

*Unofficial English translation for information purposes only. If there are differences between the English translation and the Swedish original, the Swedish text will take precedence.*

## **STATEMENT BY THE BOARD PURSUANT TO CHAPTER 18, SECTION 4 AND CHAPTER 19, SECTION 22 OF THE SWEDISH COMPANIES ACT**

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The board of directors of the Company has proposed that the general meeting resolves on dividend to be paid of SEK 3.50 per share and to authorise the board to resolve on repurchase of shares in the Company on one or several occasions during the period up to the annual general meeting 2018. The board's proposal on repurchase of own shares allows for own shares to be acquired to the extent that the Company's holdings of own shares in total amounts to no more than one tenth of all shares in the Company. Acquisition of own shares under the board's proposal must be made in cash and at a price within the stock market price interval registered at any given time, such interval being the interval between the highest purchase price and the lowest sales price. Following the board's proposals, the board makes the following statement pursuant to Chapter 18, Section 4 and Chapter 19, Section 22 of the Swedish Companies Act.

The general meeting has at its disposal profits carried forward of SEK 996,739,090.18 added with the net profit for the year of SEK 132,915,286.32. Thus, the general meeting has in total a non-restricted equity of SEK 1,129,654,376.50 at its disposal. The proposed dividend (of SEK 141,686,944) and a full utilisation of the repurchase mandate (of SEK 359,775,059) total SEK 501,462,003, which comprises 40.9 per cent of the Company's equity and 58.5 per cent of consolidated equity. If the general meeting resolves on the proposed dividend and the authorisation for the board is fully utilised, the Company's equity to assets ratio is reduced from 43.7 per cent to 31.5 per cent and the group's equity to assets ratio is reduced from 42.1 per cent to 23.2 per cent.<sup>1</sup>

In accordance with the Company's dividend policy, the dividend should correspond to approximately one third of the group's net income over a business cycle. The board has, when preparing its proposal for dividend, considered the fact that the proposed dividend, totalling SEK 141,686,944, represents approximately 57.6 per cent of the group's net income.

The financial position of the Company and the group as of 31 December 2016 will be described in the annual report for 2016. The annual report will also state which accounting principles that have been applied in valuing assets, provisions and liabilities. The Company's and the group's equity is assessed to be sufficient in relation to the nature, scope and risks of the business despite the value transfers. In making this assessment, the board has considered, among other things, the Company's and the group's growth historically, its budgeted growth and the financial situation. As per the day of the balance sheet, the Company owned no financial instruments that had been valued at fair value pursuant to Chapter 4, Section 14 a of the Swedish Annual Accounts Act. No material events subsequent to the day of the balance sheet have occurred that affect the Company's ability to pay dividends or repurchase shares.

The board has evaluated the Company's and the group's financial position and the Company's and the group's possibilities to fulfil their obligations in the short- and long-term perspective. The Company's and the group's solidity are assessed to be good after the value transfers with regard to the business in which the Company and the group is active.

The Company's and the group's ability to fulfil its respective payment obligations will not be affected by the value transfers. The Company and the group have access to both short- and long-term credit facilities. These facilities may be utilized at short notice, for which reason the board assesses that the Company's and the group's preparedness to handle both changes in the liquidity and unexpected events are good. The Company's and the group's liquidity are assessed to be good with regard to the business in which the Company and group is active.

The board takes the view that the Company and the group have the requirements to take future business risk and also to bear possible losses. The Company's and the group's ability to make further commercially motivated investments in accordance with the board's plans will not be negatively affected by the value transfers.

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<sup>1</sup> Based on closing share price as per 31 January 2017.

In view of the above and based on what the board is otherwise aware of, and after a comprehensive assessment of the financial position of the Company and the group, the board considers the proposed value transfers to be justifiable in view of the parameters stated in Chapter 17, Section 3, paragraphs 2 and 3 of the Swedish Companies Act, i.e. taking into consideration the requirements imposed by the nature, extent and risks associated with doing business on the equity of the Company and group and considering the need of the Company and group to strengthen its balance sheet, liquidity and financial position in general.

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Stockholm in February 2017  
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*The board of directors*