

Appendix 2 - Proposal by the Board of Directors of FERRONORDIC AB to approve the transfer of warrant

The Board of Directors of the Company proposes that the Annual General Meeting resolves that the Subsidiary, within the framework of Incentive Program, assigns a maximum of 392 768 Warrants of series 2020/2023 to employees in the Group, or to wholly owned companies, under the following conditions:

1. The right to acquire Warrants from the Subsidiary shall be granted to employees in the Group. In total, approximately 30 employees or wholly owned companies will be offered to participate in the Incentive Program.
2. The number of Warrants that each employee shall be offered to acquire shall be determined by the Board of Directors of the Company within the framework of the overall allocation principles as described in Appendix 1.
3. The notification of acquisition of Warrants shall be made no later than 30 November 2020 (the "**Registration Period**"). The Warrants will then be transferred to participants no later than 20 December 2020, after which payment for acquired Warrants will be made within one week. The Board of Directors has the right to extend the time for notification of acquisition, the time for transfer from the Subsidiary and the time for payment.
4. No employee who signs up for the acquisition of Warrants will be guaranteed to acquire the notified number of Warrants. In case such notifying persons who are offered to acquire Warrants as above wish to acquire a number of Warrants that exceeds the total number of Warrants within the framework of the Incentive Program, allotment shall primarily be in relation to the number of Warrants registered and, secondly, by lottery executed by the Company.
5. A decision on the preliminary allocation will be made by the Board as soon as possible after the meeting when the Incentive Program was resolved. The decision on final allocation will then be made by the Board as soon as possible after the expiry of the Application Period.
6. The Subsidiary shall, in the event that after the end of the Registration Period, Warrants remain to be distributed, have the right to assign such Warrants to any future employees in the Group. Such additional employees shall only be offered to acquire Warrants within the framework of the Incentive Program and in accordance with the principles of entitlement to participation set forth in paragraph 2 above and otherwise under the corresponding conditions set forth in this proposal. Additional employees must also be able to acquire a maximum of as many subscription options as apply to the category to which the person belongs according to Appendix 1.
7. Employees who have the right to acquire Warrants according to the above have the right, if they wish, instead of acquiring the Warrants in person, to acquire them through a wholly owned company.
8. Transfer of Warrants shall take place at market value at the time of the transfer. Calculation of the Warrants market value shall be performed by an independent valuation institution using the Black & Scholes valuation formula.
9. A prerequisite for acquiring Warrants within the framework of the Incentive Program is that an employee, through an agreement with the Subsidiary, undertakes to resell acquired Warrants to the Subsidiary if the employee's employment in the Company or the Group is terminated before three years have expired the date of transfer of the

Warrants to the participant. The number of Warrants a participant will be required to sell back to the Subsidiary will gradually decrease by approximately 33 percent per year (ie after one, two and three years, respectively, from the date of transfer of the Warrants to the participant), provided that the participant's employment in the Group has not been terminated on the respective vesting date and subject to special conditions under which participants may, under certain conditions, be required to resell all held Warrants 2020/2023 to the Subsidiary if there is a probable cause for termination or dismissal. Furthermore, if the employment is terminated by the relevant Group Company due to death, labor shortage, long-term illness or permanent disability, it will also mean that the participant can retain all originally acquired Warrants. The Warrants that will be entered into between the Subsidiary and participants will also contain specific transfer restrictions and other customary terms for such agreements.

10. A prerequisite for the right to acquire subscription Warrants from the Subsidiary is that the person entitled at the time of the acquisition of the Warrants is employed in the Group and has not resigned from his employment, or has been terminated.
 11. The term "employee" above equals a person who has entered into an employment contract with companies that are part of the Group but have not yet taken up their employment.
 12. Participation in the Incentive Program requires that such participation may legally occur, and that such participation may, in the opinion of the Board, be made with reasonable administrative costs and financial efforts.
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