

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 16.30 CET on Thursday, 27 March 2014 at Stockholm Waterfront Congress Centre, Nils Ericsons Plan 4, 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 on 21 March 2014,
- (ii) notify the company of their intention to attend no later than 21 March 2014.

Notice of attendance may be made via www.ratos.se, by writing to Ratos AB, 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 Friday, 21 March 2014. 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 21 March 2014 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. 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 2013 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 record dates 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 auditors.
14. Election of the Board of Directors and auditor.
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 transfer of treasury shares to administrative employees.
19. The Board's proposal for decision regarding issue of synthetic options to senior executives and other key people at Ratos.
20. The Board's proposal for decision on amendments to the Articles of Association.
21. The Board's proposal that the Board be authorised to decide on purchase of treasury shares.

22. The Board's proposal that the Board be authorised to decide on a new issue of Class B shares in conjunction with company acquisitions.
23. The Board's proposal that the Board be authorised to decide on a new issue of Class C and/or Class D preference shares in conjunction with company acquisitions.
24. Conclusion of the Meeting

NOMINATION COMMITTEE'S PROPOSALS

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

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, Arne Karlsson.
- Item 12: Seven directors. No deputy directors.
- Item 13: Remuneration to the Board is proposed to amount to SEK 3,700,000 (unchanged from previous year) to be allocated to the Chairman in the amount of SEK 1,000,000 and to each other Board member with SEK 450,000.
- The total remuneration for work on committees is proposed as unchanged SEK 370,000 to be allocated as follows. For work in the Audit Committee SEK 100,000 per year to the chairman and SEK 65,000 per year to other members of the committee. For work in the Compensation Committee SEK 50,000 per year to the chairman and SEK 30,000 per year to other members of the committee. The individual remuneration in the Audit Committee will thus be raised, which is motivated by a changed working structure in the committee, while remuneration to the Compensation Committee is unchanged.
- 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 is proposed of Board members Lars Berg, Staffan Bohman, Arne Karlsson, Annette Sadolin, Jan Söderberg and Per-Olof Söderberg. The Nomination Committee further proposes the election of a new Board member, Charlotte Strömberg. Margareth Øvrum has declined re-election. A presentation of proposed Board members is provided on the company's website. Arne Karlsson is proposed as Chairman of the Board.
- For the period until the next Annual General Meeting has been held re-election is proposed of the audit firm PricewaterhouseCoopers AB. PricewaterhouseCoopers has announced that Peter Clemedtson will act as Senior Auditor.

Proposal for decision regarding the 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 2015 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 2014. 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 cooperation with the company's Audit Committee, to the Annual General Meeting regarding election of auditor,
- 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 on 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 2015 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.

BOARD'S PROPOSALS

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

Dividend on Class A and Class B shares

The Board proposes a dividend for 2013 of SEK 3 per Class A share and SEK 3 per Class B share. The proposed record date for the dividend is 1 April 2014 and payments from Euroclear Sweden AB are expected to be made on 4 April 2014.

The total dividend to holders of shares of Class A and Class B as above amounts to SEK 957 million based on the number of shares outstanding on 20 February 2014. The number of treasury shares on that date was 5,134,877 and may change during the period until the record date for dividends.

Dividend on outstanding Class C preference shares

The Board proposes that a dividend on outstanding Class C preference shares before the 2015 Annual General Meeting shall be paid quarterly in an amount of SEK 25 per Class C preference share, although a maximum of SEK 100. Dividends to holders of Class C preference shares amount to a maximum of SEK 83 million based on 830,000 outstanding Class C preference shares at 20 February 2014.

The following dates are proposed as record dates for the quarterly dividends: 15 May 2014, 15 August 2014, 14 November 2014 and 13 February 2015. Payments are expected to be made by Euroclear Sweden AB on 20 May 2014, 20 August 2014, 19 November 2014 and 18 February 2015.

Dividend on Class C and Class D preference shares which may be issued

The Board has proposed that the 2014 Annual General Meeting resolves to authorise the Board to decide on a new issue of Class C and/or Class D preference shares in the Company (item 23). Provided the Company issues Class C and/or Class D preference shares during the period until the 2015 Annual General Meeting, the Board proposes that a dividend on all new Class C and/or Class D preference shares which may be issued by the Board pursuant to the Authorisation – a maximum of 1,250,000 Class C and/or Class D preference shares – prior to the 2015 Annual General Meeting, shall be paid quarterly in an amount of SEK 25, although a maximum of SEK 100, with effect from the date they are entered in the share register kept by Euroclear Sweden AB in accordance with the provisions in the Company's Articles of Association.

The following dates are proposed as record dates for the quarterly dividends: 15 May 2014, 15 August 2014, 14 November 2014 and 13 February 2015. Payments are expected to be made by Euroclear Sweden AB on 20 May 2014, 20 August 2014, 19 November 2014 and 18 February 2015.

The first time payment of a dividend on Class C and/or Class D preference shares that may be issued in the event of utilisation of the Authorisation may be made is on the payment date which occurs after the first record date after the shares have been registered with the Swedish Companies Registration Office.

Dividends on Class C and/or Class D preference shares that may be issued in the event of maximum utilisation of the Authorisation, may amount to a maximum of SEK 125 million.

Funds remaining after dividends on shares of Class A, Class B and, in the event of full utilisation of the Authorisation, Class C and/or Class D preference shares, at least SEK 8,710 million, will be carried forward to new account.

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

The Board proposes that the Annual General Meeting resolves, for the period until the 2015 Annual General Meeting, to adopt the following guidelines for remuneration to senior executives. The proposed guidelines are unchanged compared with the guidelines resolved at the 2013 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 salary, pension provisions, call options and synthetic options – 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 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 to senior executives does not fall due until certain conditions have been met with regard to return on the company's equity and is paid over a multi-year period. The cost of each year's variable salary, however, is booked in its entirety in the year the compensation is earned.
- 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 share in price rises alternatively realised increases in value, but also take a personal risk by paying a market premium for the options.

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 19). 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 in an individual case.

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

The Board proposes that the Annual General Meeting decides on the issue of a maximum of 800,000 call options on treasury shares in the Company and that a transfer of a maximum of 800,000 Class B shares in the Company be made in connection with possible exercise of the call options. The call option programme conforms in all material respects with the call option programme decided by the 2013 Annual General Meeting.

The reason for deviation from the pre-emptive rights of shareholders and the Board's motivation for the proposal are as follows. The incentive system for the Company's business organisation is of major strategic importance for Ratos. Against this 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.

At 20 February 2014, the Company had the following share-based incentive programmes.

Call options with maturity	Exercise price SEK/share	Right to purchase no. of shares	Outstanding options	Corresponding no. of shares
2009-20 March 2014	92.60	2.03	641,000	1,301,230
2010-20 March 2015	124.20	2.03	529,500	1,074,885
2011-18 March 2016	156.40	1.02	640,000	652,800
2012-20 March 2017	74.40	1.00	1,149,200	1,149,200
2013-20 March 2018	77.60	1.00	585,900	585,900

The exercise period for call option series 2014 shall be 2 October 2017-20 March 2019. The price per share (exercise price) shall correspond to 125 per cent of the average of the for each trading day during the period 15-19 September 2014 calculated average volume-weighted price paid for Ratos B shares on Nasdaq OMX Stockholm.

A market premium shall be paid for the options based on a market accepted valuation model (Black & Scholes) based on the average of the for each trading day during the period 15-19 September 2014 calculated average volume-weighted price paid for Ratos B shares on Nasdaq OMX Stockholm, rounded to the nearest full ten öre whereby five öre shall be rounded up. The calculation will be performed by two independent valuation institutes whereby the average of the valuations, rounded off to the nearest full ten öre whereby five öre shall be rounded up, shall be regarded as the 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. For executives covered by ITP 1 (new ITP) the gross subsidy will be reduced by the ITP premiums paid on the subsidy to the extent the subsidy, together with other salary, exceeds the ITP limit for ITP 2.

The right to purchase options shall apply to the CEO and other key people (investment managers and others) with a maximum of between 10,000 and 300,000 options per person. Members of the Board of Ratos are not included in this offer. A maximum total of approximately 30 people will be 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. Notification of purchase of options shall be made during the period 15-22 September 2014.

Transfer of shares may only be made to holders of call options who during the period 2 October 2017 until and including 20 March 2019 backed by call options request such a transfer. Payment for shares acquired backed by call options shall be made within ten banking days from the request to Ratos Annual General Meeting 2014

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purchase. The number of shares and the selling price for the shares included in the decision for transfer according to this item may be restated on the basis, among other things, of a dividend paid, bonus issue, reversed split or split of shares, new issue or reduction of share capital or similar measures. Complete terms and conditions for the options are provided in Appendix I of the proposal.

Based on a price for Ratos shares of SEK 60.25 kronor, and on other market conditions that prevailed on 20 February 2014 and the Board's proposal for a dividend for the 2013 financial year, the value per option has been estimated by Nordea Bank AB (publ) and Deloitte AB at SEK 9.70, which provides a value for all options of approximately SEK 8 million.

Subsidy of the option premium, calculated on the basis of the above-mentioned estimated option value, gives rise of a maximum cost of SEK 11 million including social security costs. The Board's proposal will result – applying IAS 33 – in a decrease in earnings per share of SEK 0.03 to SEK 2.10 per share and an unchanged equity per share of SEK 38 for 2013 pro forma.

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, 0.3 per cent of the number of shares and 0.1 per cent of voting rights, based on shares outstanding (i.e. total number of issued shares reduced by the Company's holding of treasury shares). In the event of full exercise of the options now proposed together with existing options, the number of shares will comprise 1.7 per cent of shares and 0.5 per cent of voting rights, based on shares outstanding.

The proposal was drafted by the Company's Compensation Committee and adopted by the Board. The Compensation Committee, comprising four Board members, has been assisted by representatives of the Company's management.

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

The Board's proposal for decision regarding transfer of treasury shares to administrative employees (item 18)

The Board proposes that the Annual General Meeting resolves on the transfer of a maximum total of 16,000 B shares in Ratos 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 Ratos. 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 Ratos's incentive systems for variable salary directed towards employees in the business organisation.

The transfer is related to the system decided by the Board for variable salary 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 2014 financial year and individual performance.

The Board is of the opinion that it is to the advantage of Ratos and the 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 proposal has with assistance from the Company's management been drafted by the Company's Compensation Committee and adopted by the Board.

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

The Board's proposal for decision regarding the issue of synthetic options to senior executives and other key people at Ratos (item 19)

The Board proposes that the Annual General Meeting resolves to introduce a cash-based option programme related to Ratos's investments in the portfolio companies. It is proposed that the programme is carried out through the issue of synthetic options ("2014 Option Programme"). The programme is essentially identical to the 2013 Option Programme decided at the 2013 Annual General Meeting.

The 2014 Option Programme is 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 2014 Option Programme is intended to include approximately 30 present and future senior executives and key people at Ratos. Ratos's Board is of the opinion that the Programme will benefit Ratos's shareholders and that it will contribute to opportunities to recruit and retain competent employees.

In order to be able to carry out the 2014 Option Programme, the Board proposes that the Annual General Meeting decides on the main conditions for the issue to the company's senior executives and other key people, including those who may be employed during the period until the next Annual General Meeting, of synthetic options related to Ratos'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 a market price.

The options will be transferred at a market price. Initially therefore, Ratos will not incur any cost. The future costs 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 three 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.

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 other key people (investment managers and others) currently working at Ratos or who may be employed during the period until the next Annual General Meeting, a total of approximately 30 people, with a maximum of between 10 and 140 options per person and investment. Members of Ratos's Board are not included in the invitation.
- b) The invitation to acquire and agreements regarding options shall include all the portfolio invested in by Ratos during the period from the 2014 Annual General Meeting (or where applicable, from the date after the 2014 Annual General Meeting when the participant is employed) and until the next Annual General Meeting. The total number of options attributable to a portfolio company shall amount to a maximum of 1,000. The total number of options per portfolio company shall relate to three (3) per cent of Ratos's total investment in the portfolio company. However a maximum total of 8,000 synthetic options shall be issued in the 2014 Option Programme.
- c) Participants in the 2014 Option Programme shall no later than 23 April 2014 provide notification of the number of options per investment he or she wishes to purchase. Participants employed after the 2014 Annual General Meeting shall be entitled to submit notification of participation at

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a later date. Notification and the invitation to acquire shall relate to options in all portfolio companies invested in by Ratos during the period from the 2014 Annual General Meeting (or where applicable, from the date after the 2014 Annual General Meeting when the participant is employed) and until the next Annual General Meeting (subject to the limitation that a maximum total of 8,000 options may be issued in the 2014 Option Programme).

- d) Employees' option acquisitions shall be made at market value. The value will be calculated by two independent valuation institutes applying a standard valuation model (Black & Scholes).
- e) Acquisition of options attributable to a specific portfolio company shall take place in conjunction with Ratos's investment in the portfolio company.
- f) The issue of synthetic options shall take place by an agreement being concluded between Ratos and the employee containing principally the following terms and conditions.
 - One option shall give the option holder the right to receive from Ratos a sum of money calculated on the basis of the cash flow Ratos 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 Ratos'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 Ratos to acquire the option.
- g) The Board shall be responsible for the detailed design and management of the 2014 Option Programme within the framework of the main terms and guidelines set out above.

The proposal has been prepared together with external advisers and has been examined by the Compensation Committee and the Board. The proposal was adopted by the Board on 19 February 2014.

A decision under this item is only valid if it is supported by shareholders representing more than half of votes cast at the Meeting.

The Board's proposal for decision on amendments to the Articles of Association (item 20)

In order to enable the issue of preference shares in accordance with the Authorisation proposed in item 23, the Board proposes that the Annual General Meeting resolves on changes in the Articles of Association's articles 6 and 7, whereby they will contain the following wording:

"Article 6: SHARE CLASSES

1. Shares shall be issued in four classes, Class A, Class B, Class C preference shares and Class D preference shares.
2. Each class A share entitles the holder to one vote. Each Class B share, each Class C preference share and each Class D preference share entitles the holder to one-tenth of a vote.
3. Class A shares may be issued in a maximum number that corresponds to 27 per cent of the share capital in the Company, Class B shares may be issued in a maximum number that corresponds to 100 per cent of the share capital in the company, Class C preference shares may be issued in a maximum number that corresponds to 10 per cent of the share capital in the company, and Class D preference shares may be issued in a maximum number that corresponds to 10 per cent of the share capital in the company.
4. *Dividend*
If the Annual General Meeting resolves on a dividend, Class C preference shares shall carry preferential rights before Class A shares and B shares to an annual dividend as set out below.

Preferential rights to dividend per Class C preference share (“Preference Dividend C”) shall:

- i. with effect from the first payment date (see below) immediately after Class C preference shares are registered with the Swedish Companies Registration Office until and including the final payment date prior to the 2017 Annual General Meeting amount to SEK 25 per quarter, although a maximum of SEK 100 per year with record dates as set out below.
- ii. with effect from the first payment date after the 2017 Annual General Meeting and for the subsequent period the annual Preference Dividend C shall increase by a total of SEK 20 evenly divided into quarterly payments. Adjustment shall be made in conjunction with the first payment after the 2017 Annual General Meeting.

If the Annual General Meeting resolves on a dividend, Class D preference shares shall carry the same preferential rights as Class C preference shares before Class A and Class B shares to an annual dividend as set out below.

Preferential rights to dividend per Class D preference share (“Preference Dividend D”) shall:

- i. with effect from the first payment date (see below) immediately after Class D preference shares are registered with the Swedish Companies Registration Office until and including the final payment date prior to the 2018 Annual General Meeting amount to SEK 25 per quarter, although a maximum of SEK 100 per year with record dates as set out below.
- ii. with effect from the first payment date after the 2018 Annual General Meeting and for the subsequent period the annual Preference Dividend D shall increase by a total of SEK 28 evenly divided into quarterly payments. Adjustment shall be made in conjunction with the first payment after the 2018 Annual General Meeting.

Payment of dividends on Class C and Class D preference shares shall be made quarterly. Record dates shall be 15 February, 15 May, 15 August and 15 November. In the event such day is not a banking day, i.e. a day that is not a Saturday, Sunday or a public holiday, the record date shall be the closest preceding banking day. Dividend payments will be made on the third banking day after the record date. The first time payment of dividends on Class D preference shares may be made is on the payment date that occurs after the first record date after the shares are registered with the Swedish Companies Registration Office.

If no dividend is paid on Class C or Class D preference shares, or if only a dividend lower than the Preference Dividend C and D is paid, Class C and Class D preference shares shall, provided the Annual General Meeting resolves on a dividend, carry entitlement to in addition to future Preference Dividends C and D to receive an amount, evenly distributed on each Class C and Class D preference share, corresponding to the difference between what would have been paid and the amount paid (“Outstanding Amount”) before dividends are paid on Class A or Class B shares. The Outstanding Amount shall be adjusted upwards by a factor corresponding to an annual interest rate of 10 per cent, whereby upward adjustment shall start from the quarterly date when payment of part of the dividend was made (or should have been made, in the event no dividend was paid at all).

Class C and Class D preference shares shall not otherwise carry entitlement to a dividend.

5. *Redemption of Class C and Class D preference shares*

A reduction of the share capital, although not below the minimum capital, may be effected through redemption of a certain number or all Class C and/or Class D preference shares following a decision by the Board. When a decision on redemption is made, an amount corresponding to the reduction amount shall be placed in a reserve if requisite funds for this purpose are available.

The allocation of which Class C preference shares shall be redeemed shall be made pro rata in relation to the number of Class C preference shares which each preference shareholder owns on

the date of the Board's decision on redemption. If the allocation as set out above is not even, the Board shall decide on allocation of surplus Class C preference shares which shall be redeemed. If the decision is approved by all holders of Class C preference shares the Board may decide, however, which Class C preference shares are to be redeemed.

The redemption amount for each redeemed Class C preference share shall be an amount as follows:

- i. Until the first quarterly record date for dividends after the 2017 Annual General Meeting, an amount corresponding to 115 per cent of the amount paid for each Class C preference share at the first issue of Class C preference shares ("Initial Subscription Price C") plus the Outstanding Amount adjusted upwards by an annual rate as set out in paragraph 4 above. The redemption amount for each redeemed Class C preference share shall, however, never be lower than the share's quota value.
- ii. With effect from the first quarterly record date for dividends after the 2017 Annual General Meeting and for the subsequent period, an amount corresponding to 105 per cent of the Initial Subscription Price C plus the Outstanding Amount adjusted upwards by an annual rate as set out in paragraph 4 above. The redemption amount for each redeemed Class C preference share shall, however, never be lower than the share's quota value.

The allocation of which Class D preference shares shall be redeemed shall be made pro rata in relation to the number of Class D preference shares which each preference shareholder owns on the date of the Board's decision on redemption. If the allocation as set out above is not even, the Board shall decide on allocation of surplus Class D preference shares which shall be redeemed. If the decision is approved by all holders of Class D preference shares the Board may decide, however, which Class D preference shares are to be redeemed.

The redemption amount for each redeemed Class D preference share shall be an amount as follows:

- i. Until the first quarterly record date for dividends after the 2018 Annual General Meeting, an amount corresponding to 115 per cent of the amount paid for each Class D preference share at the first issue of Class D preference shares ("Initial Subscription Price D") plus the Outstanding Amount adjusted upwards by an annual rate as set out in paragraph 4 above. The redemption amount for each redeemed Class D preference share shall, however, never be lower than the share's quota value.
- ii. With effect from the first quarterly record date for dividends after the 2018 Annual General Meeting and for the subsequent period, an amount corresponding to 100 per cent of the Initial Subscription Price D plus the Outstanding Amount adjusted upwards by an annual rate as set out in paragraph 4 above. The redemption amount for each redeemed Class D preference share shall, however, never be lower than the share's quota value.

Owners of Class C and Class D preference shares which shall be redeemed shall be obliged within three months of receipt of a written notification of the Board's decision on redemption to accept the redemption amount for the shares or, where permission for the reduction is required from the Swedish Companies Registration Office or the court, after receipt of notification that a decision on such permission has gained legal force.

6. *Dissolution of the Company*

If the Company is liquidated Class C and Class D preference shares shall carry preferential rights before Class A and Class B shares to receive from the Company's assets an amount per Class C and Class D preference share corresponding to the redemption amount calculated in accordance with paragraph 5 above as per the liquidation date, prior to distribution to owners of Class A or Class B shares. Class C and Class D preference shares shall otherwise not carry any entitlement to a share of distribution.

7. *Recalculation in the event of certain company events*

In the event the number of Class C or Class D preference shares is changed through a merger, demerger or other similar company event, the amount to which Class C and Class D preference shares carry entitlement according to paragraphs 4-6 in this Article 6 of the Articles of Association shall be recalculated to reflect such change.

8. *Conversion of Class A shares to Class B shares*

Owners of Class A shares shall be entitled to request conversion of Class A shares to Class B shares. Such request for conversion, which shall be made in writing and specify the number of shares to be converted, shall be made to the Company. The Company shall without delay notify the conversion to the Swedish Companies Registration Office for registration. The conversion is effected upon registration.

The Company will take the necessary measures for conversion free of charge for shareholders four times a year. Such measures will be taken at the end of each quarter for requests received by the Company no later than seven days prior to the end of the quarter. Shareholders are also entitled to have such conversion carried out at other times but in such case a charge will be made.

Article 7: PREFERENTIAL RIGHTS OF SHAREHOLDERS

Should the Company decide to issue new Class A shares, Class B shares and Class C and Class D preference shares through a cash issue or a set-off issue, owners of Class A shares, Class B shares and Class C and D preference shares shall have preferential right to subscribe for new shares of the same class in proportion to their existing shareholdings (primary preferential right). Shares that are not subscribed for with primary preferential right shall be offered to all shareholders for subscription (subsidiary preferential right). Should the number of shares offered in this way not be enough for subscription through subsidiary preferential right, said shares shall be apportioned among subscribers in proportion to their existing shareholdings and, to the extent that this cannot be done, by lottery.

Should the Company decide through a cash issue or a set-off issue to offer shares of only Class A, Class B or Class C or Class D preference shares, all shareholders, regardless of whether their shares are Class A, Class B or Class C or Class D preference shares, shall have preferential right to subscribe for new shares in proportion to their existing shareholdings.

Should the company decide through a cash issue or through a set-off issue to issue subscription warrants or convertibles, shareholders shall have preferential right to subscribe for warrants as if the issue was in respect of the shares that may be subscribed for by exercising the warrants and to subscribe for convertibles as if the issue was in respect of the shares that the convertibles may be exchanged for.

The aforesaid shall not imply any limitation in the possibility of a decision on cash issue or set-off issue with divergence from shareholders' preferential rights, or to the issue of shares of a new class following appropriate amendment to the Company's Articles of Association.

An increase of share capital through a bonus issue of shares may only be made by issuing Class A or Class B shares, whereby, if both Class A and Class B shares were previously issued, the relationship between the Class A and Class B shares issued through a bonus issue and already issued Class A and Class B shares shall be unchanged. This means that only owners of Class A and Class B shares are entitled to the new shares. If both Class A and Class B shares are issued, the bonus shares will be allocated between owners of Class A and Class B shares in proportion to the number of existing shares of the same class that they previously owned. What has just been said shall not imply any limitation in the possibility that through bonus issue, after appropriate amendment to the Articles of Association, shares of a new class may be offered.

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 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 purchase of treasury shares (item 21)

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 or Class B shares.
- Acquisition must take place on Nasdaq OMX 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 four (4) per cent of all the shares in the company.
- 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.

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 a new issue of Class B shares in conjunction with company acquisitions (item 22)

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 a 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 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 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 a new issue of Class C and/or Class D preference shares in conjunction with company acquisitions (item 23)

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 a new issue of Class C and/or Class D preference shares in the company. This authorisation shall comprise a maximum of 1,250,000 Class C and/or Class D preference shares. The new issue amount received may, for each individual new issue, 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.

The Meeting's resolution on authorisation for the Board to decide on a new issue of Class D preference shares in accordance with this item 23 is conditional on the Meeting resolving in accordance with the Board's proposal for amendments to the Articles of Association in accordance with item 20 above.

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.

Shares and votes

On the date this notice was issued there are a total of 324,970,896 shares in the company, of which 84,637,060 are Class A shares with one vote each, 239,503,836 are Class B shares with one-tenth of a vote each, and 830,000 are Class C preference shares with one-tenth of a vote each, corresponding to a total of 108,670,443,6 votes. The Company's treasury shares of the same date amount to 5,134,877 Class B shares corresponding to 513,487.7 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, statement by the auditors, annual report, audit report and power of attorney forms will be available at the company at Drottninggatan 2, Stockholm, and on the company's website www.ratos.se from 3 March 2014. Documents will also be sent free of charge to shareholders who so request.

Stockholm, February 2014

Ratos AB (publ)

Board of Directors