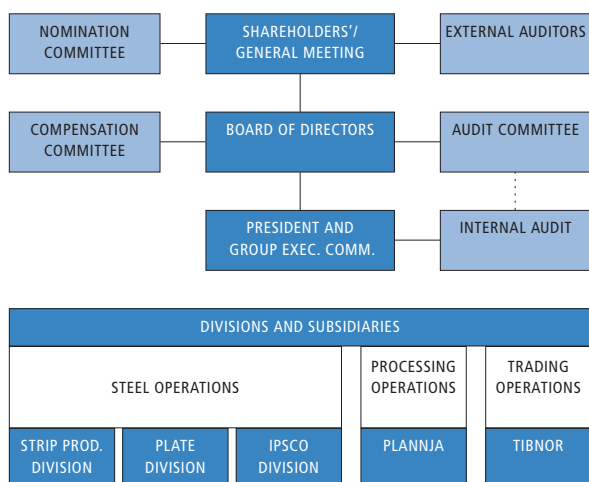
Introduction

SSAB Svenskt Stål AB was formed in 1978 and has, through a successful and deliberate niche focus, developed into one of the world's most profitable steel companies.

SSAB's organization is characterized by a decentralized work method in which responsibilities and powers are, to a large degree, delegated to the respective divisions and subsidiaries. The Group's steel operations consist of the three divisions, Strip Products, Plate and IPSCO, while the trading and processing operations consist of the subsidiaries, Tibnor and Plannja.

SSAB applies the Swedish Code on Corporate Governance (the "Corporate Code"), which constitutes a part of the rules and regulations of the OMX Nordic Exchange Stockholm (Stockholm Stock Exchange). SSAB has no derogations from the Corporate Code. In accordance with the application instructions issued by the Swedish Corporate Governance Council, this corporate governance report contains a separate section on the organization of the internal control regarding financial reporting. The report does not constitute a part of the formal annual report documentation and has not been reviewed by the Company's auditors.

SSAB's Corporate Governance Model



Important regulations and internal policies that affect corporate governance

Important internal policies

- By-laws
- The board's rules of procedure and instructions to the President
- Instructions to various board standing committees
- Finance policy
- Financial Handbook
- Business ethics rules

Important external regulations

- Swedish Companies Act
- Swedish Accounting Act
- Swedish Annual Reports Act
- Stockholm Stock Exchange's listing agreement
- Swedish Code on Corporate Governance

Shareholders

SSAB's shares have been listed on the Stockholm Stock Exchange since 1989. A trading unit consists of 100 shares. SSAB's share capital consists of Class A and Class B shares, with Class A shares carrying one vote and Class B shares carrying one-tenth of one vote. Both classes of shares carry the same rights to participate in the Company's assets and profits.

On December 31, 2007, there were 48,668 shareholders. In terms of votes, Industrivärden was the largest shareholder, followed by Swedbank Robur and LKAB. Shareholders with 1,000 shares or fewer constituted 62 (58)% of the shareholders, while the ten largest institutional owners together owned just over 38 (33)% of the share capital. The percentage of foreign shareholders was 31 (34)%. For further information regarding the ownership structure, see page 39 of the Annual Report.

The general meeting

The general meeting is the Company's highest decision-making body; it is there that shareholder influence in the Company is exercised. Shareholders who wish to participate at General Meetings, personally or through a proxy, must be entered in the share register five weekdays prior to the Meeting and must register with the Company in accordance with the notice to attend the Meeting. Notice to attend General Meetings is given through announcements and on the Company's website (www.ssab.com).

An annual general meeting (ordinary general meeting) must be held within six months of the expiration of the financial year. At the annual general meeting, the shareholders decide, among other things, on the following: election of the Board of Directors and, where appropriate, the auditors; the manner in which the Nomination Committee is to be appointed; and discharge from liability for the Board of Directors and President for the past year. Decisions are also taken regarding adoption of the financial statements, allocation of profit, fees for the Board of Directors and the auditors, as well as guidelines for compensation to the President and other senior executives.

2007 ANNUAL GENERAL MEETING

The Board of Directors presented the general meeting with a description of its work during the year and concerning corporate governance issues in general. The President informed the annual general meeting regarding the Group's development and financial position, and commented on the results for 2006. The annual general meeting adopted the Annual Report and the consolidated financial statements for 2006 as presented by the Board of Directors and the President, decided upon allocation of the Company's profits, and granted the Directors and the President discharge from liability.

In addition, the Chairman of the Nomination Committee described its work during the year and presented reasons for submitted proposals. The general meeting decided on compensation for the Board of Directors and auditors in accordance with proposals from the Nomination Committee. Carl Bennet, Anders G Carlberg, Olof Faxander (President and CEO), Sverker Martin-Löf (Chairman), Marianne Nivert, Anders Nyrén, Matti Sundberg and Lars Westerberg were re-elected to serve on the board of directors. In accordance with the Nomination Committee's proposal, PricewaterhouseCoopers AB were re-elected as the Company's auditors for the next mandate period of four years.

The general meeting authorized the board of directors, on one or more occasions prior to the 2008 annual general meeting, to adopt resolutions regarding a buyback of the Company's shares and sale of treasury shares in order to adjust the Company's capital structure as required. However, in light of the acquisition of IPSCO the board did not exercise the authority granted.

The general meeting resolved that the dividend would be SEK 4.50 per share.

All Directors and the auditor-in-charge were present at the annual general meeting. The record of the Meeting is available on SSAB's website (www.ssab.com).

Extra general meeting 2007

At an Extra general meeting held in July 2007, a resolution was adopted unanimously to amend the bylaws such that the share capital would comprise not less than 100,000,000 shares and not more than 400,000,000 shares. (Shares may be issued in two classes, class A and class B). Not more than 400,000,000 class A shares and not more than 125,000,000 class B shares may be issued.

The general meeting also resolved to authorize the Board of Directors, until December 31, 2007, to resolve on one or more new issues of shares within the limits set forth in the bylaws. In the event of such a new issue, the Company's shareholders would hold pre-emptive rights to subscribe for the new shares, pursuant to which old shares of a particular class would carry an entitlement to subscribe for new shares of the same class. The resolution entailed, however, that the Board could exercise the authority only after the shareholders of IPSCO Inc. had agreed to SSAB's acquisition of IPSCO Inc. The new issue would amount in total to approximately SEK 10,000 million. The Board of Directors subsequently resolved to carry out such a new issue pursuant to the authorization and the new issue was successfully concluded in September, whereupon the Company raised approximately SEK 10,000 million in additional shareholders' equity.

Nomination committee

The Nomination Committee represents the shareholders and, at the 2007 annual general meeting, the Chairman

of the Board was charged with requesting not less than three and not more than five of the largest shareholders to appoint one member each to form a Nomination Committee together with the Chairman of the Board. The total number of members shall not exceed six. The chairman of the Nomination Committee should be the representative of the largest shareholder. The Nomination Committee for the 2008 annual general meeting consists of Carl-Olof By (Industrivärden, Chairman), Peder Hasslev (AMF Pension), Martin Ivert (LKAB), Sverker Martin-Löf (Chairman of the Board) and Marianne Nilsson (Swedbank Robur Fonder). The composition of the committee was announced on September 27, 2007.

The duties of the Nomination Committee include, among other things, presentation of proposals as regards the nomination of, and fees for, Directors and the Chairman of the Board. The Nomination Committee shall also submit proposals to the annual general meeting regarding any compensation for the work of standing committees as well as the fees for external auditors. Proposals which shareholders wish to submit to the Nomination Committee may be sent by e-mail to valberedningen@ssab.com. The Nomination Committee's proposals are published not later than in connection with the notice to attend the annual general meeting. The term of office of the Nomination Committee extends until the composition of the next Nomination Committee has been announced.

THE NOMINATION COMMITTEE'S WORK SINCE THE 2007 ANNUAL GENERAL MEETING

Since being appointed in the autumn of 2007, the Nomination Committee has held three meetings, at which all members were present.

The Chairman of the Board has described to the Nomination Committee the process applied in conjunction with the annual evaluation of the Board of Directors, the Directors and the President and has also provided information regarding the results of the evaluation. The Nomination Committee has also met the Company's President who provided information regarding, among other things, the Company's strategy. For the 2008 annual general meeting, the Nomination Committee has prepared a proposal regarding the procedure for the appointment of the next Nomination Committee. The Nomination Committee is also charged with submitting proposals regarding fees for the Board of Directors and analyses and comparisons have been conducted with similar companies in order to form an opinion regarding reasonable fee levels.

In producing proposals regarding fees for the auditors' work, the Nomination Committee was assisted by the Audit Committee.

The Nomination Committee has, among other things, reviewed the results of the evaluation of the Board of

Directors that has been carried out and the description of the Company's strategy, etc. provided by the President, and concluded that the current board at present fulfills the demands which will be imposed on the board as a consequence of the Company's position and future focus. The Nomination Committee thus proposes to the 2008 annual general meeting the re-election of Directors Sverker Martin-Löf (Chairman.), Carl Bennet, Anders G Carlberg, Olof Faxander, Marianne Nivert, Anders Nyrén, Matti Sundberg and Lars Westerberg. The Nomination Committee's other proposals will be provided in connection with the notice to attend the annual general meeting.

External auditors

According to the by-laws, SSAB shall have one or two external auditors. At the 2007 General Meeting, PricewaterhouseCoopers was re-elected as auditor for an additional four-year term. The auditor-in-charge since 2005 is authorized public accountant Claes Dahlén, who is also the auditor-in-charge of the listed company, Karo Bio. In total, PricewaterhouseCoopers is the chosen auditor in 26 of the 72 companies in the Stockholm Stock Exchange's "Large cap" segment and in 100 of a total of 280 companies.

The external audit of the financial statements of the parent company and the Group as well as management by the Board of Directors and President is conducted in accordance with generally accepted auditing standards in Sweden. The company's auditor-in-charge participates at all meetings of the Audit Committee. The auditor attends at least one board meeting per year at which he goes through the audit for the year and discusses the audit with the Directors, without the President being present.

For information regarding fees to the auditors, see Note 2 in the Annual Report.

The Board of Directors

The overall task of the Board of Directors is to manage the Company's affairs on behalf of the shareholders in the best possible manner. The Board of Directors shall regularly assess the Group's financial position and evaluate the operational management. The Board of Directors decides, among other things, on questions concerning the Group's strategic focus and organization, and decides on important capital expenditures (exceeding SEK 50 million) and undertakings. Each year, the Board adopts rules of procedure including instructions to the President which, among other things, govern the allocation of work between the Board and the President. The rules of procedure also regulate the manner in which board work is allocated among the Directors, the frequency of board meetings and the allocation of work among various board committees. Prior to each board

meeting, the Directors receive a written agenda and full documentation to serve as a basis for decisions. At each board meeting, a review is conducted regarding the current state of the business, the Group's results and financial position, and prospects for the remainder of the year. Other issues addressed include competition and the market situation.

The Board conducts an annual visit to one of the plants within the steel operations.

The Chairman of the Board of Directors presides over the board's work, represents the Company on ownership issues and is responsible for the evaluation of the work of the Board of Directors. In addition, the Chairman is responsible for regular contacts with the Group Executive Committee and for ensuring that the Board of Directors performs its obligations.

According to the by-laws, the Board of Directors shall consist of not less than five and not more than ten Directors elected by the general meeting. The board is quorate when more than half of the Directors elected by the general meeting are present. Directors must possess broad expertise, be versatile, and possess a suitable background for SSAB's organization, industry and operations. New Directors undergo an introduction course to rapidly acquire the knowledge which is expected in order to best promote the interests of the Company and its shareholders.

The Board of Directors for 2007 has comprised the following persons:

- Carl Bennet
- Anders G Carlberg
- Olof Faxander (CEO)
- Sverker Martin-Löf (Chairman)
- Marianne Nivert
- Anders Nyrén
- Matti Sundberg
- Lars Westerberg

In addition to the above Directors elected by the General Meeting, the Board has three members and three alternate members representing the employees.

THE BOARD'S WORK IN 2007

During 2007, sixteen meetings were held at which minutes were taken and the board has at all times been quorate. SSAB's General Counsel, who is not a Director, serves as Secretary to the board.

During the year, the board of SSAB has continued to work on the Company's strategy and organization. Among other things, a decision was taken to acquire the North American steel company, IPSCO, which since July 2007 constitutes a division within SSAB. In connection with the acquisition of IPSCO, a decision was also

APPOINTED BY THE ANNUAL GENERAL MEETING



Carl Bennet (1951)
Elected to the board 2004.
Shareholding 20,250 shares.
M.Sc. in Economics,
Tech. dr.hc. Chairman of the
Board of Elanders, Getinge
and Lifco. Deputy Chairman
of the Board of Boliden.
Formerly, among other
things, President and CEO
of Getinge.



Anders G Carlberg (1943)
Elected to the board 1986.
Shareholding 6,000 shares.
M.Sc. in Economics.
CEO of Axel Johnson
International. Director of
Axel Johnson, Beijer Alma,
Sapa and Säkl. Formerly,
among other things,
President and CEO of
Nobel Industrier and J.S.
Saba as well as Vice-President
of SSAB.



Marianne Nivert (1940)
Elected to the board 2002.
Shareholding 7,500 shares.
B.A. Chairman of the
Board of Posten. Director of
Beijer Alma, Systembolaget
and Wallenstam. Formerly,
among other things,
President and CEO of Telia.



Anders Nyström (1954)
Elected to the board 2003.
Shareholding 2,250 shares.
M.Sc. in Economics, MBA.
President and CEO of Industri-
värden. Deputy Chairman of
the Board of Handelsbanken
and Sandvik. Director of
Ericsson, Ernström-gruppen,
Industrivärden, SCA and
Skanska. Formerly, among
other things, Deputy President
of Skanska.



Matti Sundberg (1942)
Elected to the board 2004.
Shareholding 6,000 shares.
Mining Counsellor, M.Sc.
in Business and Economics;
ekon.dr.hc. Regional Director
of Scania Nordeuropa.
Director of Boliden and
Skanska. Formerly, among
other things, Vice-President
of Valmet/Metso and Ovako
Steel.



Lars Westerberg (1948)
Elected to the board 2006.
Shareholding 6,250 shares.
Civil Engineer and MBA.
Chairman of the Board of
Autoliv and Husqvarna.
Director of Plastal and Volvo.
Formerly, among other
things, President and CEO
of Autoliv and Gränges.



Sverker Martin-Löf (1943)
Chairman of the Board.
Elected to the board 2003,
Chairman since 2003.
Shareholding 21,563 shares.
Licentiate of Technology,
dr.hc. Chairman of the Board
of SCA and Skanska. Deputy
Chairman of the Board of
Ericsson and Industrivärden.
Director of Handelsbanken.
Formerly, among other things,
President and CEO of SCA.



Olof Faxander (1970)
Elected to the board 2006.
Shareholding 3,500 shares.
M.Sc. (Material Science)
and B.Sc. (Business Admin-
istration). Chairman of the
Council of the Swedish Steel
Producers' Association.
Formerly, among other
things, Vice President of
Outokumpu.

Björn Wahlström
has been Honorary Chairman of the Company
since 1991.

The board's Secretary is **Jonas Bergstrand**,
General Counsel of SSAB.

*The shareholdings include shares held by
closely-related persons.*

APPOINTED BY THE EMPLOYEES

Alternates



Sture Bergvall (1956)
Employee representative
since 2005. Electrician,
Strip Products Division.



Owe Jansson (1945)
Employee representative
since 1990. Steel Worker,
Plate Division.



Claes Ström (1945)
Employee representative
since 2003. Accountant,
Strip Products Division.



Bo Järräng (1947)
Employee representative
since 2004. Personnel Staff,
Plate Division.



Bert Johansson (1952)
Employee representative
since 1998. Electrician,
Strip Products Division.



Ola Parten (1953)
Employee representative
since 2005. Engineer,
Strip Products Division.

Name of Director	Elected to the Board	Total Annual Fee, SEK	Attendance Statistics 2007			Independence	
			Board Meetings	Com-pensation Committee	Audit Committee	Independence in relation to the Company and company management	Independence in relation to the Company's major shareholders
Elected by General Meeting							
Sverker Martin-Löf Chairman of the Board (1943)	2003 Chairman since 2003	1,125,000	16	5	6	Yes	No, Director of Industrivärden
Carl Bennet (1951)	2004	375,000	15	–	–	Yes	Yes
Anders G Carlberg (1943)	1986	450,000	16	–	6	No, Director more than 12 years	Yes
Olof Faxander, President and CEO (1970)	2006	–	16	–	–	No, President of the Company	Yes
Marianne Nivert (1940)	2002	425,000	16	–	6	Yes	Yes
Anders Nyrén (1954)	2003	425,000	15	5	–	Yes	No, President and CEO of Industrivärden
Matti Sundberg (1942)	2004	375,000	15	–	–	Yes	Yes
Lars Westerberg (1948)	2006	375,000	15	–	–	Yes	Yes
Employee Representatives							
Sture Bergvall (1956)	2005	–	16	–	–	–	–
Owe Jansson (1945)	1990	–	16	–	–	–	–
Claes Ström (1945)	2003	–	14	–	–	–	–
Alternates							
Bo Jerräng (1947)	2004	–	14	–	–	–	–
Bert Johansson (1952)	1998	–	15	–	–	–	–
Ola Parten (1953)	2005	–	15	–	–	–	–

taken to carry out a new issue of approximately SEK 10 billion pursuant to authorization granted at an extra General Meeting.

During 2007, the Board also decided upon the acquisition of Steinwalls Plåt, which is now a subsidiary of Plannja. Further, the Board has also focused on monitoring the ongoing major investments for continued growth within quenched steel.

THE BOARD'S INDEPENDENCE

The table above shows the board's independence in relation to the Company and its major shareholders, as well as attendance statistics.

There are two preparatory committees within the Board: the compensation committee and the audit committee.

Compensation committee

The compensation committee presents proposals to the Board of Directors regarding the President's salary and other employment terms, establishes salaries and employment terms for other members of the Group Executive Committee and establishes salary limits and employment terms for other senior executives. During the year, the compensation committee held five meetings at which minutes were taken. The compensation com-

mittee comprises Sverker Martin-Löf (Chairman) and Anders Nyrén. The President is co-opted to the committee but does not participate in discussions concerning his own salary and employment terms.

At the annual general meeting, the Board presents proposals regarding guidelines for the determination of salary and other compensation for the President and other senior executives, for approval by the shareholders. At the 2007 annual general meeting, it was decided that compensation to the President and other senior executives of the Company shall consist of fixed salary, possible variable compensation, other benefits, as well as pension. The total compensation package shall be on market terms and competitive, and related to the executive's responsibilities and powers. Any variable compensation shall be based on results relative to defined and measurable financial targets and shall be subject to a ceiling relative to the fixed compensation and shall not constitute a basis for pension rights. The Board of Directors shall be entitled to deviate from the guidelines where special reasons exist for doing so. For a further description of the employment terms for the Board and the Group's senior executives, see Note 2 in the Annual Report.



Audit committee

The Audit Committee complies with established rules of procedure which are adopted annually by the Board of Directors. The chairman of the Audit Committee is responsible for ensuring that the entire board as is kept regularly informed as to the work of the committee and, where necessary, shall submit matters to the Board for a decision. The main duties of the Audit Committee are to support the Board in the work of ensuring the quality of the financial reporting. The committee regularly meets the Company's auditors, evaluates the audit work and approves the additional services that the Company may procure from the external auditors. There is an established risk management process in the Company which is based and structured on processes and flows in production. In this process, the Audit Committee reviews and takes into account the risks that have arisen (both commercial risks and risks of errors in the financial reporting). Based on the result of the internal and external risk assessment, the committee regularly discusses the focus and scope of the audit with the Company's internal and external auditors.

Each year, the Audit Committee adopts an internal audit plan which, among other things, is based on the risks that have arisen in the above risk management process. The audit plan is discussed with the external auditors in order to enhance the efficiency and quality of the regular audit work. The committee also discusses significant accounting issues which affect the Group and assists the Nomination Committee in producing proposals as regards auditors and their fees.

In 2007, the Audit Committee continued to work on developing and improving the presentation of the external financial reporting. Among other things, an operational cash flow model was developed and approved. The Audit Committee has, together with the external auditors, reviewed and discussed the risk analysis and audit plan prepared by the auditors as a basis for the statutory audit.

The Audit Committee's members have been Anders G Carlberg (Chairman), Sverker Martin-Löf and Marianne Nivert. Two of the Committee's members are independent in relation to the Company's major shareholders.

In 2007, the Audit Committee held six meetings at which minutes were taken, at which all members were present.

INTERNAL AUDIT

Since 2006, SSAB has had an internal audit function reporting directly to the Audit Committee but functionally subordinate to the Chief Financial Officer.

The internal audit was activated in 2007 and reported the first audits in accordance with an audit plan adopted by the Audit Committee. These audits were carried out in accordance with a developed and adopted audit process which has been further developed on a regular basis

GROUP EXECUTIVE COMMITTEE

Shareholdings include shareholdings of closely-related persons.
Call options have been acquired on the market for a part of disbursed variable salary.



Olof Faxander (1970)
President and CEO
Member of Group Executive Committee since 2006.
Shareholding 3,500 shares.
M.Sc. in Material Science and B.Sc. in Business Administration. Employed at SSAB since 2006. Formerly, among other things, Vice-President of Outokumpu.



Göran Carlsson (1954)
Executive VP Strip Products Division
Member of Group Executive Committee since 2002.
Shareholding 6,519 shares and call options corresponding to 8,382 shares.
M.Sc. in Process Metallurgy. Employed at SSAB since 1989. Formerly, among other things, Chief Technical Officer of SSAB.



Karl-Gustav Ramström (1954)
Executive VP Plate Division commencing Jan. 1 2008.
Member of Group Executive Committee since 12 December 2007.
Master of Engineering in Technical Physics, MBA. Employed at SSAB since 2007. Formerly, among other things, Division Head at Svenska ABB.



Ola Hägglund (1947)
Executive VP Plate.
Member of Group Executive Committee until 12 December 2007.
M.Sc. in Material Science. Employed at SSAB since 1974. Formerly, among other things, Head of Director at SSAB Oxelösund.



John Tulloch (1947)
Executive VP IPSCO Division.
Member of Group Executive Committee since 2007.
Bachelor of Economics, M.Sc. Employed at SSAB since 2007. Formerly, among other things, Executive VP - Steel and Chief Commercial Officer at IPSCO.

during the year in order to optimize the work method and delivery of reports which generate added value. The internal audit has also continued the work on developing a uniform risk management process which will further strengthen management of the Group's operations.

For a further description of the work of the internal audit in 2007, see the section entitled "Description of the organization of the internal control with respect to financial reporting – the Board's report for the 2007 financial year".

Group Executive Committee

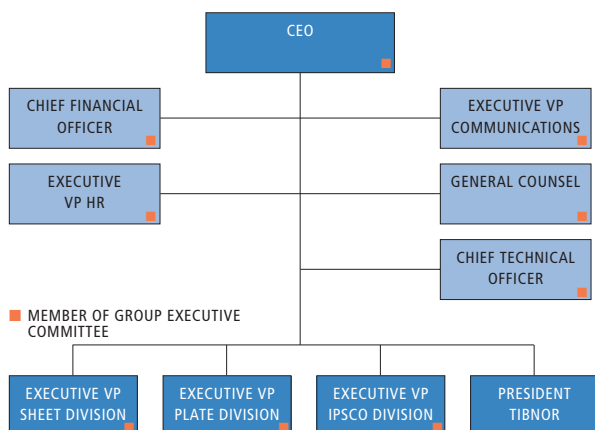
The Group Executive Committee is responsible for the formulation and implementation of the Group's overall strategies and addresses issues such as acquisitions and divestments. These issues, as well as major investments (in excess of SEK 50 million), are prepared by the Group

Executive Committee for decision by the Board of Directors of the parent company.

The President is responsible for the day-to-day management of the Company in accordance with the Board of Directors' instructions and guidelines. The Group Executive Committee consists, in addition to the President, of the Executive Vice Presidents of the Strip Products Division, Plate Division and IPSCO Division, the Chief Financial Officer, General Counsel, Executive Vice President Human Resources, Chief Technical Officer and Executive Vice President Communications.

The Group Executive Committee holds monthly meetings in order to discuss the results and financial position of the Group as well as divisions/subsidiaries. Other issues addressed at Group Executive Committee meetings include strategic issues and follow-up on budget and forecasts.

The head of each division and subsidiary is responsible for the respective income statement and balance sheet. Overall operational control of the divisions takes place through monthly performance reviews and, in Plannja and Tibnor, through each Board of Directors. The President of the parent company is the Chairman of the Board of each of the directly-owned major subsidiaries and these boards also include other members from the Group Executive Committee as well as employee representatives. The Board's of the subsidiaries monitor the ongoing operations and determine strategies and budgets.



Internal control and risk management

The overall objective of the internal control is to ensure, to a reasonable degree, that the Company's operational strategies and targets are followed up and that the owners'



Jonas Bergstrand (1965)
General Counsel.
Member of Group Executive Committee since 2006.
Shareholding 833 shares.
LLB. Employed at SSAB since 2006. Formerly, among other things, corporate counsel at ABB, OM Gruppen and Ericsson Radio Systems.



Martin Lindqvist (1962)
Chief Financial Officer.
Member of Group Executive Committee since 2001.
Shareholding 17,109 shares.
B.Sc. in Economics. Employed at SSAB since 1998. Formerly, among other things, Controller at SSAB Tunnpått and Chief Controller at NCC.



Martin Pei (1963)
Chief Technical Officer.
Member of Group Executive Committee since 2007.
Ph. D in Technology. Employed at SSAB since 2001. Formerly, among other things, head of slab production in the Plate Division.



Helena Stålnert (1951)
Executive VP Communications.
Member of Group Executive Committee since 2007.
Masters degree in journalism. Employed at SSAB since 2007. Formerly, among other things, Senior Vice President, Communications at Saab; Head of news at Swedish Television.



Anna Vikström Persson (1970)
Executive VP Human Resources.
Member of Group Executive Committee since 2006.
Shareholding 500 shares.
LLB. Employed at SSAB since 2006. Formerly, among other things, Head of HR at Ericsson's Swedish Division.

AUDITORS

PricewaterhouseCoopers AB Elected at the 2007 annual general meeting for a term until the close of the 2011 Annual General Meeting.
Auditor-in-charge: **Claes Dahlén**, authorized public accountant.

investments are protected. In addition, the internal control shall ensure that the external financial reporting is, with reasonable certainty, reliable and prepared in accordance with generally accepted accounting principles, that applicable laws and regulations are complied with, and that the requirements imposed on listed companies are complied with.

In 2007, SSAB decided to establish a Risk Committee with the task of developing and implementing a uniform risk management model for the Group. The Risk Committee will function as a preparatory body for the Group Executive Committee with the primary tasks of identifying and evaluating the Group's risks and compiling and updating SSAB's risk structure and risk model. The work also includes assessing the preventative measures to be taken in the internal control in order to reduce and prevent the Group's risks. The committee also has the task of ensuring that the Group holds appropriate insurance cover and preparing documentation as a basis for decisions to be taken by the Group Executive Committee concerning changes in, among other things, policy, guidelines, and insurance cover. In order to cover SSAB's risks as fully as possible, the committee consists of heads of the divisions, Group personnel and the head of the internal audit. The committee meets at least four times per year.

For a description of the organization of the internal control with respect to financial reporting, see below.

Description of the organization of the internal control with respect to financial reporting – the Board's report for the 2007 financial year

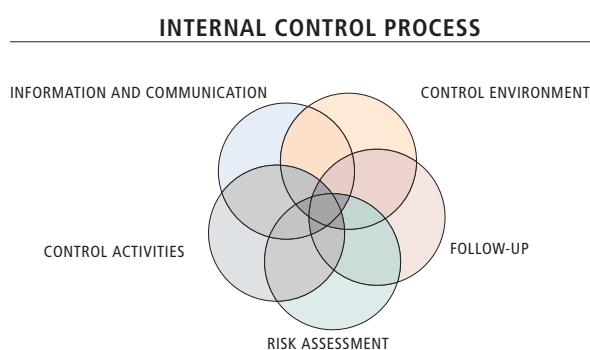
According to the Swedish Companies Act and the Swedish Code on Corporate Governance, the Board of Directors of SSAB is responsible for the internal control. This section has been prepared in accordance with section 3.7.2 of the Swedish Code on Corporate Governance, and supplementary instructions issued by the Swedish Corporate Governance Council. This report has not been reviewed by the Company's auditors.

Framework for internal control

SSAB complies with the internationally established framework, Internal Control – Integrated Framework, which is issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In accordance with COSO, SSAB's internal control process is based on the organization's control environment and includes primarily the following components: risk assessment, control activities, information and communications as well as follow-up.

SSAB's internal control process is structured in order to ensure, to a reasonable degree, the quality and accuracy of the financial reporting. In addition, the process shall ensure that the reporting is prepared in accordance with applicable laws and regulations as well as require-

ments imposed on listed companies in Sweden. Prerequisites for this being achieved are that a sound control environment is in place, that reliable risk assessments are carried out, that established control activities exist and that information and communication as well as follow-up function in a satisfactory manner.



Control environment

The control environment is characterized by the organization structure, management's work method and philosophy as well as other roles and responsibilities within the organization. The Audit Committee assists the Board with respect to important accounting issues which the Group applies and follows up the internal control with respect to financial reporting. In order to maintain an efficient control environment and sound internal control, the Board of Directors has delegated the practical responsibility to the CEO who, in turn, has delegated responsibility to other members of Group Executive Committee and heads of divisions/subsidiaries.

A number of projects are being conducted with the aim of ensuring that the Group's internal controls meet the requirements imposed by various interested parties. Based on a current status analysis and through regular modifications, the projects have resulted in improvements in work methods, routines and documentation. In order to ensure the quality of the financial reporting, regular work takes place on further developing common Group policies and manuals; among other things, a Financial Handbook for the Group has been produced and is being communicated throughout the Group. In addition to the Financial Handbook for the Group, the most important overall control documents and policies for the Group are the finance policy, the information policy and ethics policy. In addition to these common Group policies, there are local control documents and policies, e.g. credit policy and policy for dissemination of financial information.

All divisions and subsidiaries have adopted guidelines with respect to ethical issues. The work on clarifying the Group's Code of Conduct will continue during 2008. This represents a stage in further strengthening the

communication of the Group's values and philosophy. For additional information regarding SSAB's Code of Conduct, see page 15 of the Annual Report.

Risk assessment

SSAB is an organization which is exposed to various risks, both internally and externally. In order to ensure a sound internal control to a reasonable degree, the risks which may affect the financial reporting are identified, gauged and measures are taken. The Group's system for identifying, reporting and taking measures as regards risks is integrated in the ongoing reporting to Group Executive Committee and the Board of Directors and also constitutes the basis for the assessment of risks of error in the financial reporting. SSAB's operations are characterized by processes involving well-established routines and systems. The risk assessment thus takes place largely within these processes and only general risk assessments take place on a Group level. Responsible persons in the Group identify, monitor and follow-up opportunities and risks. This creates conditions for well-founded and correct commercial decisions at all levels. Financial risks such as currency, financing and liquidity risks, as well as interest rate and credit risks, are handled primarily by the parent company's finance and accounting function in accordance with the Group's finance policy (see Note 27 of the Annual Report).

During 2006, an in-depth risk analysis was carried out, which resulted in an improved risk management model that was implemented in 2007. This work will continue in 2008 through SSAB's Risk Committee. For an overview of the Group's commercial risk exposure, see also the section entitled "Internal control and risk management" and page 18 of the Report of the Directors.

Control activities

The primary purpose of control activities is to prevent, and discover at an early stage, errors in the financial reporting so that these can be addressed and rectified. Control activities, both manual and automated, take place on both overall and more detailed levels within the Group. Routines and activities have been designed in order to handle and rectify significant risks associated with the financial reporting as identified in the risk analysis. Depending on the nature and affiliation of the control activity, corrective measures, implementation, documentation and quality assurance take place on a Group, subsidiary or process level. As with other processes, the relevant head is responsible for the completeness and accuracy of the control activities.

In 2007, the Group has commenced work on implementing a joint Group consolidation system. This work will be completed in 2008 and will result in a further strengthening of the internal control over financial reporting. Work has also been taking place in the Group

involving automation of more controls and processes and limitations on authority in IT systems in accordance with express and ostensible authority.

Control activities are carried out on all levels in the Group. For example, there are established Controlling functions which analyze and follow-up deviations and forward reports in the Company. Follow-up by Group Executive Committee takes place, among other things, through regular meetings with heads of divisions and subsidiaries with regard to the operations, their financial position and results, as well as financial and operational key ratios. The Board of Directors analyses, among other things, monthly business reports in which the Group Executive Committee describes the period that has passed and comments on the Group's financial position and results. In these ways, important fluctuations and deviations are followed up, a factor which minimizes the risks of errors in the financial reporting.

The work on the closing accounts and the annual report involves processes in which there are additional risks of error in the financial reporting. This work is less repetitive in nature and contains several elements in the nature of an assessment. Important control activities include ensuring the existence of a well-functioning reporting structure in which the divisions/subsidiaries report in accordance with standardized reporting models, as well as important income statement and balance sheet items being specified and commented on.

Information and communication

EXTERNAL

SSAB's communications must be correct, open, prompt and provided simultaneously to all interested groups. All communications must take place in accordance with the listing agreement for listed companies in Sweden. The financial information must provide the stock market, current and future shareholders, with a comprehensive and clear impression of the Company, its operations, strategy and financial development. The Board of Directors approves the Group's annual report and press releases regarding results and instructs the CEO to submit interim reports in accordance with the board's rules of procedure. All financial reports are published on the website (www.ssab.com) after having first been sent to OMX Nordic Exchange. In addition, they are distributed to all shareholders who have not waived the right to receive such information.

Financial information concerning the Group may be provided only by the CEO and the Group's Chief Financial Officer as well as by the Executive Vice President Communications and the Head of Investor Relations. The divisions/subsidiaries disseminate financial information about their operations only after the Group has published equivalent information.

The Company applies a closed period policy whereby

no financial information is presented three weeks prior to publication of full-year or interim reports.

In the event of a leakage of price-sensitive information or upon the occurrence of special events which may affect the valuation of the Company, OMX Nordic Exchange will be notified thereof, after which a press release containing the same information will be distributed. Informational activities are governed by an information policy.

INTERNAL

Each division and subsidiary has a chief financial officer who is responsible for maintaining high quality and precision of delivery with respect to the financial reporting.

The local intranets constitute important communication channels in the Company on which information is published regularly. Regular joint Group accounting meetings are held with the chief financial officers of the divisions/subsidiaries. At these meetings, the divisions/subsidiaries are updated regarding news and changes within, among other things, the accounting area as well as routines and internal controls with respect to the financial reporting. In addition, the parent company regularly reports changes in the accounting principles and policies for the Group as well as other issues relating to the financial reporting.

Follow-up

The board's follow-up of the internal control with respect to financial reporting takes place primarily through the Audit Committee, among other things through follow-up of the work and reports of the internal and external auditors.

The internal audit has carried out independent and objective reviews in accordance with an established audit plan. The reviews are carried out in accordance with an adopted audit process which commences with an annual risk analysis in order to create an audit plan which, following completion of the audit, is formally concluded with regular reporting back to the Audit Committee of observations and measures taken by the Company. The audits are carried out as process audits focusing on SSAB's compliance with its rules and regulations and the existence of efficient and suitable processes for risk management, business management and internal controls.

The external auditors review each year selected parts of the internal control within the scope of the statutory audit. The external auditors report the results of their review to the Audit Committee and Group Executive Committee. Important observations are also reported directly to the Board of Directors. In 2007, the external auditors reviewed the internal control in selected key processes and reported thereon to the Audit Committee and Group Executive Committee.