

THE NOMINATION COMMITTEE'S PROPOSAL AND REASONED STATEMENT FOR THE 2019 AGM IN RATOS AB (PUBL)

The Nomination Committee of Ratos AB (publ) ("the Company") submits the following proposals and reasoned statement ahead of the 2019 Annual General Meeting.

The Nomination Committee's work ahead of the 2019 Annual General Meeting in Ratos AB (publ)

The 2016 Annual General Meeting resolved on principles for appointing a Nomination Committee that is to apply until another decision has been made by the General Meeting. The principles are available on the Company's website www.ratos.se. In accordance with these principles, the Chairman contacted Ratos's major owners by vote in the beginning of autumn of 2018 in order to form a Nomination Committee which, in addition to the Chairman, shall consist of at least five members.

The Nomination Committee was given the following composition:

Ragnar Söderberg, Chairman of the Nomination Committee, nominated by the Ragnar Söderbergs foundation and related parties' holdings,
Jan Söderberg, own and related parties' holdings,
Maria Söderberg, nominated by Torsten Söderberg Foundation and own holdings,
Erik Brändström, nominated by Spiltan Fonder AB,
Håkan Roos, nominated by Roosgruppen AB,
Per-Olof Söderberg, Chairman of the Board

The Nomination Committee's composition deviates from the Swedish Corporate Governance Code's rule 2.4, Section 2, which stipulates that if more than one member of the board is on the nomination committee, no more than one of these may be dependent in relation to the major shareholders in the company. Board members Per-Olof Söderberg (also Chairman of the Board) respectively Jan Söderberg, appointed as Nomination Committee members, are regarded as dependent in relation to the Company's major shareholders. However, given their long-term contribution to the Board's work, their deep knowledge about Ratos and their relationship to the principal shareholders, as well as their network in the Swedish business industry, the Nomination Committee have considered the deviation from the Code to be motivated.

Combined, the members of the Nomination Committee represent 60,4 % of the votes in the Company.

Ahead of the 2019 Annual General Meeting, the Nomination Committee has held six recorded meetings and has had regular contact in between. For its work, the Nomination Committee has taken part of the conducted internal evaluation of the Board's work, taken part of the Chairman's statement regarding the Board's work and the Company's strategies as well as the Chairman of the Nomination Committee has interviewed individual members.

Proposed fees to the members of the Board, as well as compensation for committee work, have been prepared by Ragnar Söderberg, Maria Söderberg, Erik Brändström and Håkan Roos – i.e. like in previous years, by the three members of the Nomination Committee who are not members of the Ratos' Board.

Shareholders have been informed that proposals regarding members of the Board can be submitted to the Nomination Committee. The proposals received has been dealt with by the Nomination Committee.

The Nomination Committee's proposals of the Board

The Nomination Committee has unanimously decided to propose the following to the 2019 Annual General Meeting:

- that the Board shall consist of six directors, without deputy directors.

Ratos 2019 Annual General Meeting

N.B. The English text is an unofficial translation. In the event of any discrepancies between the Swedish and the English versions, the original Swedish version shall prevail.

- re-election of the Board members Ulla Litzén, Karsten Slotte, Jan Söderberg, Per-Olof Söderberg and Jonas Wiström and the election of new Board Member Eva Karlsson. Annette Sadolin has declined re-election.
- that Per-Olof Söderberg is re-elected as Chairman of the Board.

The Nomination Committee's reasoned statement

Election of Board members

Ratos's Board has in recent years gradually been renewed, at the same time as a consistency has been kept and the Board has consisted of six Board members. Annette Sadolin has announced to the Nomination Committee that she declines re-election at the Annual General Meeting 2019.

Ratos is an investment company that invests in, owns and develops primarily private companies in the Nordic region. In 2018, Ratos *inter alia* established new financial targets for its operations. This means that strict requirements are placed on the Board to be able to both evaluate acquisition and divestment opportunities and participate in operating and developing companies in different industries and phases of development. Annette Sadolin declined re-election. In the search for a new Board member, it has been important for the Nomination Committee to find an individual with good leadership qualities who has both a broad industrial background and a documented ability to further develop operations. The Nomination Committee is of the opinion that Eva Karlsson has demonstrated these abilities. It is the assessment of the Nomination Committee that Eva Karlsson can devote the time and commitment that is required of a Board member.

All in all, the Nomination Committee deems that the proposed members have broad and complementary experience that meets the requirements placed on them. The Nomination Committee is also of the opinion that the proposed composition of six members is suitable and appropriate.

The Nomination Committee has continued to discuss requirement for diversity, *inter alia* on the basis of the Swedish Corporate Governance Code's requirement to state how the diversity policy has been applied. In this regard, the Nomination Committee has chosen to use the Governance Code's paragraph 4.1, which stipulates that the board is to have a composition characterized by diversity and breadth of qualifications, experience and background. In addition, a gender balance in the board shall be strived for. Based on the Nomination Committee's considerations regarding *inter alia* the background and experience of the Board members, it is noted that the proposed Board will have the same gender equal composition as last year, since the proposed directors for re-election and new election are two women and four men, which will result in a gender diversity of 33,3 %/66,7% in the proposed Board.

The requirements on the Board's independence are deemed to be fulfilled. The Nomination Committee considers Ulla Litzén, Eva Karlsson and Karsten Slotte as independent in relation to the Company and the Company's management team, and to major shareholders in the Company. Jan Söderberg and Per-Olof Söderberg are considered to be independent in relation to the Company and the Company's management team, but not independent in relation to major shareholders in the Company. Jonas Wiström is considered to be dependent in relation to major shareholders in the Company but not in relation to the Company and the Company's management.

Compensation issues

The Nomination Committee's proposal to 2019 Annual General Meeting is that the remuneration to the Board members and for the members of the committees are left unchanged and that the CEO as Board

member, as in previous year, does not receive any remuneration in addition to his remuneration as CEO. This proposal will mean that the total remuneration to the Board in Ratos will be unchanged compared to previous year.

The Nomination Committee's additional proposals to the 2019 Annual General Meeting

The Nomination Committee has unanimously decided to propose to the 2019 Annual General Meeting that:

- Per-Olof Söderberg is appointed Chairman of the 2019 Annual General Meeting.
- Remuneration to each of the Board members, except for CEO Jonas Wiström, amounts unchanged to SEK 485,000 and to the Chairman of the Board amounts unchanged to SEK 970,000. For the members of the Audit Committee, remuneration is proposed unchanged to SEK 150,000 to the chairman of the Committee and unchanged SEK 100,000 to other members of the Committee. For the Compensation Committee, remuneration is proposed to unchanged amount to SEK 50,000 to both the chairman and to each other member of the Committee.
- The audit firm Ernst & Young AB is elected as auditor for the period until the end of the next Annual General Meeting. Ernst & Young AB. Ernst & Young AB has announced that Erik Sandström will be appointed as chief auditor for the audit.
- The auditor shall be paid in accordance with approved account.

Stockholm in February 2019

NOMINATION COMMITTEE IN RATOS AB (PUBL)