

Press Release
Stockholm, 15 April 2019

Notice to attend Ferronordic's annual general meeting on 14 May 2019

Shareholders in Ferronordic Machines AB (publ) are invited to attend the annual general meeting of shareholders at Radisson Blu Strand Hotel, Nybrokajen 9, Stockholm, on Tuesday 14 May 2019 at 2 p.m. Registration begins at 1:30 p.m.

Shareholders wishing to attend the meeting must be recorded in the share register maintained by Euroclear Sweden AB on 8 May 2019 and must have notified the company of their intention to participate no later than 3 p.m. on 8 May 2019.

Proposed agenda

Matters:

1. Opening of the meeting
2. Election of chairman
3. Verification of voting list
4. Approval of the agenda
5. Election of controllers
6. Determination whether the meeting has been duly convened
7. Presentation of the work of the Board and the Board committees
8. Presentation by the CEO
9. Presentation of the annual report and the auditor's report, as well as the consolidated accounts and the auditor's report on the consolidated accounts
10. Resolution on adoption of the income statement and balance sheet and the consolidated income statement and balance sheet.
11. Resolution on disposition of the company's profits
12. Resolution on discharge from liability of the members of the Board and the CEO
13. Determination of the number of members of the Board to be elected by the meeting
14. Determination of remuneration for the members of the Board and the auditor
15. Election of the Board
16. Election of the chairman of the Board
17. Election of the auditor
18. Resolution on the Nomination Committee
19. Resolution on the adoption of a policy on remuneration for executives
20. Resolution on share based incentive program
21. Resolution on change of articles of association
22. Closing of the meeting

Motions

Point 2: The Nomination Committee for the AGM, consisting of Jörgen Olsson (chairman), representing Skandinaviskonsult 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 Staffan Jufors as chairman of the meeting.

Point 11: Distributable profits available for distribution by the meeting amount to SEK 349,236,815. The Board proposes an ordinary dividend of SEK 3.75 per share and an extraordinary dividend of SEK 3.75 per share, i.e. in total SEK 7.50 per share. The record date for the dividend would be 16 May 2019 and the payment would be made around 21 May 2019.

Point 13: The Nomination Committee proposes that the number of Board members remain six members without deputies.

Point 14: The Nomination Committee proposes that the chairman of the Board be awarded SEK 600,000 and that each other Board members except Lars Corneliusson be awarded SEK 300,000. The total remuneration to the Board amounts to SEK 1,800,000. No separate remuneration is paid for work in the Board's committees. The Nomination Committee further proposes that fees to the auditor be paid according to agreement between the company and KPMG AB.

Point 15: The Nomination Committee proposes re-election of Annette Brodin Rampe, Magnus Brännström, Lars Corneliusson, Erik Eberhardson, Håkan Eriksson and Staffan Jufors. Presentations of proposed candidates are available on the company's website www.ferronordic.com.

Point 16: The Nomination Committee proposes re-election of Staffan Jufors as chairman of the Board.

Point 17: The Nomination Committee proposes re-election of KPMG AB as the company's auditor for the period until the next AGM.

Point 18: The Nomination Committee proposes that the meeting adopts the following principles regarding 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.

Point 19: The Board proposes that the meeting adopt the following guidelines on remuneration for executives:

These guidelines concern remuneration and other employment terms for Ferronordic's management. The guidelines apply to employment contracts made after the approval of these guidelines by the meeting and to amendments to existing agreements made thereafter.

Basic principles

Remuneration to executives is based on current market terms on the markets where Ferronordic operates. Remuneration shall also be competitive in order to attract and retain competent executives.

Fixed salaries

Fixed salaries are established individually based on the criteria specified above, as well as the individual executive's areas of responsibility and performance. For expatriates with salaries in roubles or other local currencies, the fixed salaries can be adjusted to reflect changes in fore exchange rates.

Variable salaries

Executives may receive variable salaries in addition to fixed salaries. Variable salaries are paid upon fulfilment of pre-determined and measurable performance criteria, primarily based on the development of the Group as a whole, and/or the part of the group's business that the executive is responsible for. Variable salary for the CEO shall not exceed 100% of the fixed salary. Variable salary for other executives shall not exceed 50% of the fixed salary. Exceptions are permitted for executives whose duties predominantly consist of sales, for whom the variable salary shall not exceed 200% of the fixed salary.

Other benefits

Executives are entitled to customary non-monetary benefits such as company cars and company health insurance. In addition, company housing and other benefits can be offered on an individual basis, such as housing allowances and school/kindergarten allowances for expatriates.

Pension benefits

In addition to those pension benefits that executives are entitled to according to law, executives may be offered pension benefits that are competitive in the country where the individual in question is or has been a resident or to which the individual has a relevant connection. Pension plans shall be defined contribution plans without guaranteed pension levels.

Severance pay

Severance pay shall not exceed 12 months.

The Board's preparation and decision-making on issues concerning remuneration and other terms of employment

The Remuneration Committee is responsible for:

- 1) preparing the Board's decisions on issues concerning principles of remuneration, remuneration and other terms of employment for executives,
- 2) monitoring and evaluating ongoing and during the year ended programs for variable remuneration,
- 3) monitoring and evaluating the application of these guidelines, and
- 4) monitoring and evaluating current remuneration structures and remuneration levels in the Group.

The Remuneration Committee prepares and the Board resolves on:

- 1) remuneration and employment terms of the CEO,
- 2) principles for remuneration for the other executives (including pension and severance pay).

The Remuneration Committee also reviews and recommends to the Board share-based incentive programs to be decided by the AGM.

Authority to decide on deviations from these guidelines

The Board may deviate from these guidelines if there are specific reasons in individual cases.

Earlier decisions on remuneration not due at the time of the AGM's consideration of these guidelines

Remuneration approved but not due at the time of the AGM 2019 fall within the frames of these guidelines.

Point 20: The Board proposes that the long-term incentive program carried out 2016-2018 for members of the Group's management and extended management be repeated in 2019. Should the meeting approve the program, a bonus will be paid to the participants (15-18 people) of SEK 200,000 each (net after tax). The participants will commit to use the bonus to purchase shares in Ferronordic, not to sell the shares for at least three years, and to sell the shares to the other participants at a pre-agreed discounted price if the participant resigns or is dismissed for cause. The purpose of the program is to provide long-term incentive to the company's management and align the interests of management and the shareholders. The Board proposes that Henrik Carlborg be authorised, on behalf of the company, to sign agreements and other documents required for the implementation of the program.

Point 21: The Board proposes that the AGM resolve on a change of the articles of association, partly to shorten the company's name, and partly to reflect that the company no longer has any preference shares outstanding. The proposed revised articles of associates are available at the website.

The full notice is attached hereto and available on the website, www.ferronordic.com.

About Ferronordic

Ferronordic is the authorized dealer of Volvo Construction Equipment, Terex Trucks, Dressta, Mecalac and Rottne in Russia, and for Volvo Construction Equipment and Mecalac in Kazakhstan. In parts of Russia, Ferronordic has also been appointed aftermarket dealer for Volvo and Renault Trucks and dealer for Volvo Penta. The company began its operations in 2010. It is established in all federal districts of Russia with 79 outlets and over 1,000 employees. Ferronordic's vision is to be regarded as the leading service and sales company in the CIS markets. The shares in Ferronordic are listed on Nasdaq Stockholm.

www.ferronordic.com

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