

THE NOMINATION COMMITTEE'S PROPOSAL AND REASONED STATEMENT FOR THE 2020 AGM IN RATOS AB (PUBL)

The Nomination Committee of Ratos AB (publ) ("the Company") submits the following proposals and reasoned statement ahead of the 2020 Annual General Meeting.

The Nomination Committee's work ahead of the 2020 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 2019 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:

Jenny Parnesten, Chairman of the Nomination Committee, nominated by the Ragnar Söderbergs foundation and own 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, and own holdings
 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 62.0 per cent of the votes in the Company.

Ahead of the 2020 Annual General Meeting, the Nomination Committee has held three 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 Jenny Parnesten, Maria Söderberg, Erik Brändström and Håkan Roos – i.e. like in previous years, by the four 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 2020 Annual General Meeting:

- that the Board shall consist of six directors, without deputy directors.
- re-election of the Board members Eva Karlsson, Ulla Litzén, Karsten Slotte, Jan Söderberg, Per-Olof Söderberg and Jonas Wiström.
- 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. The Nomination Committee is of the opinion that the current Board works well and with a large dedication from the individual members. Ratos develops mid-sized companies headquartered in the Nordics that are or can become market leaders. In 2019, Ratos adopted a new strategy that is currently being implemented. 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 requirements on the Board's independence are deemed to be fulfilled. The Nomination Committee considers Eva Karlsson, Ulla Litzén 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 independent in relation to major shareholders in the Company but not in relation to the Company and the Company's management.

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 are two women and four men, which will result in a gender diversity of 33,3 %/66,7% for the proposed Board. According to the Nomination Committee, this is in accordance with the requirement for an equal gender balance.

Compensation issues

The Nomination Committee's proposal to 2020 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 2020 Annual General Meeting

The Nomination Committee has unanimously decided to propose to the 2020 Annual General Meeting that:

- Per-Olof Söderberg is appointed Chairman of the 2020 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 re-elected as auditor for the period until the end of the next Annual General Meeting. 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 2020

NOMINATION COMMITTEE IN RATOS AB (PUBL)