

NOTICE OF THE ANNUAL GENERAL MEETING OF RATOS AB (PUBL)

Shareholders of Ratos AB (publ), reg.nr 556008-3585, are hereby invited to the Annual General Meeting to be held at 14.00 CET on Wednesday 8 May 2019 at Skandiascenen at Circus, Djurgårdsslätten 43-45, Stockholm. Registration to the Annual General Meeting, combined with serving of coffee, starts at 13.00 CET.

Notification

Shareholders who wish to attend the Annual General Meeting must

- (i) be recorded in the register of shareholders maintained by Euroclear Sweden AB on Thursday, 2 May 2019,
- (ii) give notice of attendance to the company no later than Thursday, 2 May 2019.

Notice of attendance may be made via the company's website at www.ratos.se, by telephone +46 8 518 01 550 on weekdays 09.00-16.00 CET or by writing to Computershare AB, "Ratos årsstämma 2019", Box 610, SE-182 16 Danderyd. A notice of attendance shall include name, personal or company registration number, address, telephone number and any assistants.

In order to be entitled to participate in the Meeting and exercise their voting rights, shareholders whose shares are registered in the name of a nominee must re-register their shares in their own names. Such registration, which can be temporary, must be effected at Euroclear Sweden AB by Thursday, 2 May 2019. Shareholders are requested to inform their nominees in good time prior to this date.

Powers of attorney, certificates of incorporation and other authorisation documents should be submitted to the company by writing to Computershare AB, "Ratos årsstämma 2019", Box 610, SE-182 16 Danderyd, no later than Thursday, 2 May 2019 in order to facilitate access to the Meeting. Power of attorney forms are available on the company's website www.ratos.se. See below for further information on processing of personal data.

Proposed agenda

1. Opening of the Meeting and election of the Chairman of the Meeting.
2. Preparation and approval of the voting list.
3. Election of two persons to verify the minutes together with the Chairman.
4. Determination of whether the Meeting has been duly convened.
5. Approval of the Agenda for the Meeting.
6. The CEO's address.
7. Presentation of the annual report and the audit report as well as a statement by the auditors concerning guidelines for remuneration to senior executives.
8. Any questions regarding activities in the 2018 financial year.
9. Resolution on adoption of the income statement and balance sheet and the consolidated income statement and consolidated balance sheet.
10. Resolution on discharge from liability for the members of the Board of Directors and the CEO.
11. Resolution on distribution of the company's profit, according to the adopted balance sheet, and on the record date for dividends.
12. Determination of the number of directors and deputy directors.
13. Determination of fees to be paid to the Board of Directors and auditor.
14. Election of the Board of Directors and auditor.
15. The Board's proposal for decision on guidelines for remuneration to senior executives.
16. The Board's proposal for decision on long-term incentive program 2019/2024.
17. The Board's proposal that the Board be authorised to decide on purchase of treasury shares.
18. The Board's proposal that the Board be authorised to decide on new issue of Class B shares in conjunction with company acquisitions.
19. Conclusion of the Meeting

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NOMINATION COMMITTEE'S PROPOSALS

Proposals by the Nomination Committee regarding Board of Directors, etc. (items 1, 12-14)

The Nomination Committee has unanimously agreed that at the 2019 Annual General Meeting with regard to items 1 and 12-14 in the agenda, it will put forward the following proposals:

- Item 1: The Chairman of the Board, Per-Olof Söderberg, is appointed Chairman of the meeting.
- Item 12: Six directors, without deputy directors.
- Item 13: 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 each other member 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 auditor shall be paid in accordance with approved account.

- Item 14: For the period until the next Annual General Meeting has been held, re-election is proposed of Board members Per-Olof Söderberg, who is also proposed to be re-elected as Chairman of the Board, Ulla Litzén, Karsten Slotte, Jan Söderberg and Jonas Wiström (CEO) and election of new Board Member Eva Karlsson. Annette Sadolin has declined re-election.

For the period until the next Annual General Meeting has been held, election is proposed of the audit firm Ernst & Young AB. Ernst & Young AB has announced that Erik Sandström will be appointed as chief auditor for the audit.

BOARD'S PROPOSALS

The Board's proposal regarding dividend and record date (item 11)

The Board proposes a dividend for 2018 of SEK 0.50 per Class A share and SEK 0.50 per Class B share. The proposed record date for the dividend is 10 May 2019 and payments from Euroclear Sweden AB are expected to be made on 15 May 2019.

The total dividend to holders of shares of Class A and Class B as above, amounts to SEK 160 million based on the 319,014,634 outstanding shares on 15 February 2019. The number of treasury shares of Class B on this date is 5,126,262, which might change during the period up until the record date for dividends.

Funds remaining after dividends on shares of Class A and Class B, SEK 6,416 million, will be carried forward to new account.

The Board's proposal for decision on guidelines for remuneration to senior executives (item 15)

The Board proposes that the Annual General Meeting resolves, for the period until the 2020 Annual General Meeting, to adopt the following guidelines for remuneration to senior executives. The proposed guidelines are essentially unchanged compared with the guidelines resolved at the 2018 Annual General Meeting.

The incentive system for the company's business organisation is of major strategic importance for Ratos. Against this background, a remuneration and incentive system has been drawn up designed to offer competitive terms at the same time as the company's employees are motivated to work in the interests of the shareholders.

The incentive system comprises a number of components – basic salary, variable cash salary, pension provisions, warrants and convertible debentures – and rests on five basic principles.

- Ratos's employees shall be offered competitive terms of employment in an industry where competition for qualified employees is intense.
- Both individual efforts and group performance must be linked to clear targets set by the Board.
- Variable cash salary which is paid to senior executives shall be linked both to collectively and individually set annual targets. The targets are both quantitative and qualitative and aim to fulfil Ratos's long term strategy and to fulfill a result development which benefits the shareholders.
- Each year the Board sets a limit for the total variable cash salary, which shall amount to a maximum of approximately 0,6 per cent of the company's equity at the start of the financial year.
- Key people at Ratos shall be encouraged to have a shared perspective with the company's shareholders which is achieved through reasonably balanced incentive programs where employees can share in price rises.

With regard to the costs for the proposed incentive programs, please refer to the Board's proposal for decision on long-term incentive program 2019/2024.

Pension benefits shall, as far as possible, be defined contribution pension solutions, however some pension benefits that follow the ITP-plan are defined benefits. There is no agreed retirement age.

In the event of the CEO's employment being terminated, a mutual six-month (6) notice period will apply. There is no agreement regarding severance pay.

In the event of notice being given by the Company or by a senior executive, a period of notice of three (3) to six (6) months normally applies. There is no agreement regarding severance pay in employment agreements.

All previously resolved remunerations pending payment are within the previously established guidelines.

The Board shall be entitled to deviate from these guidelines if special circumstances should prevail in an individual case.

The Board's proposal for decision on long-term incentive program 2019/2024 (item 16)

The Board proposes that the Annual General Meeting resolves upon the implementation of a long-term incentive program 2019/2024 ("LTI2019") for the CEO and other key employees in Ratos in accordance with the below.

(a) The Board's proposal for resolution on LTI2019 (the inclusion of the CEO in the LTI2019 is conditional upon the approval of the Annual General Meeting under item (b) below)

The Board proposes that the Annual General Meeting resolves upon the implementation of LTI2019 consisting of convertible debentures and warrants (below jointly referred to as the "Instruments"). An incentive system for the company's business organization is of great strategic importance for Ratos. Accordingly, the Board considers that the existence of an efficient share-based incentive program for the company's key employees is essential for the company's development and the Board has the ambition to offer all key employees an opportunity to participate in the program every year. The purpose of this proposal is to create opportunities for retaining and recruiting competent employees and increase their motivation. LTI2019 will further increase the interest in the company's business and profitability and will contribute to a common interest of participants and shareholders. Consequently, the Board considers that the introduction of LTI2019 on the terms described below will be to the benefit of the group and the company's shareholders.

Issue of convertible debentures and warrants

The Board proposes that the Annual General Meeting resolves:

- a. that the company shall take up a debenture loan at a nominal amount not exceeding SEK 51,000,000 or such lower amount set forth below, through an issue of convertible debentures without preemptive rights for the shareholders. The loan shall be represented by convertible debentures not exceeding 1,500,000, each at a nominal amount equivalent to the Conversion Price (as defined below). The increase of the company's share

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capital could not amount to more than SEK 4,725,000 upon full conversion of the convertible debentures (based on the current quotient value and that no recalculation has been made in accordance with [Appendix 2A](#)).

- b. to carry out an issue of not more than 1,500,000 warrants without preemptive rights for the shareholders. The increase of the company's share capital could not amount to more than SEK 4,725,000 upon full exercise of the warrants (based on the current quotient value and that no recalculation has been made in accordance with [Appendix 2B](#)).

Yet, a maximum of 1,500,000 Instruments can be issued. The increase of the company's share capital can accordingly, if all the Instruments are subscribed for and converted/exercised, amount to not more than SEK 4,725,000 (based on the current quotient value and that no recalculation has been made in accordance with [Appendix 2A](#) and [2B](#)).

The right to subscribe for the Instruments, with deviation from the shareholders' preemptive rights, shall belong to the CEO with not more than 250,000 Instruments (excluding the right to additional subscription as stated below), the CFO with not more than 200,000 Instruments (excluding the right to additional subscription as stated below) and other key employees currently active in Ratos or that may be recruited, with a right to subscribe for not more than 150,000 Instruments per person (excluding right to additional subscription as stated below). Members of the Board whom are not employed by Ratos are not included in this offering. In total, a maximum of 20 individuals are included in this offering.

As a requirement for the allotment of warrants, the employee must have signed an agreement with the company regarding repurchase right etc. in which inter alia the company or another buyer appointed by the company has a right to redeem the warrants if the participant's employment is terminated. Furthermore, allotment of the Instruments requires that subscription is legally possible and that it, according to the Board's opinion, can be made with reasonable administrative and financial efforts.

Participants are free to decide to which extent the offered Instruments shall consist of convertible debentures and/or warrants. Subscription of the convertible debentures and warrants must however be made in even numbers of thousands.

In the event that a participant does not subscribe for the full amount of Instruments offered, other participants have a right to subscribe for such Instruments to an amount corresponding to not more than 50 percent of their initial allocation. In the event that the issue is oversubscribed, the Instruments will be allotted pro rata in relation to the participant's initial allocation. Oversubscription of the convertible debentures and warrants must however be made in even numbers of hundreds.

The reasons for the deviation from the shareholders' preemptive right are to introduce an incentive program through which the employees are offered to take part of, and contribute to, an increased value of the company's share during the period of the proposed program and to enable the company to retain and recruit competent employees.

Subscription of the Instruments shall be made during the period from and including 24 May 2019 until and including 31 May 2019 on a separate subscription list. The Board has the right to extend the subscription period for the Instruments and the time for payment for the convertible debentures.

The subscription price for each convertible debenture shall correspond to its nominal amount. Subscribed convertible debentures shall be paid in cash no later than on 14 June 2019. The warrants shall be issued free of charge, i.e. the employees will receive the warrants free of charge resulting in costs for the company (see below). As the warrants are offered to the employees free of charge, the employees will thereby receive a benefit corresponding to the market value of the warrants at allocation, calculated in accordance with Black & Scholes. Ratos intends to subsidize a minor part of the cost, implying that the net cost for participant will amount to approximately 50 percent of the benefit value. The subsidy is obtained in connection to the allotment. The right to subsidy does not include Instruments subscribed for in addition to the initial allocation.

Each convertible debenture entitles at the time of conversion to one new share of class B in the company and each warrant entitles to subscription of one new share of class B in the company. The convertible debentures can be converted into new share of class B during the period from and including 7 June 2022 until and including 7 June 2023. The warrants may be exercised to subscribe for new shares of class B during the period from and including 14 December 2022 until and including 14 June 2024. Such right is however limited to a period of 10 Banking Days as from the first Banking Day immediately following the publishing of an interim report/year-end report as well as regarding the convertible debentures during the period from and including 8 May 2023 until and including 7 June 2023 and regarding the warrants during the period from and including 15 May 2024 until and including 14 June 2024.

The Conversion Price per share at the time of conversion of the convertible debenture shall correspond to a certain percentage (the "Percentage") of the volume weighted average share price according to Nasdaq Stockholm's official price list for the shares of class B during the period from 13 May 2019 until and including 23 May 2019 (the "Conversion Price"), but not lower than the current quotient value of the shares of class B or higher than SEK 34. The Percentage shall be determined in accordance with the calculation methodology set forth in [Appendix I](#) which is available at the company's website. Based on a share price for shares of class B amounting to SEK 19.59 (the closing price as per 6 March 2019 of SEK 20.09 adjusted for the proposed dividend of SEK 0.5 per share) the Percentage would have been 107.3 percent and the Conversion Price SEK 21.0. The subscription price per share shall upon exercise of the warrants correspond to 125 percent of the volume weighted average share price according to Nasdaq Stockholm's official price list for shares of class B during the period from and including 13 May 2019 until and including 23 May 2019, but not lower than the current quotient value of a share of class B. The Percentage, Conversion Price and subscription price shall be adopted by the Board immediately after the expiration of the mentioned measurement period.

The convertible debentures are due for payment on 30 June 2023, to the extent that conversion has not taken place by then. The convertible debentures shall carry an annual interest to be determined the first time on 12 June 2019 for the period from 14 June 2019 until and including 30 March 2020. The interest rate is STIBOR (3 or 6 months) plus 1.9 percentage points, where the starting point of STIBOR never can fall below 0 percent. The interest is due for payment in arrears on 30 March each year, the first time on 30 March 2020, and at the maturity date of the loan.

The subscription price and the Conversion Price for the convertible debentures is a market price determined as stated above. The methodology for the calculation of the subscription price and the Conversion Price for the convertibles is based on a valuation requested by the Board from one of the larger audit firms ("Valuation Firm"). For the valuation, the Valuation Firm shall apply methods considered by market professionals as established for comparable securities. The subscription price and Conversion Price for the convertible debentures is to be determined before the start of the subscription period. The calculation of the value of the warrants at allocation shall be based on a market price based on a valuation requested by the Board from the Valuation Firm. For the valuation, the Valuation Firm shall apply methods considered by market professionals as established for comparable securities. The value of the warrants at allocation is to be determined before the start of the subscription period.

The new shares, which may be issued through conversion or upon subscription for new shares through the exercise of warrants, are not subject to any restrictions.

Complete terms and conditions of the Instruments are set forth in [Appendix 2A and 2B](#), which are available at the company's website. The terms and conditions of the Instruments include customary terms for the recalculation of the subscription price and the Conversion Price in the presence of certain corporate events (such as dividends, bonus issues and preemptive right issues).

Warrants held by the company or a wholly-owned subsidiary due to a repurchase from a participant may be cancelled by the company following a resolution by the Board with consent of the board of directors of the subsidiary. Cancellation shall be filed for registration to the Swedish Companies Registration Office.

The Board or a person appointed by the Board is authorized to make such minor adjustments required in connection with the registration of the resolution with the Swedish Companies Registration Office and Euroclear Sweden AB.

More information on LTI2019

Dilution

During LTI2019, not more than 1,500,000 Instruments can be issued and allotted. At full subscription/conversion, not more than 1,500,000 new shares can be issued, which corresponds to a dilution of approximately 0.47 percent of the number and approximately 0.14 percent of the votes, calculated based on the number of outstanding shares (i.e., the total amount of issued shares reduced by the numbers of shares held by the company) (notwithstanding a possible recalculation in accordance with [Appendix 2A and 2B](#)). At full conversion and exercise of the proposed Instruments, together with already outstanding options and convertible debentures, the amount of shares amounts to 1.37 percent of the number and 0.41 percent of the votes, calculated based on the amount of outstanding shares.

Preparation of the proposal

The proposal of LTI2019 has been prepared by the Compensation Committee in consultation with external experts and the Board. The Board has subsequently decided to present this proposal to the general meeting. The CEO has not participated in the preparations of the proposal.

Other share-based incentive programs

The ongoing share-based incentive programs of Ratos are described in the company's year-end report 2018, note 7.

Effects on key ratio and costs etc.

LTI2019 will entail certain limited costs consisting of remuneration to external consultants and administration costs regarding the Instruments and the program in general.

Based on a share price of Ratos's share of class B of SEK 19.59 and other market conditions prevailing on 6 March 2019 and the Board's proposal of a dividend for the financial year 2018, the value per warrant has been estimated to SEK 2.75, which implies a value for all warrants that could be issued of approximately SEK 4.1 million.

LTI2019, calculated on the basis of the above estimated warrant value, entails a cost for the company amounting to a maximum of approximately SEK 6.0 million, of which SEK 4.1 million refers to the benefit value of the warrants at allotment, SEK 0.5 million refers to the subsidy in cash provided to the employees and SEK 1.4 million refers to social security contributions. The proposed convertible debentures are not expected to result in any social security contributions for the company. The dilution effect of the Instruments may affect the key ratio per share in accordance with the IAS 33 accounting standard, but to a very limited extent.

Financing

A Swedish commercial bank will offer financing for the employees who intend to participate in the convertible debenture program. Such financing will be on market terms.

Instruction to the Board

The Board proposes the Annual General Meeting to authorize the Board of the company to execute the resolution in accordance with above.

Majority requirement

A decision under this item (a) and item (b) below is only valid if it is supported by shareholders holding not less than nine-tenths of both the shares voted and of the shares represented at the Annual General Meeting.

(b) Approval of inclusion of the CEO in the LTI2019

As the CEO of the company, Jonas Wiström, also is a member of the Board of the company, the Board proposes that the Annual General Meeting resolves, as a separate resolution, to approve the inclusion of the CEO of the company in the program.

The Board's proposal that the Board be authorised to decide on purchase of treasury shares (item 17)

The Board proposes that the Annual General Meeting authorises the Board during the period before the next Annual General Meeting to decide on acquisition of treasury shares in accordance with the following conditions:

- Acquisition may be made of Class A shares and Class B shares.
- Acquisition must take place on Nasdaq Stockholm.
- Acquisition may take place on one or more occasions prior to the next Annual General Meeting.
- A maximum number of shares may be acquired so that the company's holding at any time does not exceed seven (7) per cent of all the shares issued in the company.
- Acquisition may be made at a price within the price band registered at any time on Nasdaq Stockholm.
- Acquisition may be made within the frame of a repurchase program in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council and with the Commissions delegated regulation (EU) 2016/1052.

The purpose of the purchase of treasury shares is to give the Board more alternatives in its work to create value for the company's shareholders.

A decision under this item is only valid if it is supported by shareholders representing at least two-thirds of both votes cast and shares represented at the Meeting.

The Board's proposal that the Board be authorised to decide on new issue of Class B shares in conjunction with company acquisitions (item 18)

The Board proposes that the Annual General Meeting resolves, during the period until the next Annual General Meeting, to authorise the Board in conjunction with agreements on company acquisitions, on one or several occasions, with or without deviation from the pre-emptive rights of shareholders, for a cash payment, through set-off or non-cash, to make a decision on new issue of class B shares in the company. This authorisation shall comprise a maximum of 35 million class B shares. The new issue amount received may, for each individual agreement on company acquisition, amount to a maximum of Ratos's capital contribution for the acquisition.

The reason for deviation from pre-emptive rights is that the company shall be able to issue shares as payment in conjunction with company acquisitions, alternatively procure capital for such acquisitions. The issue price will be determined in accordance with current market conditions.

The Board, the CEO or the person appointed by one of them shall be entitled to make any minor adjustments to the above decision which might be required in conjunction with registration with the Swedish Companies Registration Office.

A decision under this item is only valid if it is supported by shareholders representing at least two-thirds of both votes cast and shares represented at the Meeting.

OTHER INFORMATION

Shares and votes

On the date this notice was issued there are a total of 324,140,896 shares in the company, of which 84,637,060 are Class A shares with one vote each and 239,503,836 are Class B shares with one-tenth of a vote each, corresponding

to a total of 108,587,443.6 votes. The Company's treasury shares on the same date amount to 5,126,262 Class B shares, corresponding to a total of 512,626.2 votes, which cannot be represented at the Meeting.

Disclosures at the Annual General Meeting

The Board and CEO shall, if so requested by a shareholder, and the Board is of the opinion that this can be done without material damage to the company, make disclosures on circumstances that might have an effect on assessment of an item on the agenda, circumstances that might affect assessment of the financial situation of the company or a subsidiary and the company's relations to another group company.

Documentation

The annual report, audit report, power of attorney forms and other documents for the Annual General Meeting will be available at the company at Drottninggatan 2, in Stockholm, and on the company's website www.ratos.se from 2 April 2019, at the latest. Documents will also be sent free of charge to shareholders who so request.

Processing of personal data

For information on how your personal data is processed, see www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf.

Stockholm, April 2019
Ratos AB (publ)
Board of Directors