

Proposals of the Nomination Committee of Ferronordic Machines AB to the Annual General Meeting 2019

The Nomination Committee of Ferronordic Machines AB, consisting of Jörgen Olsson (chairman), representing Skandinavkonsult i Stockholm AB, Tom Jörning, representing Scandsib Holdings Ltd, Per-Olof Eriksson, representing shareholders employed by the Group, and Gustaf Lindskog, representing Man GLG Partners LP, proposes that the annual general meeting 2018 resolve as follows:

- 1) Staffan Jufors be elected chairman of the AGM;
- 2) the number of Board members to remain six (without deputies);
- 3) total fees of SEK 1,800,000 be paid to the Board as follows:
 - a) SEK 600,000 to 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.No fees shall be paid for work in the Board's committees;
- 4) auditor's fees be paid in accordance with 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 (presentations of the proposed Board members are available on the company's website 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 consists of four members. The chairman of the Board shall at the end of the third quarter 2019 contact the four largest identified shareholders and encourage them to appoint their representatives for the Nomination Committee. Shareholders who are employees of the Group are in this respect regarded as one shareholder. If a shareholder elects not to appoint a representative, the right to appoint a member passes to the next largest shareholder (provided such shareholder has not already appointed or is entitled to appoint a member). If a member resigns, the shareholder appointing the resigning member shall be asked to appoint another member. 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 AGM 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 audit committee),
- remuneration of the Board, the Board's committees and the auditor,
- 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 ownership changes during the mandate period, the Nomination Committee shall ensure that a new large shareholder is represented 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 receive no compensation from the company but are entitled to reimbursement for reasonable expenses.
