



# Nordax Bank

*This is an unofficial translation of the corresponding Swedish document. In the event of any discrepancies between this document and the Swedish version, the latter shall prevail.*

## Item 10

### **The Board of Directors' proposal regarding dividend distribution and statement under Chapter 18 Section 4 of the Swedish Companies Act**

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The Board of Directors of Nordax Group AB (publ) proposes that the Annual General Meeting resolves on the following allocation of profits: the funds at the disposal of the Annual General Meeting amount to SEK 5,072,839,603 whereof SEK 13,916,547 refers to retained earnings, SEK 4,859,606,312 refers to the share premium reserve and SEK 199,316,744 refers to the profit of the year. It is proposed that a dividend distribution is carried out and that SEK 1.60 per share will be distributed to the shareholders, in total SEK 177,144,957 and that the remaining amount of SEK 4,895,694,646 will be carried forward.

Tuesday the 2<sup>nd</sup> of May 2017 is proposed as record date for the dividend distribution. If the Annual General Meeting adopts the Board of Directors' proposed dividend distribution, the dividend is expected to be distributed through Euroclear Sweden AB on Friday the 5<sup>th</sup> of May 2017.

### **The Board of Directors' statement under Chapter 18 Section 4 of the Swedish Companies Act**

In view of the Board of Directors' proposed dividend distribution, the Board of Directors hereby issues the following statement pursuant to Chapter 18 Section 4 of the Swedish Companies Act.

It was noted that the retained earnings for the financial year 2016 amount to SEK 13,916,547 and that the profit for the financial year 2016 amounts to SEK 199,316,744. As of 31 December 2016, the company also held SEK 4,859,606,312 in the share premium reserve. If the Annual General Meeting adopts the Board of Directors' proposed dividend distribution, SEK 4,895,694,646 would be carried forward. It was noted that the restricted equity would be covered following the proposed dividend distribution. No dividend will be paid in relation to the company's own holding of shares.

The Board of Directors considers the proposed dividend distribution justifiable taking into account the requirements set out in Chapter 17 Section 3 paragraph 2 and 3 of the Swedish Companies Act (the amount of equity required by the nature, scope and risks of the business as well as the company's consolidation needs, liquidity and financial position). The Board of Directors would like to emphasize the following.

According to the assessment of the Board of Directors, the company's and the group's equity following the proposed dividend distribution would be sufficient in relation to the nature, scope and risks of the business. The Board of Directors has taken into account, amongst other things, the company's and the group's historical development, next year's budgeted development and the economic cycle.

The Board of Directors has assessed the company's and the group's financial position as well as the company's and the group's ability to meet its short and long term obligations. The proposed dividend distribution equals in aggregate 3.42 % of the company's equity. Before the execution of the dividend distribution, the solidity of the company and the group amount to 99.96 % and 13.44 % respectively. Following the dividend distribution, the solidity of the company and the group would amount to 96.54 % and 12.32 % respectively. The solidity of the company and the group is thereby adequate in relation to the business sector in which the company and the group are active. The Board of Directors finds that the company and the group would be able cope with future business risks. The dividend



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distribution is not deemed to negatively affect the group's ability to make business oriented investments in accordance with the Board of Directors' strategies.

The proposed dividend distribution will not affect the company's or the group's ability to fulfil its payment obligations. The company and the group have access to both short term and long term credit facilities. The credit facilities may be utilised with short notice, and consequently the Board of Directors finds that the company and the group are prepared to handle both liquidity changes and unexpected events.

In addition to the above, the Board of Directors has considered other known aspects that may have an effect on the financial position of the company and the group. No circumstance has come to light that would render the proposed dividend distribution inappropriate.

The proposed dividend distribution does not to any extent include unrealised value increases.

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The Board of Directors in March 2017

*Nordax Group AB (publ)*