

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

NOTICE OF GENERAL MEETING OF SHAREHOLDERS IN FERRONORDIC MACHINES AB (publ)

Ferronordic Machines AB (publ) hereby gives notice to attend the annual general meeting of shareholders in Stockholm at Radisson Blu Strand Hotel, Nybrokajen 9, Stockholm, on Tuesday 19 May 2015 at 2 p.m.

Proposed agenda

Matters:

1. Opening of the meeting
2. Election of chairman of the meeting
3. Verification of the 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 for the financial year 2014 as well as the consolidated accounts and the auditor's report on the consolidated accounts.
10. Resolutions on:
 - a) adoption of the income statement and balance sheet and the consolidated income statement and balance sheet,
 - b) disposition to be made of the company's profits
 - c) discharge from liability of the members of the Board and of the CEO
11. Determination of the number of members and deputy members of the Board to be elected by the meeting
12. Determination of remuneration for the members of the Board and the auditor
13. Election of the Board and the chairman of the Board
14. Election of the auditor
15. Resolution on the Nomination Committee
16. Resolution on the adoption of a policy on remuneration for senior executives
17. Resolution on repurchase of warrants 2013/2016
18. Resolution on authorization to the Board to decide on issue of new ordinary shares of series 2
19. Resolution on authorization to the Board to decide on issue of new ordinary shares
20. Closing of the meeting

Motions

Point 2: The Nomination Committee for the annual general meeting, consisting of the chairman Mikael Brantberg (appointed by Russian CE Distribution Investors AB), Rune Andersson (appointed by Mellby Gård AB), Daniel Nyhrén (appointed by Creades AB) and Per-Olof Eriksson (appointed by shareholders who are Board members or employed by the group) proposes Per-Olof Eriksson to be the chairman of the meeting.

Point 10b: Distributable profits available for distribution by the meeting amount to SEK 422,321,549. Having regard to the current economic situation in Russia and the uncertain effect this may have during the year on the Group's cash position and working capital requirements, the Board is of the opinion that it would not be prudent to make a resolution already at the annual general meeting on 19 May 2015 to pay dividends on the company's preference shares when the record dates for the dividend payments would only occur in October 2015 and April 2016. In consideration of the foregoing, the Board proposes that for the time being no dividends be paid on the company's preference shares. If the Board later concludes that a payment of dividends on the preference shares will be possible, the Board will convene an extraordinary general meeting in the beginning of October 2015 and/or April 2016 where a resolution can be made to pay dividends on the preference shares. The Board further proposes that no dividends be paid on ordinary shares.

Point 11: The Nomination Committee proposes that the number of members of the Board shall be seven members and no deputies.

Point 12: The Nomination Committee proposes that the chairman of the Board is awarded SEK 600,000, the vice chairman of the Board is awarded SEK 500,000, and each other Board members is awarded SEK 300,000, except for Lars Corneliusson and Erik Eberhardson. In total the remuneration to the Board would amount to SEK 2,000,000. The Nomination Committee proposes that no separate remuneration shall be paid regarding work in the Board's audit committee or remuneration committee. The Nomination Committee proposes that fees to the auditor be paid according to agreement between the company and KPMG AB.

Point 13: The Nomination Committee proposes re-election of Magnus Brännström, Lars Corneliusson, Erik Eberhardson, Per-Olof Eriksson, Marika Fredriksson, Martin Leach and Kristian Terling. A presentation of the candidates proposed by the Nomination Committee is available on the company's website www.ferronordic.com. The Nomination Committee further proposes re-election of Per-Olof Eriksson as chairman of the Board.

Point 14: The Nomination Committee proposes re-election of the auditing firm KPMG AB as the company's auditor for the period until the next annual general meeting.

Point 15: The Nomination Committee proposes that the meeting resolves to adopt the following principles regarding the company's nomination committee.

The Nomination Committee shall consist of four members. The chairman of the Board shall in connection with the end of the third quarter 2015 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 are 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)
- remuneration of members of the Board and the Board's committees and the auditors
- Nomination Committee for the annual general meeting 2017.

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 2016. The members of the Nomination Committee shall not receive any compensation from the company but are entitled to reimbursement for reasonable expenses.

Point 16: The Board proposes that the meeting resolves to adopt the following policy on remuneration for senior executives.

These guidelines concern remuneration and other terms of employment for the Ferronordic Machines executive management team. The members of the executive management team, including the CEO and any possible deputy CEO, are hereafter referred as the Executives". The guidelines apply to employment agreements made after the approval of these guidelines by the meeting and to amendments to existing employment agreements made thereafter.

Basic principles

Remuneration to Executives shall be based on market terms in the markets where Ferronordic Machines operates and the environment in which the individual Executive is working. In addition, remuneration shall be competitive in order to enable Ferronordic Machines 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 expatriate Executives with salaries in rubles 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 shall be paid upon fulfilment of predetermined and measurable performance criteria, primarily based on the development of the group as a whole or the development of the part of the group for which the individual in question is responsible. The variable salary may, as regards the CEO, amount to not more than 100% of the fixed salary and, as regards other Executives, not more than 50% of the fixed salary. An exception may be made regarding Erik Eberhardson, whose variable salary may to not more than 150% of the fixed salary (according to previous agreement in connection with reduction of fixed salary).

The Board has decided not to propose any share based incentive program for the annual general meeting 2015.

Non-monetary and other benefits

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

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 level of pension.

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 the Executives,
- 2) monitoring and evaluating programs for variable remuneration, both ongoing and those who end during the year,
- 3) monitoring and evaluating programs the application of these guidelines, and
- 4) monitoring and evaluating current remuneration structures and levels in the group.

The Remuneration Committee prepares and the Board resolves on:

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

The Remuneration Committee is further responsible for reviewing and recommending to the Board share-related incentive programs to be decided by the annual general meeting.

Authority to decide on deviations from these guidelines

The Board may deviate from these guidelines if there are specific reasons to do so in an individual case.

Information on earlier decisions on remuneration that has not become due for payment at the time of the annual general meeting's consideration of these guidelines

Decisions on remuneration that will not have become due the time of the annual general meeting 2015 fall within the frames of these guidelines.

Point 17: The Board proposes that the annual general meeting resolve that the company shall offer the holders of warrants 2013/2016 to repurchase the issued warrants. The repurchase price would correspond to the amount that the holders have paid for the warrants, i.e. in total EUR 61,306. The warrants 2013/2016 were issued in 2013 to selected executives as a long-term incentive program in anticipation of a listing of the ordinary shares in the company on NASDAQ OMX Stockholm. Since a listing of the company's ordinary shares has been postponed, the Board is of the opinion that the issued warrants no longer fulfill the requirements of a suitable long-term incentive program for the company's senior executives. The Board instead intends to prepare an alternative long-term incentive program for the group's executives. The Board further proposes that each of Anders Blomqvist and Henrik Carlborg be authorized, on behalf of the company, to sign offers, agreements and other documents that may be required in order for the company to be able to repurchase the said warrants.

Point 18: The Board proposes that the meeting authorizes the Board to, not later than the next annual general meeting, at one or several occasions – with or without deviation from the shareholders' preferential rights – to decide upon an issue of new ordinary shares of series 2 in the company. Payment for subscribed shares shall, when relevant, be made in cash, by set-off, or in kind. The reason for authorizing the Board to make a decision on issue of new ordinary shares of series 2 with deviation from the shareholders' preferential rights is to enable a decision on special redemption of class B-preference shares in accordance with § 8.5 of the Articles of Association. In accordance with § 8.5 of the Articles of Association, the new ordinary shares of series 2 shall be issued to persons whose class B-preference shares have been redeemed at a subscription price equal to 50% of the subscription/offer price for the ordinary shares issued and/or offered in connection with the acceptance of the company's ordinary shares for trading on NASDAQ OMX Stockholm or another regulated market. The proposal requires support by shareholders representing at least two thirds of both the votes cast and the shares represented at the meeting.

Each of Anders Blomqvist and Henrik Carlborg, or whomever one of them may appoint, is authorized to make such changes to the resolution as may be required in connection with the registration thereof with the Swedish Companies Registration Office or with Euroclear Sweden AB or due to other formal requirements.

Point 19: The Board proposes that the meeting authorizes the Board to, not later than the next annual general meeting, at one or several occasions – with or without deviation from the shareholders' rights – decide upon an issue of ordinary shares in the company. The authorization can only be used to issue ordinary shares in connection with a listing of the company's ordinary shares on NASDAQ OMX Stockholm or another regulated market. Payment for subscribed shares shall, as relevant, be made in cash, by set-off, or in kind. The reason for authorizing the Board to make a decision on issue of new ordinary shares with deviation from the shareholders' preferential rights is to offer preference shares to investors in connection with a listing of the company's ordinary shares on NASDAQ OMX Stockholm or another regulated market. The new ordinary shares shall be issued at market rate determined by the Board in consultation with the company's financial advisors. The proposal requires support by shareholders representing at least two thirds of both the votes cast and the shares represented at the meeting.

Each of Anders Blomqvist and Henrik Carlborg, or whomever one of them may appoint, is authorized to make such changes to the resolution as may be required in connection with the registration thereof with the Swedish Companies Registration Office or with Euroclear Sweden AB or due to other formal requirements.

Provision of documents

Financial reports, the auditor's statement as well as detailed proposals regarding points 9-18 including required board statements will be available on the company's website www.ferronordic.com and at Ferronordic Machines AB's headquarter, Hovslagargatan 5B, Stockholm, not later than from 20 April 2015. The described documents will also be sent to those shareholders who so request and provide their addresses. The documents will also be available at the annual general meeting.

The number of shares and votes

At the time when this notice was issued, the total number of shares in the company amounted 10,500,000 of which 10,000,000 were ordinary shares (1 vote per ordinary share) and 500,000 class A-preference shares (1/10 share per class A-preference shares). The total number of votes amounted to 10,050,000.

Information at the annual general meeting

If a shareholder so requests and the Board believes that such may take place without significant harm to the company, the Board and the CEO shall provide information at the annual general meeting in respect of any circumstance which may affect the assessment of a matter on the agenda, and any circumstances which may affect the assessment of the company's or a subsidiary's financial position and as regards the company's relationship to other group companies.

Right to participate in the annual general meeting

Participation in Ferronordic Machines AB's annual general meeting is limited to those who are recorded as shareholders in the share register on 12 May 2015 and who give notice of their intention to participate in the annual general meeting to Ferronordic Machines AB no later than 5 p.m. on 12 May 2015.

Registration in the share register

Ferronordic Machines AB's share register is maintained by Euroclear Sweden AB. Only owner-registered shares are listed in the names of the shareholders in the share register. To be entitled to participate in the annual general meeting owners of shares registered in the name of a trustee must have their shares registered in their own names. Shareholders who have trustee-registered shares should, in due time before 12 May 2015, request owner-registration, which may be temporary, at the bank or broker holding the shares. Trustees normally charge a fee for this.

Notice to Ferronordic Machines AB

Notice of intention to participate in the annual general meeting can be given:

- by telephone: +46 8 509 072 80
- by post to Ferronordic Machines AB (publ), "AGM", Hovslagargatan 5B, 111 48 Stockholm
- by email to henrik.carlborg@ferronordic.ru

In providing such notice, the shareholder should state:

- name
- personal identity number/corporate registration number
- address and telephone number
- name and personal identity number of the proxy, if any
- name(s) of any accompanying assistant(s) (maximum two assistants)

Shareholders who wish to participate in the annual general meeting must submit notice thereof prior to the expiration of the notice period at 5 p.m. on 12 May 2015. If you wish to be accompanied by an assistant, notification to this effect must be provided as specified above. Shareholders who are represented by proxy must issue a written, dated proxy for the representative. Such proxy forms are available on the company's website www.ferronordic.com. The proxy in original should be sent to the company at the above address in good time prior to the annual general meeting. The proxy must not be older than one year unless it states that it is valid for a longer period, although not more than five years. If the proxy is issued by a legal entity, a certified copy of the registration certificate or an equivalent certificate of authority must be submitted to the company. Note that shareholders who are represented by proxy must notify the company of their participation according to the above instructions and be registered as shareholders in the share register on 12 May 2015.

Stockholm in April 2015

Ferronordic Machines AB (publ)

The Board of Directors