

THE BOARD'S COMPLETE PROPOSAL FOR DIVIDEND AND APPROPRIATION OF PROFIT

The Board of Directors of Rottneros AB (publ) submits the following proposal to the AGM on 30 May, 2016 (item 10 on the AGM agenda).

To the shareholders is distributed:

- 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 background of the increased proposal is the positive development of the group during the past two years, resulting in a very strong balance sheet with a high equity ratio. At the end of 2015, the company was debt-free with a large liquidity reserve and the equity ratio was 77 percent. The proposed extra dividend improves Rottneros' current and future financing and capital structure and the rate of return on capital employed will increase. The Board's long-term objective is to transform the company's financial structure through increased borrowing.

The events of material significance for the company's financial position which have occurred subsequent to the presentation of the annual report of 2015, on 14 March 2016, have been stated in issued press releases. On 21 March, 2016, the company issued a press release on the appointment of a new CEO and President for Rottneros AB. In addition, no events have occurred that affect the company's ability to provide the proposed dividend to the shareholders.

At the disposal of the AGM:

Retained earnings	200,800,196
Net profit for the year	216,354,588
SEK	417,154,784

The Board of Directors proposes a dividend of in total SEK 0.50 per share which constitutes an appropriation of available funds as follows:

SEK 76,285,962.50 to be distributed to shareholders

SEK 340,868,821.50 to be carried forward

SEK 417,154,784

The total dividend amount is calculated on the total number of shares in the company (153,393,890) reduced by the parent company's holding of repurchased shares in treasury (821,965).

The Board of Directors proposes that the record date for receiving the dividend is to 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.

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

Annexed to the proposal:

- (i) The Board's statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act, and
- (ii) The statement from the auditors regarding the Board's increased proposal for appropriation of profit.

Vallvik, 18 April, 2016

The Board of Directors Rottneros AB