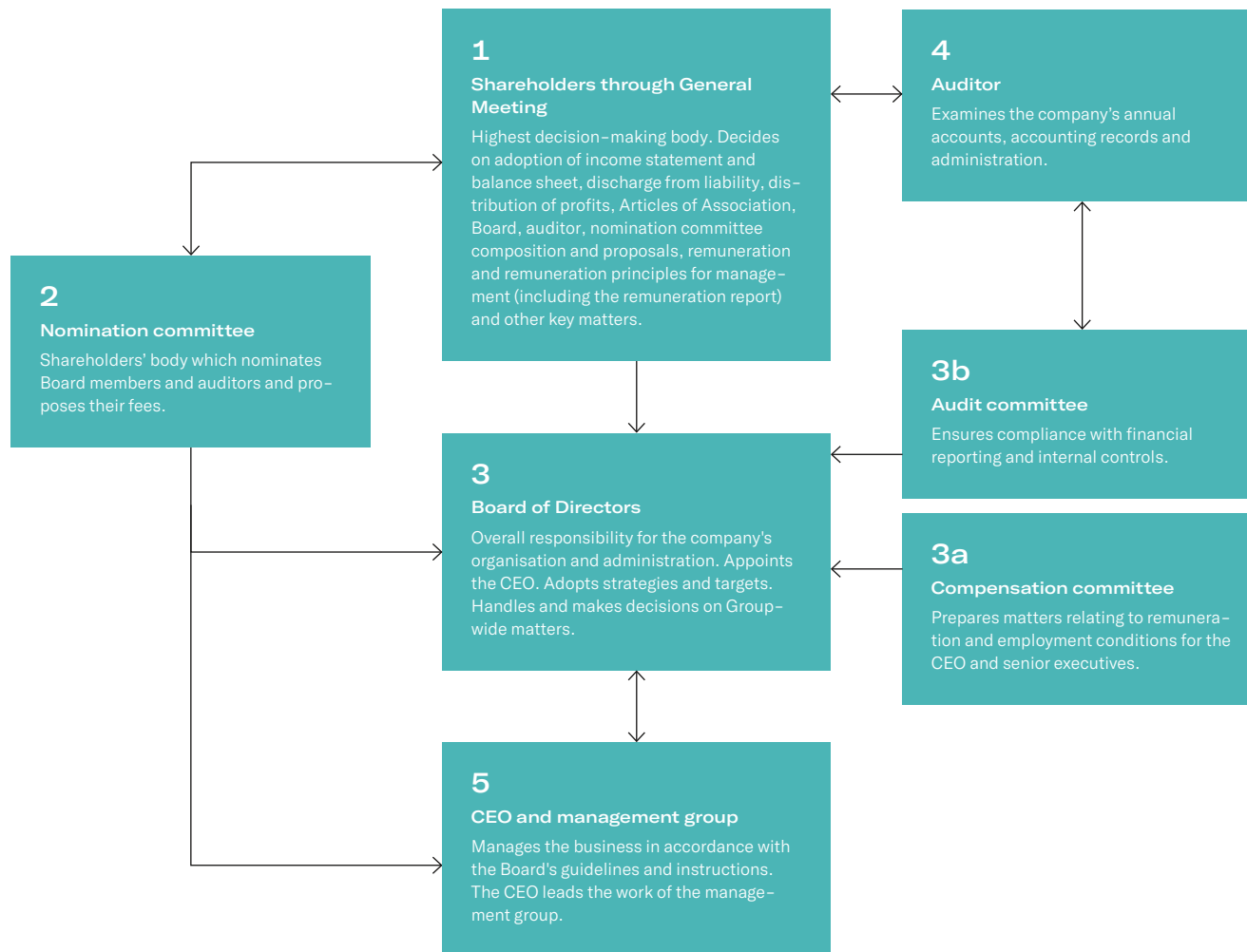


# Corporate Governance Report

## Governance structure at Ratos



## Corporate governance in Ratos

Ratos AB is a public limited liability company and the basis for governance of Ratos is both external and internal regulations. In order to establish guidelines for the company's activities, the Board has prepared and adopted several policy documents. These provide guidance to the organisation and employees based on the basic values and principles that must characterise the operations and conduct.

Ratos applies the Swedish Corporate Governance Code (the Code) and did not report any non-compliance with the Code in the 2022 financial year, except with regard to the composition of the nomination committee (see nomination committee on page 60).

This Corporate Governance Report seeks to avoid repetition of information that is included in applicable regulations and primarily to describe corporate governance for Ratos AB.

The company's auditors have performed a statutory examination of the Corporate Governance Report.

### Key external rules

- Swedish Companies Act
- Accounting legislation and recommendations
- Nasdaq Stockholm's Rule Book for Issuers
- Swedish Corporate Governance Code

### Key internal rules and documents

- Articles of Association
- Rules of procedure for the Board of Directors and Board committees
- Decision-making procedures/authorisation instructions
- Instructions to the President and CEO and reporting instructions
- Internal guidelines, policy documents and manuals which provide guidelines for the Group's operations and employees, such as Ratos's communication policy, owner policy, Code of Conduct and policy for sustainability, corporate responsibility and responsible investments

## 1 Shareholders and general meetings

### Share capital and shareholders

Ratos has been listed on Nasdaq Stockholm since 1954. At year-end, the share capital amounted to SEK 1,027m divided among a total of 325,898,988 shares, of which 84,637,060 Class A shares and 241,261,928 Class B shares. The company's Class A shares carry entitlement to one vote per share while Class B shares carry entitlement to one-tenth of a vote per share. Class A and B shares carry the same right to a share of the company's assets and to the same amount of dividend. The general meeting decides on dividends.

At year-end, Ratos had a total of 70,908 shareholders according to statistics from Euroclear Sweden. The ten largest shareholders accounted for 79.4% of the voting rights and 55.0% of the share capital. More information about Ratos's shares and shareholders is provided on pages 40–42.

### General meetings

The general meeting is the highest decision-making body in Ratos and it is through attendance that Ratos's shareholders exercise their influence on the company. Normally, one general meeting is held each year, the Annual General Meeting of Shareholders, which is convened in Stockholm before the end of June. Notice is published in the form of an announcement in the Official Swedish Gazette (Post- och Inrikes Tidningar) and on Ratos's website. Publication of the notice is announced in Svenska Dagbladet. All documentation required ahead of the Meeting is available on the website (www.ratos.com) in Swedish and English.

A shareholder with at least one-tenth of the votes in Ratos is entitled to request an extraordinary general meeting. The Board and Ratos's auditor can also convene an extraordinary general meeting.

In order to have a matter considered at an Annual General Meeting, a shareholder must submit a written request to the Board in good time so that the matter can be included in the notice of the meeting, normally approximately seven weeks before the Annual General Meeting. The closing date for such requests is stated on Ratos's website.

Shareholders who are registered on Euroclear Sweden's list of shareholders and who have notified their attendance to the company in due time are entitled to attend the Meeting, in person or through a proxy, and to vote for their holding of shares. Shareholders may bring an assistant to the meeting provided they have notified the company. A summary of the main resolutions to be made at the Annual General Meeting is presented in Ratos's Articles of Association on Ratos's website.

### 2022 Annual General Meeting

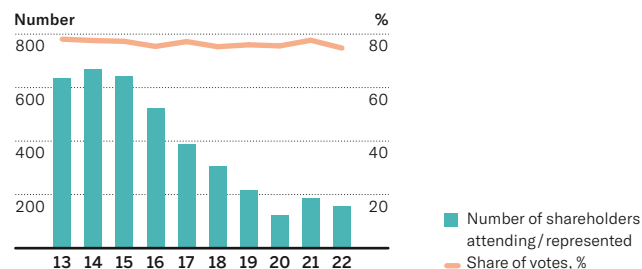
On 22 March 2022, Ratos held an Annual General Meeting pursuant to Sections 20 and 22 of the Swedish Act on Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations (2020:198), allowing participation at the meeting only by postal vote. The meeting was attended by 157 shareholders, who together represented 74.8% of the voting rights and 49.6% of the capital. Minutes and information about the 2022 Annual General Meeting in both

Swedish and English as well as the CEO's address to the Meeting are published on Ratos's website.

Resolutions at the 2022 Annual General Meeting included the following:

- Dividend of SEK 1.20 per Class A and B share, a total of SEK 390m
- Fees of SEK 970,000 to the Chairman of the Board and SEK 500,000 to each member of the Board as well as fees to auditors
- Re-election of Board members Per-Olof Söderberg, Ulla Litzén, Karsten Slotte, Jan Söderberg and Jonas Wiström and new election of Tone Lunde Bakker and Helena Svancar. Eva Karlsson declined re-election. Re-election of Per-Olof Söderberg as Chairman of the Board
- Re-election of the audit firm Ernst & Young AB (EY)
- Adoption of guidelines for remuneration to senior executives
- Resolution on the remuneration report
- Offer to CEO and other key employees in Ratos to acquire convertibles and warrants in Ratos
- Authorisation for the Board of Directors to acquire and transfer Ratos shares
- Authorisation for the Board to decide on a new issue of a maximum of 35 million B shares to be used for acquisitions.

### Attendance at the Annual General Meeting



### 2023 Annual General Meeting

The Annual General Meeting of Ratos AB (publ) will be held on Tuesday, 28 March 2023 at 2:00 p.m. at Lilla Cirkus, Cirkus, Djurgårdssläätten 43–45, Stockholm.

For matters related to the nomination committee and the Annual General Meeting, refer to Ratos's website. For further information about the Annual General Meeting, see page 160.

## 2 Nomination committee

The Annual General Meeting has decided on the principles for how the nomination committee should be appointed and these principles apply until otherwise decided by the general meeting. The nomination committee is to comprise a minimum of five members together with the Chairman. The nomination committee's members are to be appointed by the largest shareholders in terms of voting rights, or group of shareholders in the Euroclear Sweden system (such a group is considered one shareholder), based on Euroclear Sweden AB's shareholder statistics at 31 August the year before the Annual General Meeting. If a shareholder waives the entitlement to appoint a member, the shareholder who is the next largest owner in terms of voting rights is to appoint a member. The majority of the members of the nomination committee are to be independent in relation to the company and executive management. The nomination committee's mandate period extends until a new nomination committee has been appointed. If a member resigns from the nomination committee, the owner that appointed the member is entitled to appoint a replacement. If the owner who the member of the nomination committee represents considerably reduces its shareholding in the company, the nomination committee can offer another shareholder the opportunity to appoint a replacement.

The current composition of the nomination committee was announced on Ratos's website and disclosed through a press release on 20 September 2022. The nomination committee comprises:

- Jenny Parnesten, appointed by the Ragnar Söderberg Foundation as well as own and related parties' holdings, Chairman of the nomination committee
- Jan Söderberg, own holdings
- Maria Söderberg, appointed by the Torsten Söderberg Foundation as well as own holdings
- Erik Brändström, appointed by Spiltan Fonder AB
- Henrik Didner, appointed by Didner & Gerge Fonder AB
- Per-Olof Söderberg, Chairman of Ratos's Board.

Combined, the nomination committee represents 61% of the voting rights for all the shares in the company.

A summary of the nomination committee's tasks is presented in Ratos's instructions to the nomination committee on Ratos's website.

### Nomination committee's work ahead of the 2023 Annual General Meeting

Ahead of the 2023 Annual General Meeting, the nomination committee held four minuted meetings and was in regular contact in between. In its work, the nomination committee has taken note of the internal evaluation of the Board's work, taken the Chairman's account of the Board's work and the CEO's account of the company's strategies. The nomination committee chairman has also interviewed individual Board members.

Ratos's Board has in recent years gradually been renewed, at the same time as a certain consistency has been kept. Board member Helena Svancar changed employer during the year and left the Ratos Board on 26 October 2022 to avoid future conflicts of interest. It is the nomination committee's opinion that the current Board functions well and with a great deal of commitment from each member. Ratos's business concept is to own and develop companies that are or can become market leaders. This new strategy requires the Board to have a broad industrial background as well as a documented ability to operate and develop companies in different industries and phases of development. The nomination committee deems the members proposed for re-election to have broad and complementary experience that more than adequately meets these requirements and deems that ongoing continuity in the work of the Board is paramount given the company's current stage of development. Consequently, the nomination committee sees no reason at this time to elect another Board member and feels that the proposed composition of six members is suitable and appropriate.

The nomination committee deems the members proposed for election to have broad and complementary experience that more than adequately meets the set requirements.

The requirement for independence is also assessed as having been met.

The nomination committee has continued to discuss requirements for diversity based in part on the Code's requirement for stipulating how the diversity policy has been applied and has chosen to use Rule 4.1 of the Code, which states that the Board is to exhibit diversity and breadth of qualifications, experience and background, and strive for an equal gender balance. Following deliberation by the nomination committee

regarding, for example, the Board members' background and experience, it is noted that the gender balance for the proposed Board will be 33.3% women and 66.7% men, as the members proposed include two women and four men. The nomination committee intends to strive for an improved gender balance over the long term.

Proposals regarding fees to the members of the Board as well as remuneration for committee work have been prepared by the four members of the nomination committee who are not members of Ratos's Board.

Shareholders have been informed that proposals to the Annual General Meeting can be submitted to the nomination committee.

The nomination committee's proposals, an account of the work of the nomination committee ahead of the 2023 Annual General Meeting as well as complementary information on proposed members of the Board will be announced in conjunction with the Notice of the Meeting and be presented at the 2023 Annual General Meeting.

No fees have been paid for participation in the nomination committee.

### Deviations/violations

Ratos deviates from the Code's rule 2.4, second paragraph, which states that if more than one Board member sits on the nomination committee, a maximum of one of them may be non-independent in relation to the company's major shareholders. Per-Olof Söderberg (also the Chairman of the Board) and Jan Söderberg are members of the nomination committee and regarded as non-independent in relation to the company's major shareholders. Against the background of these persons' extensive experience of Board work, their in-depth knowledge of Ratos and roots in the ownership group, and their network in Swedish industry, it was deemed beneficial to the company to deviate from the Code on this point.

No violations of Nasdaq Stockholm's Rule Book for Issuers or good practice in the stock market have occurred.

### 3 Board of Directors

#### Composition of the Board

Ratos's Board is to comprise of a minimum of four and a maximum of nine members. The Board is appointed by the shareholders at each Annual General Meeting. The mandate period is thereby one year.

The 2022 Annual General Meeting resolved that the Board is to consist of seven members and no deputies. Board members Per-Olof Söderberg, Ulla Litzén, Karsten Slotte, Jan Söderberg and Jonas Wiström were re-elected and new Board members Tone Lunde Bakker and Helena Svancar were elected. Eva Karlsson declined re-election. Per-Olof Söderberg was re-elected as Chairman of the Board. The CEO is part of the Board and attends Board meetings. The composition of the Board and an assessment of each Board member's independence is presented in more detail on pages 66–67.

#### Responsibilities and duties of the Board

The Board has overall responsibility for Ratos's organisation and management of its affairs, in the interests of both the company and its shareholders. The Board adopts financial targets, decides on the company's strategy and business plan, and ensures good internal control, risk management and an adequate sustainability programme. The work

of the Board is regulated by, among other things, the Swedish Companies Act, the Articles of Association, the Code and the formal work plan adopted by the Board for its work. The Board's overarching responsibility cannot be delegated but the Board may appoint committees tasked to prepare and evaluate matters ahead of a decision by the Board.

Each year, the Board adopts a formal work plan for its work designed to ensure that the company's operations and financial circumstances are controlled in an adequate manner. The formal work plan describes the special role and duties of the Chairman of the Board, decision-making procedures, instructions for Ratos's CEO and reporting as well as areas of responsibility for the committees. Furthermore, the Board also adopts annually a number of policy documents for the company's operations and ensures that there is satisfactory control of the company's compliance with laws, rules and internal guidelines. The Board ensures compliance through various tools including Ratos's annual risk management process and assurance mapping, in which responsibility for and validation of internal processes and identified risks are clarified.

The main duty of the Chairman of the Board is to lead the work of the Board and ensure that Board members carry out their respective duties.

#### Work of the Board in 2022

During 2022, a total of 25 minuted Board meetings were held: six ordinary meetings, one statutory meeting, and 18 extraordinary meetings (of which, 12 meetings were held per capsulam). Board meetings have a recurrent structure with established key items. Information and documentation for decision ahead of Board meetings are usually sent out approximately one week before each meeting. Ratos's General Counsel has taken the minutes at the Board meetings.

At every ordinary Board meeting, information is presented about the company's financial position and important events that affect the company's operations. At extra Board meetings, acquisition and divestment matters are normally examined as well as financing and incentive matters. Extra Board meetings are held when such matters requiring a Board decision arise. 2022 was characterised by acquisitions, incentive and financing matters. Senior executives at Ratos attended Board meetings to present specific matters.

#### Evaluation of the Board

The Board annually evaluates the work of the Board in a structured process where members are given an opportunity to express their opinions on working methods and efficiency, Board material, the performance of the members and the scope of the assignment in order to develop the Board's working methods. For the 2022 financial year, the evaluation was performed internally with the members answering an anonymous questionnaire, and the results of the evaluation have been presented by the Chairman with a subsequent discussion by the Board. Furthermore, the Chairman of the nomination committee held individual interviews with each Board member. The results of the evaluation have been reported to the nomination committee. The evaluation indicates that the Board work is deemed to function well.

#### Committees

The Board has established a compensation committee and an audit committee in order to structure, improve efficiency and assure the quality of its work, and to prepare the Board's decisions within these areas. The members of these committees are appointed annually at the statutory Board meeting.

#### Composition of the Board

Name <sup>1)</sup>	Elected year	Independent of the company	Independent of major shareholders	Total fee <sup>1)</sup> , SEK thousand	Attendance at meetings 2022		
					Compensation committee meetings	Audit committee meetings	Board meetings
Per-Olof Söderberg	2000	Yes	No	1,145	4/4	5/5	25/25
Jan Söderberg	2000	Yes	No	675	4/4	5/5	25/25
Ulla Litzén	2016	Yes	Yes	750	–	5/5	24/25
Tone Lunde Bakker	2022	Yes	Yes	600	–	4/4	16/17
Karsten Slotte	2015	Yes	Yes	675	4/4	5/5	25/25
Helena Svancar <sup>2)</sup>	2022	Yes	Yes	350	–	2/3	14/15
Jonas Wiström <sup>3)</sup>	2016	No	Yes	0	–	–	24/25
<b>Total</b>				<b>4,195</b>			

<sup>1)</sup> Relates to fees for the Annual General Meeting year 2022/2023.

<sup>2)</sup> Helena Svancar was a member of the Board from April to October 2022.

<sup>3)</sup> Jonas Wiström received no fee for his role as an ordinary Board member.

### 3a Work of the compensation committee

The compensation committee has both an advisory function (follow-up and evaluation) and a preparatory function for decision matters prior to their examination and decision by Ratos's Board.

The following matters, among others, are handled by the compensation committee:

- the CEO's terms of employment, and terms for executive management and those directly subordinated to the CEO
- Follow and evaluate variable remuneration programmes for executive management
- Matters of principle concerning pension agreements, severance pay, notice periods, bonus/earnings-related remuneration, fees, benefits, etc.
- Prepare matters and decisions relating to the incentive systems for Ratos and the companies, in some cases for decision by the Board and/or the general meeting
- The Board's proposal to the Annual General Meeting regarding guidelines for remuneration to senior executives and the report on remuneration to senior executives.

The compensation committee works in accordance with an adopted formal work plan. Normally, early in the autumn, an examination is carried out to see whether there are any major remuneration-related matters of principle to prepare. If such matters exist, they are addressed ahead of a final proposal at the ordinary meetings in December and January. In 2022, the compensation committee made a thorough evaluation of Ratos's remuneration structures and incentive programmes, which resulted in a proposal from the committee to make a minor adjustment to the criteria for variable cash remuneration in 2022 and to otherwise leave the structure for variable cash salary for 2022 essentially unchanged and, as in 2021, to propose to the 2022 Annual General Meeting a new long-term incentive programme in the form of a warrants and convertible debenture programme. No modifications to the remuneration guidelines are proposed ahead of the 2023 Annual General Meeting. The compensation committee also performs an annual evaluation of Ratos's long-term incentive system and prepares an annual report on remuneration to senior executives, which the Board presents to the Annual General Meeting for approval.

During 2022, Per-Olof Söderberg (Chairman of the Board and of the compensation committee), Jan Söderberg and Karsten Slotte were members of the compensation committee.

The compensation committee held four minuted meetings in 2022 and in between has been in regular contact. Ratos's General Counsel has taken the minutes of the committee. The compensation committee provides continuous oral reports to the Board and submits proposals on matters that require a Board decision. Minutes are made available to all members of the Board. The CEO and other senior executives normally attend the meetings of the committee to present specific matters.

### 3b Work of the audit committee

In 2022, all Board members except the CEO served on the audit committee. All members of the audit committee are regarded as independent of the company and its management. Ulla Litzén is the Chairman of the committee. The company's auditor participated in all five audit committee meetings in 2022.

The audit committee held five minuted meetings. Ratos's General Counsel has taken the minutes of the committee.

The audit committee has both an advisory and preparatory function for decision matters prior to review and decision by Ratos's Board.

Each year, the audit committee adopts a fiscal cycle for its working duties and areas for which the audit committee is responsible. The audit committee is responsible for and monitors according to an adopted schedule, among other things, accounting and reporting, audit, internal control, corporate governance, risk management, purchases of non-audit-related services, tax payment, the parent company's guarantee and equity commitments, IT security, insurance, disputes and strategic accounting matters as well as compliance with rules and regulations and certain policy documents adopted by Ratos's Board. Furthermore, the audit committee oversees Ratos's externally operated whistleblowing system. The audit committee's work follows Ratos's interim reporting and Ratos's work on valuation matters and impairment testing, with five regular meetings held every year where the auditor participates in all committee meetings. Particular issues addressed in 2022 included questions related to Ratos's consolidated reporting, centralised financing structure, internal control issues and disputes. The CEO and senior executives normally participate in the meetings of the committee as rapporteur.

The audit committee submits proposals on matters that require a Board decision and the minutes are made available to all members of the Board. The Chairman of the committee maintains regular contact with the company's auditor.

### Remuneration to the Board of Directors

The 2022 Annual General Meeting resolved that remuneration to the ordinary members of the Board should be paid in an amount of SEK 500,000 per member and year. Remuneration to the Chairman of the Board should amount to SEK 970,000 per year. It was decided to pay an additional SEK 250,000 per year to the Chairman of the audit committee and SEK 100,000 per year to other members of the committee. It was decided to pay SEK 75,000 per year to the Chairman of the compensation committee and SEK 75,000 per year to other members of the committee.

## 4 Auditor

Ratos's auditor is appointed annually by the Annual General Meeting. Nominations are made by the nomination committee. The auditor is tasked on behalf of shareholders to examine the company's annual accounts and consolidated financial statements as well as the administration of the company by the Board and the CEO, remuneration of senior executives (including the remuneration report), the sustainability report and the corporate governance work. The review work and auditor's report are presented at the Annual General Meeting.

At the 2022 Annual General Meeting, the audit firm Ernst & Young AB (EY) was re-elected as auditor until the next Annual General Meeting. EY appointed Erik Sandström as Chief Auditor. In addition to his assignment at Ratos, Erik Sandström is Chief Auditor for, among others, Atlas Copco, Autoliv, Epiroc and Mycronic. It is proposed that EY should be appointed by the 2023 Annual General Meeting as the company's audit firm until the next Annual General Meeting.

### Auditor's fees

Remuneration is paid to the company's auditor in accordance with a special agreement on this matter in accordance with a resolution at the Annual General Meeting. For a specification of audit fees and fees for other assignments, see Note 8. Ratos's policy for the purchase of non-audit-related services is continuously monitored by the audit committee, which also evaluates the content of both auditing and consulting services.

## 5 Governance in Ratos

### Ratos's principles for active ownership and the exercise of its ownership role

Ratos's business concept is to develop companies headquartered in the Nordics that are or can become market leaders. Ratos enables independent companies to excel by being part of something larger. Ratos's owner policy includes specific strategic foundations that provide a basis for how we choose to act as an owner and how we view corporate governance. One of these foundations is that Ratos's companies must be independent of each other, strategically, operationally and financially. As an owner, Ratos is to add and create value but value creation and governance are therefore not identical in all situations. Having a clear division of responsibility between owner, board and CEO is important for the governance of Ratos's companies as well as for the parent company Ratos AB, and is therefore a key part of Ratos's business model and success as an owner. Read more about Ratos's exercise of its ownership role on page 20.

### CEO and management group

The CEO is appointed by the Board and is responsible together with the management group for daily operations in Ratos in accordance with the Board's instructions. The CEO provides the Board with regular updates on operations and ensures that the Board members receive information on which to base well-considered decisions.

Until 15 November 2022, Ratos's management group consisted of the CEO, CFO, three Business Area Presidents, General Counsel and the Vice President Communication & Sustainability. For the remaining portion of the year, it consisted of the CEO, CFO, two Business Area Presidents, General Counsel and the Vice President Communication & Sustainability. The role of the management team is to prepare and implement strategies, manage corporate governance and organisational matters, and monitor Ratos's financial development and Ratos's sustainability programme.

The companies' financial development and ongoing activities are addressed at monthly meetings attended by the respective company's CEO and CFO alongside Ratos's CEO, CFO and other senior executives.

### Remuneration to senior executives

Guidelines for remuneration to senior executives were approved at the 2022 Annual General Meeting. More information about basic and variable salary is available in Note 7.

## Evaluation of the need for an internal audit

Ratos develops companies headquartered in the Nordics that are or can become market leaders. At the close of the year, Ratos had 16 companies operating in three business areas in different industries with various risks. With regard to Ratos and the need for an internal audit, it has been judged more suitable to discuss and decide for each individual company according to need, size and complexity, rather than from parent company or Group level.

Ratos performs an annual review of risks during which significant risks in the companies and Ratos are summarised and discussed by the management and boards of the respective companies and of Ratos. Ratos's management and Board can use this as a basis to identify a need for a closer look at / development of certain areas, the opportunity to identify areas that need to be centralised / strengthened, and to provide guidance to the audit committee for audit priorities.

In addition, the audit measures carried out by the auditor for the parent company and Group, including an audit of internal controls, are important instruments for identifying shortcomings and providing a basis for more in-depth measures / follow-up and the basis for decision regarding future audit priorities for the companies.

With 18 employees at the end of the year, the parent company Ratos AB has no complex functions that are difficult to analyse. The need to introduce an internal audit function for the parent company Ratos AB must therefore be regarded as negligible, which is why Ratos has decided, as in previous years, not to establish an internal audit function at Group level or for the parent company Ratos AB.

## Internal control

The Board has overarching responsibility for ensuring that Ratos has an effective and adequate process for risk management and internal control. The purpose is to provide reasonable assurance that operations are conducted in an appropriate and effective manner, that external reporting is reliable and that laws as well as internal rules and policy documents are complied with. This work is conducted through structured Board work as well as by tasks being delegated to management, the audit committee and other employees. In addition, the Group engages in a dialogue with its auditors regarding their ongoing observations as well as the annual evaluation of internal control completed during the third quarter and presented by Ratos's auditors to the audit committee. Responsibilities and authorities are also defined in Ratos's assurance mapping, which is part of Ratos's risk management process, and in instructions for powers of authorisation, policy documents and manuals which provide guidelines and guidance for the Group's operations and employees. As a complement to the companies' financial reporting and sustainability reporting, Ratos sends a compliance survey to all the CFOs of the companies. The findings are compiled and reported by the General Counsel to the audit committee, providing a basis for, among other things, decisions regarding future audit priorities for the companies.

Furthermore, the board of each company is responsible for ensuring that the company in question complies with laws and regulations as well as for compliance with internal policy documents and guidelines. A procedure has gradually been implemented to strengthen the follow-up of these matters.

### Ratos's risk management process

Ratos performs an annual review of risks where significant risks in its own operations and the companies are summarised and discussed by the management and boards of the respective companies and of Ratos. The process is intended to give Ratos's management and Board of Directors an understanding of Ratos's most material risks.

As part of good corporate governance, the companies are expected to have a continuous process for identifying, assessing and managing their risks. Each company's CEO and management have operational responsibility for ensuring that an appropriate risk management process is in place and has been approved by the individual company's board.

Ratos provides support to its companies in the form of structures and models, and works continuously to strengthen their risk processes as

well as its own. Ratos has supplemented the risk management process to include an assurance mapping, meaning a clarification of responsibilities and validation of internal processes and identified risks. Ratos's most material risks are summarised in the Directors' Report on pages 52–55.

**Internal control of financial reporting**

Internal control of financial reporting is based on how Ratos's operations are conducted and how the organisation is built up. Ratos's operations consist of developing companies headquartered in the Nordics that are or can become market leaders. Ratos has three business areas – Construction & Services, Consumer and Industry – and each business area currently consists of three to seven companies. Each business area has a dedicated team that also works actively in the companies' boards. Each company is independent of other companies owned by Ratos. The aim is not that these companies' systems and reporting should be integrated into the Ratos Group, but resources are used for follow-up and development of financial reporting from subsidiaries and associates.

Ratos's aim, as part of its value-creating work with the companies, is to create independent and high-quality organisations with a high quality of financial reporting.

Ratos has the overarching responsibility but the decisions and management of each company are carried out based on the needs, size and complexity of the company. Internal control of financial reporting is therefore designed to be appropriate in Ratos AB as well as in the companies. Evaluations and decisions are made by each board and management. This means that the material risks that affect internal control of financial reporting are identified and managed by Ratos as well as at the company level.

The basis for internal control of financial reporting consists of an overarching control environment where organisation, decision-making processes, authority and areas of responsibility have been documented and communicated in several guiding documents. This means that authority and responsibility within Ratos AB are established in several internal guidelines, policy documents and manuals. This applies, for example, to the division of work between the Board and the CEO and other bodies

set up by the Board, instructions for powers of authorisation as well as accounting and reporting instructions. This also serves to reduce the risk of irregularities and inappropriate favouring of a third party at the company's expense.

All companies report their complete accounts on a monthly basis and full-year forecasts. These reports are entered into a Group-wide consolidated reporting system. This is the foundation for the Group's consolidated financial reporting. Each company is responsible for its own financial management and for ensuring that the reports are correct, complete and delivered in time for the Group's reporting. The financial reporting is designed to follow the applicable laws and regulatory frameworks, such as IFRS. The companies' application of IFRS in their reporting and how they comply with the principle choices Ratos has made are followed up regularly. As support for the companies' reporting, Ratos Accounts has a number of supporting instructions and documents to ensure the financial reporting is complete and accurate.

Ratos has introduced a framework with minimum internal control requirements (MICR) connected to internal control for financial reporting

**Internal risk management process for Ratos**



(ICFR). The framework aims to ensure with reasonable certainty that the external financial reporting was reliable and prepared according to laws, regulations, financial reporting standards and other relevant requirements for Ratos. Follow-up and assessment of minimum requirements in each company are performed annually and reported to Ratos's Board.

**Quality assurance for financial reporting**

It is the opinion of the Board that the quality of a company's reporting is primarily determined by the organisation's competence in accounting matters as well as how the accounting, reporting and finance functions are staffed and organised. Ratos's business area managers and finance function are involved in the reporting from the companies. This means that the quality of the accounting and reporting of the companies is continuously examined and developed. Ratos's business area managers, together with Ratos's finance function, evaluate the material reported by the companies analytically, looking at its completeness, accuracy and compliance with Ratos's accounting principles. Ratos's finance function

has an active dialogue with each company. Any deviations noted in the legal and operational follow-up are corrected. Performance and risks that are identified are communicated monthly to the CEO and CFO who, where appropriate, in turn report to Ratos's Board.

Every month, the companies provide a report in which the activities in the company and the company's development are described and analysed. The report is submitted to Ratos's management and, in some cases, Ratos's Board. The reports are supplemented with monthly meetings between the companies and Ratos's management, during which the reporting is discussed and analysed to understand each company's financial development and follow up on the company's operations. Accounts relating to acquisitions and investments as well as major transactions and accounting matters are discussed and regularly reconciled with Ratos's auditors. Group consolidation includes a number of reconciliation controls, both manual and automatic, such as in the Group-wide consolidated reporting system.

Ratos's accounts function is organised and staffed on the basis of the need to ensure that the Group maintains a high accounting standard and

complies with IFRS and other standards within accounting. Working duties include preparing regular accounts mainly for the parent company and preparing closing accounts for both the parent company and the Group. Ratos's finance function is led by Ratos's CFO and the employees have professional experience in reporting and accounting.

Through the audit committee, the Board oversees the internal control and the accuracy of the financial reporting and evaluates recommendations for improvement. The audit committee submits proposals on matters that require a Board decision.

**Read more about Ratos's corporate governance**

Read more about Ratos's corporate governance on our website under Governance

- Corporate governance reports from previous years
- Articles of Association
- Information from general meetings in previous years
- Nomination committee
- The Board and its committees
- Management group
- Incentive systems
- Auditor.





# Board of Directors and CEO

From left

## Jonas Wiström, President and CEO

Board member since 2016. Chairman of the Board April 2016–December 2017. President and CEO since December 2017. Independent in relation to major shareholders in the company. Dependent in relation to the company and executive management. MSc Eng. KTH Royal Institute of Technology. Born 1960, Swedish. Former President and CEO of ÅF, President and CEO of Prevas. CEO of Silicon Graphics northern Europe and positions within Philips, Saab–Scania and Sun Micro-systems.

*Shareholding in Ratos (own):* 310,000 B shares  
*Warrants in Ratos:* 400,000  
*Convertibles in Ratos:* 400,000

## Per-Olof Söderberg, Chairman

Board member since 2000 and Chairman of the Board since December 2017. Independent in relation to the company and executive management. Dependent in relation to major shareholders in the company. BA Econ, Stockholm School of Economics. MBA Insead. Born 1955, Swedish. Chairman of the Board and co-founder of Söderberg & Partners AB. Chairman of the Board and co-founder of the association Inkludera. Deputy Chairman of the Stockholm School of Economics. Former CEO of Dahl.

*Shareholding in Ratos (own and related parties):* 16,714,396 Class A shares, 5,136,622 Class B shares

## Karsten Slotte

Board member since 2015. Independent in relation to the company, executive management and major shareholders in the company. B.Sc. Econ. Born 1953, Finnish. Board member of Conficap. Former President and CEO of the Karl Fazer Group 2007–2013. CEO of Cloetta–Fazer 2002–2006.

*Shareholding in Ratos (own):* 8,600 Class B shares

## Tone Lunde Bakker

Board member since 2022. Independent in relation to the company, executive management and major shareholders in the company. Master's degree in business administration from Arizona State University, USA. Born 1962, Norwegian. CEO of Eksfin (Export Finance Norway). Previously General Manager of Swedbank Norge 2017–2021 and Global Head of Cash Management at Danske Bank 2015–2017. Leading positions at Nordic banks.

*Shareholding in Ratos (own):* 2,000 Class B shares

## Secretary to the Board

Magnus Stephensen, General Counsel, Ratos.

## Jan Söderberg, Deputy Chairman

Board member since 2000 and Deputy Chairman of the Board since December 2017. Independent in relation to the company and executive management. Dependent in relation to major shareholders in the company. BA Econ, Stockholm School of Economics. Born 1956, Swedish. Chairman of the Board and founder of Söderbergföretagen. Member of the Lund School of Economics Management Advisory Board. Board member of My Special Day Foundation. Former positions include the President and CEO of Bröderna Edstrand and senior positions in Dahl Invest AB, Fosselius & Alpen and Esselte.

*Shareholding in Ratos (own and related parties):* 14,517,996 Class A shares, 4,706,750 Class B shares

## Ulla Litzén

Board member since 2016. Independent in relation to the company, executive management and major shareholders in the company. BA Econ, Stockholm School of Economics. MBA Massachusetts Institute of Technology. Honorary Doctorate, Stockholm School of Economics. Born 1956, Swedish. Board member of Electrolux, Epiroc, Stockholm School of Economics and the School of Economics Association. Former CEO of W Capital Management AB (wholly owned by the Wallenberg Foundations). Managing Director and member of the management group, Investor AB.

*Shareholding in Ratos (own):* 105,000 Class B shares

## Auditor

At the 2022 Annual General Meeting, the auditing firm Ernst & Young AB, with authorised public accountant Erik Sandström as Chief Auditor, was elected for the period until the 2023 Annual General Meeting has been held.

Board's and CEO's holdings at 31 December 2022.