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## **Proposals to the Annual General Meeting 2016 by the Nomination Committee of Ferronordic Machines AB**

The Nomination Committee of Ferronordic Machines AB has comprised Håkan Eriksson (Skandinavkonsult i Stockholm AB), chairman of the Nomination Committee, Per Arwidsson (Fastighetsaktiebolaget Granen), Per-Olof Eriksson (representing shareholders who are Board members and/or employees of the group) and Per Frankling (Creades AB).

The Nomination Committee proposes that the Annual General Meeting (AGM) 2016 resolve on the following:

- 1) that Per-Olof Eriksson, chairman of the Board, be elected chairman of the AGM;
- 2) that seven Board members be elected and no deputy members;
- 3) that total fees of SEK 2 000 000 be paid to the Board members as follows:
  - a. the chairman of the Board shall be paid a fee of SEK 600,000,
  - b. the vice chairman of the Board shall be paid a fee of SEK 500,000,
  - c. each other Board member shall be paid a fee of SEK 300,000, except Lars Corneliusson and Erik Eberhardson, and
  - d. no fees shall be paid for work in the Board's auditing committee or remuneration committee;
- 4) that auditor's fees be paid in accordance with the agreement between the company and KPMG AB;
- 5) that Magnus Brännström, Lars Corneliusson, Erik Eberhardson, Per-Olof Eriksson, Martin Leach and Kristian Terling be re-elected as members of the Board and that Håkan Eriksson is elected as a new member 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) that Per-Olof Eriksson be re-elected chairman of the Board;
- 7) that KPMG AB be re-elected as auditor for the period until the next AGM; and
- 8) that the following principles concerning the company's Nomination Committee be adopted:

The Nomination Committee shall consist of four members. The chairman of the Board shall in connection with the end of the third quarter 2016 contact each of the four largest shareholders in the company and encourage them to appoint their respective representatives for the Nomination Committee. As regards the appointment of representatives for the Nomination Committee, all shareholders who are members of the Board and/or employed by the group shall be regarded as one shareholder. If a shareholder chooses 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 does not agree otherwise (though not a person employed by the group or a member of the Board).

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 annual general meeting 2016,
- 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),
- fees for the Board members, Board committees and auditors, and
- principles concerning the Nomination Committee for the annual general meeting 2017.

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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 annual general meeting 2017. 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 2016

The Nomination Committee of Ferronordic Machines AB (publ)