

*This is a non-official translation of the Swedish original wording. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.*

**Proposal by the Board of Directors of Ferronordic Machines AB for the annual general meeting 2015 concerning authorization to decide upon issue of new ordinary shares of series 2**

The Board proposes that the meeting authorizes the Board to, not later than the next annual general meeting, at one or several occasions – with or without deviation from the shareholders’ preferential rights – to decide upon an issue of new ordinary shares of series 2 in the company. Payment for subscribed shares shall, when relevant, be made in cash, by set-off, or in kind.

The reason for authorizing the Board to make a decision on issue of new ordinary shares of series 2 with deviation from the shareholders’ preferential rights is to enable a decision on special redemption of class B-preference shares in accordance with § 8.5 of the company’s Articles of Association. In accordance with § 8.5 of the Articles of Association, the new ordinary shares of series 2 shall be issued to persons whose class B-preference shares have been redeemed at a subscription price equal to 50% of the subscription/offer price for the ordinary shares issued and/or offered in connection with the acceptance of the company’s ordinary shares for trading on NASDAQ OMX Stockholm or another regulated market.

The proposal requires support by shareholders representing at least two thirds of both the votes cast and the shares represented at the meeting.

Each of Anders Blomqvist and Henrik Carlborg, or whomever one of them may appoint, is authorized to make such changes to the resolution as may be required in connection with the registration thereof with the Swedish Companies Registration Office or with Euroclear Sweden AB or due to other formal requirements.

Stockholm in April 2015

The Board of Directors of Ferronordic Machines AB (publ)