

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

Shareholders of Ratos AB (publ) are hereby invited to the Annual General Meeting to be held at 17.00 CET on Tuesday, 5 April 2011, in Berwaldhallen, Dag Hammarskjölds väg 3, Stockholm.

NOTIFICATION

To be entitled to participate in the business of the Meeting, shareholders must

- (i) be recorded in the register of shareholders maintained by Euroclear Sweden AB no later than 30 March 2011,
- (ii) notify the Board of their intention to attend no later 16.00 CET on 30 March 2011.

Notification of attendance may be made via www.ratos.se, by writing to Ratos AB (publ), Box 1661, SE-111 96 Stockholm, or by telephone +46 8 700 17 00.

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 temporarily re-register their shares in their own names. Such registration must be effected at Euroclear Sweden AB by Wednesday, 30 March 2011. 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 at the above address no later than 16.00 CET on 30 March 2011 in order to facilitate access to the Meeting. Power of attorney forms are available on the company's website www.ratos.se.

Proposed agenda

1. Opening of the Meeting and election of the Chairman of the Meeting
2. Drawing up and approval of the voting list
3. Election of two persons to attest to the accuracy of the minutes together with the Chairman
4. A decision on whether proper notice of the Meeting has been made
5. Approval of the agenda for the Meeting
6. The CEO's address
7. Presentation of the annual accounts 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 2010 financial year
9. Decision on adoption of the income statement and the balance sheet and the consolidated income statement and consolidated balance sheet
10. Decision on discharge from liability for the Members of the Board of Directors and the CEO
11. Decision on distribution of the Company's profit according to the adopted balance sheet and on a record date for dividends
12. A decision on the number of Board members and deputy Board members
13. Approval of the remuneration to be paid to the Board of Directors and auditors
14. Election of the Board of Directors
15. Proposal for decision regarding the Nomination Committee
16. The Board's proposal for decision on guidelines for remuneration to senior executives
17. The Board's proposal for decision regarding issue of call options and transfer of treasury shares
18. The Board's proposal for decision regarding issue of synthetic options to company management and other key people at Ratos
19. The Board's proposal for decision regarding transfer of treasury shares to administrative employees
20. The Board's proposal that the Board be authorised to decide on purchase of treasury shares
21. The Board's proposal that the Board be authorised to decide on a new issue of shares in conjunction with company acquisitions
22. The Board proposal for decision regarding division of shares (share split)

23. Board proposal for decision regarding amendment to the Articles of Association
24. Any other business
25. Conclusion of the Meeting

Proposal for decision regarding a Nomination Committee (item 15)

The Nomination Committee proposes that the Chairman be assigned, in consultation with the Company's major shareholders, to appoint a Nomination Committee ahead of the 2012 Annual General Meeting. The Nomination Committee shall comprise Ratos's Chairman and a minimum of four members of the in terms of voting rights largest shareholders registered with Euroclear at 31 August 2011. If a shareholder waives the entitlement to appoint a representative, the shareholder who is the next largest owner in terms of voting rights shall appoint a representative. The majority of the members of the Nomination Committee shall be independent from the company and company management. The Nomination Committee's mandate period extends until a new Nomination Committee has been appointed. If an already appointed member resigns from the Nomination Committee, the company's major shareholders shall appoint a replacement following consultation. The duties of the Nomination Committee include:

- to evaluate the composition and work of the Board
- to prepare a proposal to the Annual General Meeting regarding election of the Board and the Chairman of the Board
- to prepare a proposal, in co-operation with the Company's Audit Committee, to the Annual General Meeting regarding election of auditors when appropriate
- to prepare a proposal to the Annual General Meeting regarding fees to the Board, divided between the Chairman and other Board members as well as possible remuneration for committee work, and auditors
- to prepare a proposal to the Annual General Meeting regarding a Chairman for the Meeting, and
- to prepare a proposal for principles for appointment of the next Nomination Committee.

The composition of the Nomination Committee shall be announced no later than six months prior to the 2012 Annual General Meeting. The Nomination Committee is entitled to receive reasonable remuneration from the Company for expenditure incurred with regard to evaluation and recruitment. Members of the Nomination Committee do not receive any remuneration from the Company.

The Board's proposal for decision on guidelines for remuneration to senior executives (item 16)

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 shareholders. The system comprises four components – basic salary, variable salary, call options and synthetic options – and rests on five basic principles.

- Ratos's employees shall be offered competitive fundamental terms of employment in an industry where competition for qualified employees is intense and at the same time be encouraged to remain with Ratos.
- Both individual efforts and group performance must be linked to clear targets set by the Board.
- Variable salary paid shall be linked to the results development that benefits shareholders. Variable salary does not fall due until certain conditions have been met with regard to return on the Company's equity.
- Each year the Board sets a limit for the total variable salary, which shall amount to a maximum of approximately one per cent of the Company's equity at the start of the financial year.
- Key people at Ratos shall be encouraged to have the same perspective as the Company's shareholders which will be achieved through reasonably balanced option programmes where employees can gain from share price rises alternatively realised increase in value but also take a personal risk by paying a market premium for the options.

The variable salary that can be allocated to an employee is paid over a multi-year period. The cost of each year's variable salary will be booked in its entirety in the year in which the salary was earned. With regard to the costs for the proposed option programmes, refer to the Board's proposal regarding call options (item 17) and synthetic options (item 18). Pension benefits are generally paid in accordance with the ITP Plan. For pension benefits that deviate from the ITP Plan, defined contribution pension benefits apply.

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

The Board's proposal for decision regarding issue of call options and transfer of treasury shares (item 17)

The main content of the Board's proposal is that a maximum of 650,000 call options shall be issued on treasury shares (prior to implementation of the proposal for decision on a division of shares, (split), corresponding to 1,300,000 call options after implementation of the proposal for decision on a division of shares (split)) and for a market premium be transferred to key people at Ratos. It is intended that the purchase of options will be partly subsidised.

The right to purchase options shall apply to the CEO and other key people (investment managers and others) with a maximum of between 5,000 and 100,000 options per person (prior to implementation of the proposal for decision on a division of shares, corresponding to a maximum of between 10,000 and 200,000 after implementation of the proposal for decision on a division of shares). A maximum total of approximately 35 people are included in this offer. Allocation will be made by the Board in accordance with the principles adopted by the Annual General Meeting and based on position and experience.

The options can be utilised for the purchase of class B shares in Ratos during the period starting on 1 October 2014 and ending on 18 March 2016 for an exercise price of 125 per cent of the average on each trading day during the period 6 – 12 May 2011 calculated average of the highest and lowest quoted price paid during the day for Ratos B shares on NASDAQ OMX Stockholm according to the official price list. A market premium shall be paid for the options based on a market accepted valuation model (Black & Scholes). The calculation will be performed by Nordea Bank AB (publ) and Deloitte AB whereby the average of the valuations shall be regarded as a market premium. The purchase of options will be subsidised by the option purchaser receiving an extra cash compensation corresponding to a maximum of 50 per cent of the option premium after deduction for 55 per cent standard tax, whereby the compensation will be divided into equal components over five years and provided the person concerned is still working in the Ratos Group and still holds options acquired from Ratos or shares acquired through the options.

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 shareholders. The system comprises four components – basic salary, variable salary, call options and synthetic options.

Against the above background, the Board is of the opinion that an effective share-based incentive for the Company's key people is highly significant for the Company's development. The Board's aim is that all key people should be given an opportunity to participate in an option programme every year and acquire and hold options from five different series. The programme is judged to be advantageous for the Company and its shareholders.

Furthermore, the proposal means that the Company will be entitled to transfer a maximum of 650,000 class B shares in the Company (prior to implementation of the proposal for decision on a division of shares, corresponding to 1,300,000 shares after implementation of the proposal for decision on a division of shares) at a selling price corresponding to the above-mentioned exercise price in connection with possible exercise of the call options. The number of shares and the selling price for the shares included in the transfer decision according to this item may be recalculated as a

result of a bonus issue, reverse split or split of shares, new issue or reduction of the share capital or similar measures.

In the event of exercise of the proposed options, the number of outstanding shares will increase. These new shares will comprise, in the event of full exercise of the options, 0.4 per cent of shares outstanding (i.e. total number of shares issued decreased by the company's treasury shares) and 0.1 per cent of voting rights, based on shares outstanding (i.e. total number of shares issued decreased by the company's treasury shares). In the event of full exercise of the options now proposed together with existing options, the number of shares will comprise 2.2 per cent of the number of shares outstanding and 0.6 per cent of voting rights, based on shares outstanding.

The Annual General Meeting's decision under item 17 above will only be valid if it is supported by shareholders with at least nine-tenths of both votes cast and the shares represented at the Meeting.

The Board's proposal for decision on the issue of synthetic options to company management and other key people at Ratos (item 18)

The Board of Ratos AB (publ) ("the Company") proposes that the Annual General Meeting resolves to introduce a cash-based option programme related to the Company's investments in portfolio companies. It is proposed that the programme is carried out through the issue of synthetic options ("2011 Option Programme"). The programme is essentially identical to the 2010 Option Programme decided at the 2010 Annual General Meeting.

A programme that in the long term gives key people an opportunity to share in the growth in value of the portfolio companies will maintain confidence in the Company and increase the value of its shares. The 2011 Option Programme is also expected to lead to greater involvement and increased motivation for the participants in the programme and result in those included in the programme having stronger ties to Ratos. The 2011 Option Programme is intended to include approximately 35 existing and future senior executives and other key people at Ratos. The Company's Board is of the opinion that the 2011 Option Programme will benefit the Company's shareholders and that it will contribute to opportunities to recruit and retain competent employees.

In order to be able to carry out the 2011 Option Programme, the Board proposes that the Annual General Meeting decides on the main conditions for the issue to the Company's management and other key people of synthetic options related to the Company's investments in portfolio companies during the period until the next Annual General Meeting. In accordance with what is stated below, it is proposed that participants are invited to acquire such issued options at market price.

The options will be transferred at market price. Initially therefore, Ratos will not incur any cost. The future cost or revenue for Ratos attributable to issued options will depend on the value growth of Ratos's investment in the portfolio company concerned. If the value growth is less than 15 per cent per year, the options will be worthless and the paid-in premium will be revenue for Ratos. If the value growth on Ratos's investment in the portfolio company concerned exceeds 15 per cent per year, the options will have a value. The total value of the issued options at the closing date will be a maximum of 3 per cent of the difference between the actual realised value for Ratos's investment at the closing date and the acquisition value increased by 15 per cent per year. The value of the options on the closing date, minus paid-in premium, will be the cost to Ratos. Any gains for option holders will be paid at Ratos's exit. The proposal has been prepared together with external advisers and has been examined by the Compensation Committee and the Board at three meetings. The proposal was adopted by the Board on 16 February 2011.

Invitation for acquisition of and entering into an agreement regarding options shall be decided by the Board according to the following terms and conditions:

- a) The invitation to acquire options shall include the CEO and additional key people (investment managers and others) working at Ratos, a total of approximately 35 people, with a maximum of

between 10 and 120 options per person and investment. The Company's Board members are not included in the invitation.

- b) The invitation to acquire and agreements regarding options shall include all the portfolio companies the Company invests in during the period from the 2011 Annual General Meeting until the next Annual General Meeting. The total number of options attributable to one portfolio company shall amount to 1,000. The total number of options per portfolio company shall relate to three (3) per cent of the Company's total investment in the portfolio company. However, a maximum total of 8,000 synthetic options shall be issued in the 2011 Option Programme.
- c) Participants in the 2011 Option Programme shall no later than 27 April 2011 provide notification of how many options per investment he or she wishes to purchase. Notification and the invitation to acquire shall relate to options in all portfolio companies invested in by the Company during the period from the 2011 Annual General Meeting until the next Annual General Meeting (subject to the limitation that a maximum total of 8,000 options may be issued in the 2011 Option Programme).
- d) Employees' option acquisitions shall be made at market value. The value will be calculated by an independent valuation institute applying a standard valuation model (Black & Scholes).
- e) Acquisition of options attributable to a specific portfolio company shall take place in conjunction with the Company's investment in the portfolio company.
- f) The issue of synthetic options shall take place by an agreement being concluded between the Company and the employee containing the following main terms and conditions.
 - One option shall give the option holder the right to receive from the Company a sum of money calculated on the basis of the cash flow the Company receives from its investment in the portfolio company, after Ratos has received a return of 15 per cent per year.
 - The term of the option shall correspond to the Company's investment period in the portfolio company, although a maximum of ten years.
 - The option shall be freely transferable, but subject to a pre-emptive right for the Company to acquire the option.
- g) The Board shall be responsible for the detailed design and management of the 2011 Option Programme within the framework of the main terms and guidelines set out above.

The Annual General Meeting's decision according to the above shall be made taking into account the majority rules stipulated in Chap 7, § 40 of the Swedish Companies Act, which means that the decision must be supported by shareholders representing more than half of the number of votes represented at the Meeting.

The Board's proposal for decision on transfer of treasury shares to administrative employees (item 19)

The Board of Ratos AB (publ) ("the Company") proposes that the Annual General Meeting resolves on the transfer of a maximum total of 8,000 B shares in the Company (prior to implementation of the proposal for decision on division of shares (split), corresponding to 16,000 shares after implementation of the proposal for division of shares (split)) to administrative employees in the Company. It is proposed that the shares to be transferred shall comprise treasury shares and correspond to less than 0.005 per cent of the total number of shares issued in the Company. Transfer may take place during the period until the next Annual General Meeting, to a maximum total of approximately 20 employees in the Company. Transfer of treasury shares in accordance with the proposal may only be made to employees who are not covered by the Company's incentive systems for variable compensation directed towards employees in the business organisation.

The transfer is related to the system decided by the Board for variable compensation to administrative employees. Variable salary shall also be able to take the form of shares, whereby settlement is made at market price on the date of the transfer. Variable salary is linked to Ratos's reported profit for the 2011 financial year and individual performance.

The Board is of the opinion that it is to the advantage of the Company and shareholders that the administrative employees in this way have an opportunity to become shareholders in the Company.

A shareholding creates an increased common interest between employees and owners and is expected to have a performance enhancing effect.

The Annual General Meeting's according to the Board's above proposal will only be valid if it is supported by shareholders with at least nine-tenths of both votes cast and the shares represented at the Meeting.

The Board's proposal that the Board be authorised to decide on a purchase of treasury shares (item 20)

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.

1. Acquisition may be made of class A share or class B shares.
2. Acquisition must take place on NASDAQ OMX Stockholm.
3. Acquisition may take place on one or more occasions prior to the next Annual General Meeting.
4. A maximum number of shares may be acquired so that the Company's holding at any time does not exceed 4 per cent of all the shares in the company.
5. Acquisition may be made at a price within the price band registered at any time on NASDAQ OMX Stockholm.

The purpose of the purchase of treasury shares is to give the Board more room for manoeuvre in its work to create value for the Company's shareholders. This includes hedging of call options issued within the framework of Ratos's incentive programme.

Ratos's holding of treasury shares at 16 February 2011 amounted to 2,833,141, corresponding to 1.7 per cent of all the shares in the Company.

The Annual General Meeting's decision under this item will only be valid if it is supported by shareholders with at least two-thirds of both votes cast and the shares represented at the Meeting.

The Board's proposal that the Board be authorised to decide on a new issue of shares in conjunction with company acquisitions (item 21)

The Board of Ratos AB proposes that the 2011 Annual General Meeting resolves, during the period until the next Annual General Meeting, to authorise the Board in conjunction with company acquisitions, on one or more occasions, deviating from the pre-emptive rights of shareholders, against cash payment through set-off or non-cash, to make a decision on a new issue of class B shares in the Company. This authorisation shall comprise a maximum of 17.5 million class B shares in the Company (prior to implementation of the proposal for decision on division of shares (split), corresponding to 35 million shares after implementation of the proposal for division of shares (split)). 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 of Directors, 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 requires the Annual General Meeting's decision to be supported by shareholders representing at least two-thirds of both votes cast and the shares represented at the meeting.

The Board's proposal for decision on division of shares (share split) (item 22)

The Board proposes that the Annual General Meeting resolves on a division of shares (so-called share split) so that each existing share is divided into two shares of the same share class. The record date at Euroclear Sweden AB for implementation of the split shall be 6 May 2011. After the split is carried out the number of shares in the Company will increase from 162,070,448 to 324,140,896, of which 84,647,060 class A shares and 239,493,836 class B shares. The quota value of the shares will thereby be changed from SEK 6.30 to SEK 3.15.

Board's proposal for decision on amendment to the Articles of Association (item 23)

Provided the Meeting approves the Board's proposal for a division of shares (share split) according to item 22 above, the Board proposes that the Meeting resolves that article 5 of the Articles of Association shall have the following wording:

The number of shares shall be no less than 300,000,000 and no more than 1,200,000,000.

If the Meeting does not approve the Board's proposal for a share split, the Board's proposal regarding an amendment of article 5 of the Articles of Association will no longer apply.

By reason of an amendment to the Swedish Companies Act which came into force on 1 January 2011, the Board proposes the following amendment to article 13 of the Articles of Association:

Article 13, first paragraph shall have the following wording:

Notice of a general meeting must be given by advertisement in the Swedish Official Gazette (Post- och Inrikes Tidningar) and on the Company's website. That the notice has been given must be advertised in Svenska Dagbladet.

The Board further proposes that the time 16.00 be removed from article 13, second paragraph.

Proposal by the Nomination Committee regarding Board of Directors, etc.

The Nomination Committee appointed by the Company's major shareholders has given notice that at the Annual General Meeting, with regard to items 1 and 12-14 on the above agenda, it will put forward the following proposals:

- Item 1: The Chairman of the Board, Olof Stenhammar.
- Item 12: Eight members and no deputy members.
- Item 13: Remuneration to the Board is proposed to amount to SEK 3,700,000 (previous year 3,450,000) to be allocated to the Chairman in the amount of SEK 1,000,000 and to each other Board member, with the exception of the CEO, with SEK 450,000. An extra compensation of SEK 50,000 per year will be paid to the Chairman and SEK 30,000 per year to other members of the Compensation Committee and the Audit Committee. Fees to auditors to be paid in accordance with a separate agreement thereon.
- Item 14: For the period until the next Annual General Meeting has been held, re-election of Board members Lars Berg, Staffan Bohman, Arne Karlsson, Annette Sadolin, Olof Stenhammar, Jan Söderberg, Per-Olof Söderberg and Margareth Øvrum. A presentation of proposed Board members is provided on the Company's website. Olof Stenhammar is proposed as the Chairman of the Board. The audit firm of KPMG AB with Thomas Thiel as Senior Auditor were elected at the 2008 Annual General Meeting for the period until the 2012 Annual General Meeting has been held.

Dividend and record date

The Board proposes an ordinary dividend for 2010 of SEK 10.50 per share. The proposed record date is 8 April 2011 and dividends are thus expected to be paid through Euroclear Sweden AB on 13 April 2011.

Shares and votes

On the date this notice was issued there are a total of 162,070,448 shares in the company, of which 42,323,530 are A shares with one vote each and 119,746,918 are B shares with one-tenth of a vote each, corresponding to a total of 54,928,222 votes. The Company's treasury shares on the same date amounted to 2,833,141 B shares, corresponding to 283,314 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 (i) circumstances that might have an effect on assessment of an item on the agenda, (ii) circumstances that might affect assessment of the financial situation of the Company or a subsidiary, (iii) the Company's relations to another group company.

Documentation

The Board's and Nomination Committee's complete proposals for decision and statement by the auditors will be available at the Company at Drottninggatan 2, Stockholm, and on the Company's website www.ratos.se from 7 March 2011. Complete proposals and statement by the auditors will be sent to shareholders who have notified their attendance at the Meeting and others who so request. A power of attorney form and other accounting documents will also be said free of charge to those who so request.

Stockholm, February 2011

Board of Directors