

Statement by the Nomination Committee of Ferronordic Machines AB regarding its work and the Board of Directors proposed for approval at the 2019 Annual General Meeting

Composition and assignment

In accordance with the principles established by the AGM 2018, the following members were appointed to the Nomination Committee: Jörgen Olsson, 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

The tasks of the Nomination Committee include evaluating the composition and work of the Board and preparing proposals for the 2019 AGM concerning:

- chairman at the AGM
- number of Board members
- Board members and chairman of the Board
- fees to the Board
- fees for committee work
- fees to the company's auditor
- principals for appointment of Nomination Committee for the AGM 2020

Work

The Nomination Committee held two meetings where minutes were taken and had further informal contacts by email and telephone. The outcome of the evaluation of the Board members has been shared with the Nomination Committee.

Proposal for Board of Directors

The Board currently consists of six members. The Nomination Committee finds this to be appropriate considering the size of the business and the complexity of the company. The Nomination Committee thus proposes that the number of Board members remain six (over time the number of members could be increased, however, preferably to make room for additional female members). Further, the Nomination Committee is of the opinion that the Board is functioning well and that the members have the required competence and experience for their tasks. It was noted that all Board members were present at all Board meetings during 2018. The Nomination Committee thus proposes re-election of all Board members and re-election of Staffan Jufors as chairman of the Board.

Independence of proposed members

The Nomination Committee has considered the independence of the proposed members and has found that all members except Lars Corneliusson are independent of the company and its management, and that all proposed members except Håkan Eriksson are independent of the larger shareholders.

Remuneration

Based on a comparison with publicly traded companies of comparable size and complexity, the Nomination Committee suggests that the remuneration to the Board remain unchanged.

Proposals from shareholders

The shareholders have on the company's website been informed of the possibility to submit proposals to the Nomination Committee. No proposals were submitted.

Stockholm in April 2019

Nomination Committee of Ferronordic Machines AB (publ)