This is a non-official translation of the Swedish original wording. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.

THE BOARD OF DIRECTORS' STATEMENT PURSUANT TO CHAPTER 18, SECTION 4 OF THE SWEDISH COMPANIES ACT

The Board of Directors has proposed that the Annual General Meeting (AGM) 2016 resolves on an appropriation of profit with a dividend of 1.70 SEK per share to the shareholders. Accordingly, the dividend amounts to a total of 585,142 TSEK. Due to the Board of Directors' proposed dividend, the Board of Directors hereby makes the following statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act (2005:551).

The company's earnings at the disposal of the Annual General Meeting amounts to 3,090,446 TSEK including this year's profit amounting to 363,347 TSEK. Provided that the Annual General Meeting 2016 resolves in accordance with the Board of Directors' proposal for dividend, 2,505,304 TSEK will be carried forward. The Board of Directors has determined that the restricted equity of the company will not be impaired by the distribution of the proposed dividend.

In addition, the Board of Directors considers that the proposed dividend to the shareholders is justifiable considering the factors stated in Chapter 17, Section 3 second and third paragraphs of the Swedish Companies Act, i.e. the requirements on the amount of the shareholders' equity taking into account the nature, scope and risks of the business within the group, as well as the parent company's and the group's consolidation needs, liquidity and position in general.

In this connection, the Board of Directors would like to state the following:

According to the Board of Directors, the shareholders' equity of the company and the group will, after distribution of the dividend, be sufficient in proportion to the nature, scope and risks of the business. The Board of Directors has in this connection taken into consideration factors such as the historic development of the company and the group, the development according to budget and the state of the market.

The Board of Directors has made a comprehensive judgment of the financial position of the company and the group as well as the ability of the company and the group to fulfill short and long term obligations. The proposed dividend constitutes in total approximately 19 per cent of the shareholders' equity of the company and approximately 9 per cent of the shareholders' equity of the group.

After the accomplished dividend distribution, the company's and the group's equity/assets ratio will amount to approximately 36 per cent and 65 per cent, respectively. Accordingly, the equity/assets ratio of the company and the group is satisfactory in view of the group's line of business. In this connection, the Board of Directors has taken into consideration the assessed effect on both the shareholders' equity of the parent company and of the group of the proposed dividend. The Board of Directors is of the opinion that the company and the group will be able to assume future business risks and also cope with prospective losses. The dividend will not have a negative impact on the company's and the group's ability to make further investments justified from a business perspective according to the plans of the Board of Directors.

The proposed dividend will not affect the company's and the group's ability to fulfill their payment obligations. The company and the group have sufficient access to short-term as well as long-term credit facilities. The credits may be utilized at short notice and, accordingly, the Board of Directors considers that the company and the group are well prepared to handle any changes in liquidity as well as unexpected events.

In addition to what is stated above, the Board of Directors has considered other known circumstances that may be of importance to the economic position of the company and the group. The Board of Directors has not noted any circumstances that would suggest that the proposed dividend is not justifiable.

The shareholders' equity would have been insignificantly affected if financial instruments that have been valued according to Chapter 4, Section 14a of the Annual Accounts Act instead would have been valued according to the lower-of-cost-or-market principle.

Malmö in February 2016

HEXPOL AB (publ)

The Board of Directors