

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 annual general meeting 2015 regarding allocation of the profits available for distribution by the meeting

Distributable profits available for distribution by the meeting amount to SEK 422,321,549.

Having regard to the current economic situation in Russia and the uncertain effect this may have during the year on the Group's cash position and working capital requirements, the Board is of the opinion that it would be imprudent to make a resolution already at the annual general meeting on 19 May 2015 to pay dividends on the company's preference shares when the record dates for the dividend payments do not occur until October 2015 and April 2016.

In consideration of the foregoing, the Board proposes that for the time being no dividends be paid on the company's preference shares. If the Board later concludes that a payment of dividends on the preference shares will be possible, the Board will convene an extraordinary general meeting in the beginning of October 2015 and/or April 2016 where a resolution can be made to pay dividends on the preference shares.

The Board further proposes that no dividends be paid on ordinary shares.

Stockholm in April 2015

The Board of Directors of Ferronordic Machines AB (publ)