

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 (AGM) at Radisson Blu Strand Hotel, Nybrokajen 9, Stockholm, on Friday 27 April 2018 at 10 a.m. Registration for the meeting begins at 9:30 am.

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 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 Corneliussen. 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.

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 no 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 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 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 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.

Provision of documents

Financial reports, the auditor's statement and detailed proposals will be available on the company's website www.ferronordic.com) and at the company's head office (Hovslagargatan 5B, Stockholm) from 29 March 2018. The documents will also be sent to shareholders who so request. The documents will also be available at the AGM.

Shares and votes

The total number of shares in the company amounts to 14,599,162 of which 14,532,434 are ordinary shares (1 vote per share) and 66,728 are A-preference shares (1/10 share per share). The total number of votes is 14,539,107.

Information at the AGM

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 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 meeting

Participation in the meeting is limited to those who are recorded as shareholders in the share register on 20 April 2018 and who give notice of their intention to participate in the AGM to Ferronordic Machines AB no later than 5 p.m. on 20 April 2018.

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 AGM, 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 20 April 2018, 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 AGM 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.com

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)

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. The proxy in original should be sent to the company at the above address in good time prior to the 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.

Stockholm in March 2018

Ferronordic Machines AB (publ)

The Board of Directors