

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

### **Proposals of the Nomination Committee of Ferronordic Machines AB to the Annual General Meeting 2018**

The Nomination Committee of Ferronordic Machines AB, consisting of Rune Andersson (Mellby Gård AB), Håkan Eriksson, chairman (Skandinavkonsult i Stockholm AB), Per-Olof Eriksson (representing shareholders who are Board members or Group employees) and John Hedberg (Creades AB), proposes that the annual general meeting 2018 resolve as follows:

- 1) Staffan Jufors, chairman of the Board, be elected chairman of the AGM;
- 2) the number of Board members shall be six (without deputies);
- 3) total fees of SEK 1,800,000 be paid to the Board members as follows:
  - a) SEK 600,000 to the the chairman of the Board,
  - b) SEK 300,000 to each of the other Board member (except Lars Corneliusson who is employed by the group), and
  - c) no fees shall be paid for work in the Board's committees;
- 4) auditor's fees be paid in accordance with the agreement between the company and KPMG AB;
- 5) re-election of Annette Brodin Rampe, Magnus Brännström, Lars Corneliusson, Erik Eberhardson, Håkan Eriksson and Staffan Jufors as members of the Board (information on the proposed Board members can be found on the company's website [www.ferronordic.com](http://www.ferronordic.com));
- 6) re-election of Staffan Jufors as chairman of the Board;
- 7) re-election of KPMG AB as auditor for the period until the next AGM; and
- 8) adoption of the following principles concerning the company's Nomination Committee:

The Nomination Committee shall consist of four members. The chairman of the Board shall at the end of the third quarter 2018 contact each of the four largest shareholders in the company and ask them to appoint their respective representatives for the Nomination Committee. In this respect, shareholders who are employees of the group are regarded as one shareholder. Should a shareholder choose not to appoint a representative for the Nomination Committee, the right to appoint a member of the Nomination committee shall transfer to the next largest shareholder (provided such shareholder has not already appointed or is entitled to appoint a member of the Nomination Committee). If a member of the Nomination Committee resigns, the shareholder appointing the resigning member shall be asked to appoint another member of the Nomination Committee. The chairman of the Nomination Committee shall be the member appointed by the largest shareholder (unless the Nomination Committee agrees otherwise).

The Nomination Committee shall act in the interest of all shareholders.

The duties of the Nomination Committee shall include to evaluate the Board's constitution and work, and to make proposals for the annual general meeting regarding:

- election of chairman for the AGM,
- number of Board members,
- election of the Board and the chairman of the Board,
- election of auditor (in cooperation with the Board's auditing committee),
- remuneration of the Board, the Board's committees and the auditor,
- principles regarding the Nomination Committee for the next AGM.

The mandate of the Nomination Committee is valid until a new Nomination Committee has been constituted. In case of material changes in the owners during the mandate period of the Nomination Committee, the Nomination Committee shall ensure that a new large shareholder is given representation in the Nomination Committee.

The constitution of the Nomination Committee shall be announced not later than six months before the AGM.

The members of the Nomination Committee shall not receive any compensation from the company but are entitled to reimbursement for reasonable expenses.

Stockholm in April 2018

The Nomination Committee of Ferronordic Machines AB (publ)