

**Press Release**  
**Stockholm, 29 March 2018**

**Notice of annual general meeting in Ferronordic Machines AB (publ)**

The shareholders of Ferronordic Machines AB (publ) are invited to attend the annual general meeting to be held at 10 am (CET) on 27 April 2018 at Radisson Blu Strand Hotel, Nybrokajen 9, Stockholm. Registration for the meeting begins at 9:30 am.

Shareholders who wish to attend the meeting must be recorded in the share register maintained by Euroclear Sweden AB on 20 April, and notify the company of their intention to attend no later than 5 pm (CET) on 20 April 2018.

**Proposed agenda**

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 senior executives
20. Resolution on share based incentive program for senior executives
21. Closing of the meeting

**Motions**

**Point 2:** The Nomination Committee for the AGM, consisting of the chairman Håkan Eriksson (representing Skandinavkonsult i Stockholm AB), Rune Andersson (representing Mellby Gård AB), Per-Olof Eriksson (representing shareholders who are Board members or Group employees) and John Hedberg (representing Creades AB), proposes Staffan Jufors as chairman of the meeting.

**Point 11:** Distributable profits available for distribution by the meeting amount to SEK 450,063,682. The Board proposes a dividend on the company's preference shares of SEK 60.40 per preference share, corresponding to a total dividend of SEK 4,030,371. The record date for the dividend would be 2 May 2018. Should the meeting approve the proposal, payment of the dividend would be made on 7 May 2018. Further, the Board proposes a dividend on the company's ordinary shares of SEK 1.73 per ordinary share, corresponding to a total dividend of SEK 25,141,111. The record date for the dividend would be 22 May 2018. Should the meeting approve the proposal, payment of the dividend would be made around 25 May 2018.

**Point 13:** The Nomination Committee proposes that the number of Board members shall be 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 be awarded SEK 300,000, except for Lars Corneliusson. In total, remuneration to the Board would amount to SEK 1,800,000. No separate remuneration shall be paid regarding 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. A presentation of the proposed candidates is available on the company's website [www.ferronordic.com](http://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 shall consist of four members. The chairman of the Board shall at the end of the third quarter 2018 contact each of the four largest shareholders in the company and ask them to appoint their respective representatives for the Nomination Committee. In this respect, shareholders who are employees of the group are regarded as one shareholder. Should a shareholder choose 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 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 auditing committee),
- remuneration of the Board, the Board's committees and the auditor,
- principles regarding 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 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 AGM.

The members of the Nomination Committee shall not receive any 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 senior executives:

These guidelines concern remuneration and other terms of employment for Ferronordic's executive management. The guidelines apply to employment contracts 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 operates and the environment in which the individual executive is working. In addition, remuneration shall be competitive in order to enable Ferronordic 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 rubles, the fixed salaries can be adjusted to reflect changes in foreign 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 and/or the development of the part of the group's operations for which the individual in question is responsible. As regards the CEO, the variable salary may not exceed 100% of the fixed salary. As regards other executives, the variable salary may not exceed 50% of the fixed salary. Exceptions are permitted for executives whose duties predominantly consist of sales, for whom the variable salary may 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 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,
- 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 AGM.

*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.

*Earlier decisions on remuneration that has not become due for payment at the time of the AGM's consideration of these guidelines*

Decisions on remuneration that will not have become due the time of the AGM 2018 fall within the frames of these guidelines.

**Point 20:** The Board proposes that the long-term incentive program for the members of the company's executive and extended management teams that was applied in 2016 and 2017 be repeated in 2018. Should the meeting approve the program, the company would pay a bonus to the participants (15-18 people) of SEK 100,000 each (net) to be used to purchase ordinary shares in Ferronordic. The participants are not allowed to sell the shares for a period of three years. Should a participant resign voluntarily or be dismissed because of gross misconduct, the participant must sell his/her preference shares to the other participants at a pre-agreed discounted price. The purpose of the program is to provide long-term incentive to the company's management and further align the interests of the management and the shareholders. The Board proposes that each of Anders Blomqvist and Henrik Carlborg be authorized, on behalf of the company, to sign agreements and other documents that may be required in order for the company to implement the said program.

The full notice is attached hereto and available on the company's website [www.ferronordic.com](http://www.ferronordic.com)

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**About Ferronordic**

Ferronordic is the authorized dealer of Volvo Construction Equipment, Terex Trucks, Dressta, Mecalac and Rottne in Russia. In certain parts of Russia, Ferronordic has also been appointed aftermarket dealer for Volvo and Renault Trucks, as well as dealer for Volvo Penta. Ferronordic began its operations in 2010 and has expanded rapidly across Russia. The company is well established in all federal districts with 74 outlets and over 800 employees. The vision of Ferronordic Machines is to be regarded as the leading service- and sales company in the CIS markets. The ordinary shares in Ferronordic Machines AB (publ) are listed on Nasdaq Stockholm. The preference shares in the company are listed on Nasdaq First North Premier. The company has appointed Avanza Bank AB as its Certified Advisor.

[www.ferronordic.com](http://www.ferronordic.com)

**For more information, please contact:**

Anders Blomqvist, CFO and Head of IR, Tel: +46 8 5090 7280 or [anders.blomqvist@ferronordic.com](mailto:anders.blomqvist@ferronordic.com)

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