

THE BOARD'S STATEMENT IN ACCORDANCE WITH CHAPTER 18, SECTION 4 OF THE SWEDISH COMPANIES ACT

With reference to the Board's proposal for dividend, the Board hereby makes the following statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act.

Proposed dividend (item 10 on the AGM agenda)

As stated in the proposal for dividend, the Board proposes:

- a) an ordinary dividend of SEK 0.30 per share, according to the Board's proposal previously announced in the year-end report for 2015 and in the profit allocation proposal in the Annual Report for 2015, and
- b) an extra dividend of SEK 0.20 per share, according to an increased proposal by the Board, press released on 19 April, 2016 (in total SEK 0.50 per share).

The record date for receiving the dividend shall be Wednesday, 1 June 2016. With the proposed record date the dividend is expected to be paid out through Euroclear Sweden AB on Tuesday, 7 June 2016. The last day of trading in the company's shares including the right to dividend is Monday, 30 May 2016.

The Board's statement regarding if the proposed dividend is justified

According to Rottneros' dividend policy, dividends shall be adapted to Rottneros' performance level, debt/equity ratio, financial status, future development opportunities and investment needs. The capacity to pay dividends should be viewed over an entire business cycle rather than for an individual year. Dividends may consequently be restrained in good years so that it is possible to pay dividends in years where results are weaker. Rottneros' financial goal imply that the company must have an available liquidity corresponding to ten percent of the group's annual turnover.

The Board of Directors is of the opinion that the proposed total dividend to the shareholders does not constitute an obstacle for the company to meet its short or long term obligations, while the company's financial position allows for continued investment and expansion.

a) ordinary dividend of SEK 0.30 per share

The proposed dividend of SEK 0.30 per share, which is equivalent to MSEK 45.8, representing 4.5 percent of the parent company's equity and 4.3 percent of the group's equity at the balance sheet date of 31 December, 2015. The dividend reduces the parent company's equity ratio from 88.8 percent to 88.4 percent and the group's equity ratio from 76.3 percent to 75.5 percent. The equity ratio is considered to be sufficient.

The Board of Directors is, in the light of the above, of the opinion that the proposed dividend is justified in view of the requirements that the nature, scope and risks in the business place upon the size of the company's and group's equity and upon the company's and group's consolidation needs, liquidity and financial position in general.

b) extra dividend of SEK 0.20 per share according to an increased proposal

Through the increased proposal, an extra dividend is proposed of SEK 0.20 per share, which is equivalent to MSEK 30.5, representing 3.0 percent of the parent company's equity and 2.9 percent of the group's equity at the balance sheet date of 31 December, 2015. The dividend reduces the parent company's equity ratio from 88.4 percent to 88.0 percent and the group's equity ratio from 75.5 percent to 74.9 percent. The equity ratio is considered to be sufficient.

This is an in-house translation. In case of any discrepancies between the Swedish original and this translation, the Swedish original shall prevail.

The Board of Directors is, in the light of the above, of the opinion that also the increased proposed dividend of SEK 0.20 per share is justified in view of the requirements that the nature, scope and risks in the business place upon the size of the company's and group's equity and upon the company's and group's consolidation needs, liquidity and financial position in general.

In total this constitutes a proposed dividend of SEK 0.50 per share, which is equivalent to in total MSEK 76.3, representing 7.6 percent of the parent company's equity and 7.2 percent of the group's equity at the balance sheet date of 31 December, 2015. The dividend reduces the parent company's equity ratio from 88.8 percent to 88.0 percent and the group's equity ratio from 76.3 percent to 74.9 percent. The equity ratio is considered to be sufficient.

Both the parent company and group companies are also deemed to be able to maintain good liquidity even after the Board's proposal.

The proposed dividend of SEK 0.50 per share can be justified by reference to what is stated in the Swedish Companies Act, Chapter 17, Section 3, Paragraphs 2-3.

Vallvik, 18 April, 2016

The Board of Directors Rottneros AB