

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 to the extraordinary general meeting on 2 October 2015 regarding dividends

The board proposes that the meeting resolves to pay dividends on the company's preference shares in an amount of SEK 50 per preference share, corresponding to a total dividend payment of SEK 25,000,000. As record date for the dividend payment the board proposes 23 October 2015. If the meeting resolves in accordance with the proposal, it is expected that the dividend would be paid through Euroclear Sweden AB on 28 October 2015. No dividend shall be paid with regard to ordinary shares.

Remaining distributable profits available for distribution by the meeting amount to SEK 421,730,016.

Given the weak market and the continuously uncertain economic situation in Russia the board is still of the opinion that it would not be prudent to make a resolution now with regard to the payment of dividends on the preference shares in April 2016. If the board later concludes that an additional payment of dividends on the preference shares will be possible, the board will convene another extraordinary general meeting in March/April 2016 in order to pass the required resolutions.

Stockholm in September 2015

The Board of Directors of Ferronordic Machines AB (publ)