

**Statement of the Board of Directors following the Companies Act  
chapter 18 section 4 and chapter 19 section 22**

**The nature, scope and risks of the business**

The nature, scope and risks of the business are presented in the articles of association and the submitted Annual Report for 2017. The risks involved in running the company and the Group are not greater than those that occur or can be expected to occur in the industry, or are risks generally associated with business activity. Regarding important events please refer to the Annual Report. In addition to the information given therein there have been no events that affect the company's ability to distribute dividends or buy back its own shares.

**The financial position of the company and the Group**

The company and the Group financial position per 2017-12-31 is presented in the latest Annual Report. The Annual Report also presents the principles used for valuing assets, provisions and liabilities.

In the allocation of profits the Board of Directors proposes a dividend of SEK 3.60 per share. The Board also proposes that the Annual General Meeting authorise the Board to repurchase the company's own shares so that at no time do company holdings exceed 10 percent of all shares in the company.

The company equity/assets ratio is 53.5 percent (previous year 46.7 percent). The Group equity/assets ratio is 32.1 percent (previous year 29.7 percent). One of the financial goals of the Group is that dividends to shareholders amount to at least 50 percent of Group profit after tax. According to the dividend proposal the proposed cash dividend is 58 percent.

It is the Board's assessment that the size of Group equity as reported in the latest Annual Report is in reasonable proportion to the scope of company and Group business and the risks associated with operations considering the

proposed dividends and buy back of own shares according to the proposed authorisation.

### **Justification of the proposals**

Considering the above and all other information the Board of Directors has knowledge of, it is the Board's view that an all-round assessment of the financial position of the company and Group justifies the proposed dividend and the proposal for authorisation to repurchase own shares in relation to the demands that the nature, scope and risks of the business put on the size of company and Group equity as well as company and Group needs for consolidation, liquidity and general position.

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Förslöv 2018-03-27

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The Board of Directors