

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

Shareholders of Ratos AB (publ), reg.nr 556008-3585, are hereby invited to the Annual General Meeting to be held at Wednesday, March 10, 2021. In light of the continued COVID-19 pandemic, the AGM will be conducted pursuant to so called mail-in procedures, meaning that no shareholders will attend the AGM in person or through proxy. Instead, shareholders can participate in the AGM by voting and submitting questions in advance pursuant to the instructions described below.

In order to participate in the AGM, a shareholder shall:

- a. be registered in the register of shareholders maintained by Euroclear Sweden AB as of Tuesday, March 2, 2021, and
- b. notify attendance at the AGM no later than Tuesday, March 9, 2021. The exercise of voting rights in accordance with the mail-in procedure will be considered as a notification from the shareholder to attend the meeting.

Shareholders whose shares are registered in the names of banks or other nominees must temporarily register the shares in their own name in order to be entitled to participate in the AGM via the mail-in process. As such registration must be in place as of Thursday, March 4, 2021, shareholders must inform the nominee of the registration well in advance of that date.

### A. Overview of Mail-In Procedures for the AGM 2021

Due to the continued COVID-19 pandemic and in order to ensure the health and safety of the Company's shareholders, employees and other stakeholders, the Board of Directors of Ratos AB has resolved on extraordinary meeting procedures pursuant to Section 22 of the temporary act on general meetings (2020:198). Specifically, the following procedures will apply:

1. The AGM will take place on Wednesday, March 10, 2021. However, no shareholders, proxy holders or other external persons will be able to attend in person.
2. Shareholders will only be able to participate in the AGM by voting on the matters and the proposals on the meeting agenda and submitting questions to the Company in advance. See **Section B**, below, for more details on how.
3. The Agenda for the AGM is as set forth below in **Section C**, with certain items being further explained in **Section D** below.
4. There will be no webcast in connection with the AGM. A press release will be issued following the AGM informing of those material items that are approved by the AGM as soon as the outcome of the mail-in voting procedure has been finally established. Details of the actual voting results will be included in the minutes of the meeting and will be published within two weeks thereafter.

### B. Process for Advanced Voting and Questions

A shareholder can exercise his/her/its shareholder's rights at the AGM by (A) voting in advance on the items on the agenda of the AGM, and (B) submitting questions to the Company in connection with the AGM.

Any registered shareholder intending to participate in the AGM (via advanced voting or questions), must submit the following information in connection with their respective submissions:

- the shareholder's name,
- personal or organization number,
- email address, and
- telephone number.

The data received will be computerized and used solely for the purpose of the AGM 2021.

For shareholders wishing to participate through an authorized representative (i.e., where such authorized representative is the one submitting advanced voting or questions on behalf of such shareholder), the Company will provide power of attorney templates on the Company's website. Shareholders participating through an authorized representative must submit the power of attorney together with the voting form. If the shareholder is a legal entity, a copy of a registration certificate or a corresponding document for the legal entity shall be enclosed.

### *B1. Advance voting*

Advance voting will be available as of Monday, February 8, 2021 until Tuesday, March 9, 2021. A shareholder can vote in advance by any of the following methods:

1. *Website Voting:* Voting may be done electronically through signing with BankID on the Company's website [www.ratos.com/en](http://www.ratos.com/en);
2. *Email Voting:* Voting may be submitted by completing the advance voting form available on the Company's website [www.ratos.com/en](http://www.ratos.com/en) and then emailing such form to the following email address [info@computershare.se](mailto:info@computershare.se), together with any power of attorney and/or other authorization documents (See Section B, above).
3. *Regular Mail:* Voting may be submitted by completing the advance voting form available on the Company's website [www.ratos.com/en](http://www.ratos.com/en) and after completion sending a physical copy (i.e., printed out) of such form, together with any power of attorney and/or other authorization documents (See Section B, above) to the following address, Computershare AB, "Ratos årsstämma 2021", Box 5267, 102 46 Stockholm, Sweden.

A shareholder cannot give any other instructions than selecting one of the options specified at each point in the advanced voting form. A vote (i.e. the postal voting in its entirety) is invalid if the shareholder has modified the form to provide specific instructions or conditions or if pre-printed text is amended or supplemented.

The advanced voting form, together with any enclosed power of attorney and other authorization documentation, must have been received by Ratos no later than on Tuesday, March 9, 2021. If received later, the vote will be disregarded.

For any questions regarding advance voting, please contact Computershare AB, ph.+46 8 518 01 550, between 9:00 a.m. and 4:00 p.m. (CET) weekdays.

### *B2. Questions*

Questions to the Company in connection with the AGM can be submitted to Ratos up until Sunday, February 28, 2021. Shareholders wishing to pose questions may do so by any of the following methods:

1. *Email:* Questions may be submitted by emailing to the following email address: info@ratos.se
2. *Regular Mail:* Questions may be submitted by regular mail to the following address, Ratos AB, "Ratos AGM 2021", P.O. Box 1661, SE-111 51 Stockholm, Sweden.

The shareholder must include name of the shareholder, personal or organization number and postal address, for the question to be answered. The shareholder should also state its email address and telephone number.

Questions submitted by shareholders must have been received by Ratos no later than on Sunday, February 28, 2021, and will be responded to and published not later than on Friday, March 5, 2021. The questions and responses will be available at the Company, Ratos AB, Drottninggatan 2, SE-111 51 Stockholm, Sweden and on the Company's website, www.ratos.com/en, and will be sent to the shareholder provided the shareholder's address is known by the Company or provided by the shareholder together with the question.

The Board of Directors and the CEO shall, upon request of a shareholder, and provided that the Board of Directors deems this can be done without causing significant harm to the Company, inform about circumstances which may affect the assessment of an item on the agenda, circumstances which may affect the assessment of the Company's or its subsidiaries' financial position or circumstances which may affect the Company's relationship to other group companies.

### **C. Proposed Agenda**

1. Opening of the AGM.
2. Election of the Chairman of the AGM.
3. Preparation and approval of the voting list.
4. Election of two persons to verify the minutes together with the Chairman.
5. Determination of whether the AGM has been duly convened.
6. Approval of the Agenda for the AGM.
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. Resolution on adoption of the income statement and balance sheet and the consolidated income statement and consolidated balance sheet.
9. Resolution regarding the remuneration report, Appendix A.
10. Resolution on discharge from liability for the members of the Board of Directors and the CEO.
11. Resolution on distribution of the Company's profit, according to the adopted balance sheet, and on the record date for dividends.
12. Determination of the number of directors and deputy directors.
13. Determination of fees to be paid to the Board of Directors and auditor.
14. Election of the Board of Directors and auditor.
15. The Board's proposal for decision on guidelines for remuneration to senior executives.
16. The Board's proposal for decision on long-term incentive program 2021/2025.
17. The Board's proposal that the Board be authorised to decide on purchase and transfer of treasury shares.
18. The Board's proposal that the Board be authorised to decide on new issue of Class B shares in conjunction with company acquisitions.
19. The Board's proposal for decision to amend the Articles of Association.
20. Conclusion of the AGM.

## D. Explanation of Certain AGM Proposals

### *NOMINATION COMMITTEE'S PROPOSALS*

#### **Proposals by the Nomination Committee regarding Board of Directors, etc. (items 2, 12-14)**

The Nomination Committee has unanimously agreed that at the 2021 Annual General Meeting with regard to items 2 and 12-14 in the Agenda, it will put forward the following proposals:

- Item 2: The Chairman of the Board, Per-Olof Söderberg, is appointed Chairman of the AGM, or if he is unable to attend, any other person proposed by the Board of Directors.
- Item 12: Six directors, without deputy directors.
- Item 13: Remuneration to each of the Board members, except for CEO Jonas Wiström, amounts unchanged to SEK 485,000 and to the Chairman of the Board amounts unchanged to SEK 970,000. For the members of the Audit Committee, remuneration is proposed unchanged to SEK 150,000 to the chairman of the Committee and unchanged SEK 100,000 to each other member of the Committee. For the Compensation Committee, remuneration is proposed unchanged to SEK 50,000 to both the chairman and to each other member of the Committee.

The auditor shall be paid in accordance with approved account.

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

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

### *BOARD'S PROPOSALS*

#### **Preparation and approval of the voting list (item 3)**

The voting list that is proposed to be approved is the voting list that has been prepared by Computershare AB, based on the general meeting share register and votes received, checked by the minute-checkers.

#### **Election of two persons to verify the minutes together with the Chairman (item 4)**

The Board proposes that two minute-checkers be elected, and that Katarina Söderbaum and Erik Brändström are elected, or, if someone or both of them are unable to attend, any other person proposed by Ratos's Board of Directors.

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

The Board proposes a dividend for 2020 of SEK 0.95 per Class A share and 0.95 per Class B share. The proposed record date for the dividend is March 12, 2021 and payments from Euroclear Sweden AB are expected to be made on March 17, 2021.

The total dividend to holders of shares of Class A and Class B as above, amounts to SEK 303 million based on the 319,014,634 outstanding shares on January 20, 2021. The number of treasury shares of Class B on this date is 5,126,262, which might change during the period up until the record date for dividends.

Funds remaining after dividends on shares of Class A and Class B, SEK 6,607 million, will be carried forward to new account.

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

The Board proposes that the Annual General Meeting resolves to adopt the following guidelines for remuneration to senior executives.

These guidelines cover members of the Board of Directors, the CEO and other senior executives in Ratos's management team. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2021. These guidelines do not apply to any remuneration decided or approved by the general meeting.

***The guidelines' promotion of the company's business strategy, long-term interests and sustainability***

Information regarding the company's business strategy and long-term interests, including its sustainability, is available on the company's website (<https://www.ratos.com/>).

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the executive management a competitive total remuneration.

Long-term share-related incentive plans have been implemented in the company. Such plans have been resolved by the general meeting and are therefore excluded from these guidelines. For more information regarding these incentive plans, please see <https://www.ratos.com/>.

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

***Types of remuneration, etc.***

The remuneration to senior executives shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration may amount to not more than 100 per cent of the total fixed annual cash salary. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 25 per cent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the compensation committee.

For the CEO, pension benefits, including health insurance (Sw: sjukförsäkring), shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 per cent of the fixed annual cash salary.

For other senior executives, pension benefits, including health insurance, shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 per cent of the fixed annual cash salary.

Other benefits may include, for example, reimbursements for dental care and health care (including medication), medical insurance (Sw: sjukvårdsförsäkring) and company cars. For the CEO, such benefits may be paid out to a customary limited extent.

### ***Termination of employment***

Upon termination of an employment, the notice period may not exceed twelve months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for six months for the CEO and twelve months for other senior executives. Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income, amount to not more than 60 per cent of the fixed monthly cash salary at the time of termination of employment, shall only be paid in so far as the previously employed senior executive is not entitled to severance pay and be paid during the time the non-compete undertaking applies, however not for more than twelve months following termination of employment for senior executives. When termination is made by the senior executive, the notice period may not exceed six months, without any right to severance pay.

### ***Criteria for awarding variable cash remuneration, etc.***

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may be individualized quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development. The proportion of variable cash remuneration varies depending on the senior executive's position in the company. The portion of the variable cash remuneration linked to the outcome of financial criteria is normally 100 per cent for the CEO and the CFO, approximately 90 per cent for the Business Area Managers and approximately 75 per cent for other senior executives, even if the portion can be larger or smaller depending on the specific circumstances, and shall be dependent on (i) EBITA growth in Ratos's company portfolio, (ii) growth in earnings before tax (EBT) for the Ratos group, and (in certain cases) (iii) EBITA growth for portfolio companies in the business area where a member of a business area team works.

Generally, 50 per cent of the variable cash remuneration is paid out the year after the earning year and 50 per cent is paid out the following year. However, up to 100 per cent of the variable cash remuneration can be paid out the year after the earning year, provided that the received cash remuneration exceeding 50 per cent is entirely invested in instruments in Ratos's long-term incentive program.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The Board of Directors is responsible for the evaluation so far as it concerns variable remuneration to the CEO, based on a proposal from the compensation committee. For variable cash remuneration to other senior executives, the CEO is responsible for the evaluation. For financial objectives, the starting point for the evaluation shall be the latest financial information made public by the company.

### ***Salary and employment conditions for employees***

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by

including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the compensation committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to the senior executives and remuneration to other employees will be disclosed in the remuneration report.

***The decision-making process to determine, review and implement the guidelines***

The Board of Directors has established a compensation committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the annual general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The compensation committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The members of the compensation committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

***Derogation from the guidelines***

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the compensation committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

**The Board's proposal for decision on long-term incentive program 2021/2025 (item 16)**

The Board proposes that the Annual General Meeting resolves upon the implementation of a long-term incentive program 2021/2025 ("LTI2021") for the CEO and other key employees in Ratos in accordance with the below.

**(a) The Board's proposal for resolution on LTI2021 (the inclusion of the CEO in the LTI2021 is conditional upon the approval of the Annual General Meeting under item (b) below)**

The Board proposes that the Annual General Meeting resolves upon the implementation of LTI2021 consisting of convertible debentures and warrants (below jointly referred to as the "Instruments"). An incentive system for the company's business organization is of great strategic importance for Ratos. Accordingly, the Board considers that the existence of an efficient share-based incentive program for the company's key employees is essential for the company's development and the Board has the ambition to offer all key employees an opportunity to participate in the program every year. The purpose of this proposal is to create opportunities for retaining and recruiting competent employees and increase their motivation. LTI2021 will further increase the interest in the company's business and profitability and will contribute to a common interest of participants and shareholders. Consequently, the Board considers that the introduction of LTI2021 on the terms described below will be to the benefit of the group and the company's shareholders.

**Issue of convertible debentures and warrants**

The Board proposes that the Annual General Meeting resolves:

- a. that the company shall take up a debenture loan at a nominal amount not exceeding SEK 126,000,000 or such lower amount set forth below, through an issue of convertible debentures without preemptive rights for the shareholders. The loan shall be represented by convertible debentures not exceeding 1,800,000, each at a nominal amount equivalent to the Conversion Price (as defined below). The increase of the company's share capital could not amount to more than SEK 5,670,000 upon full conversion of the convertible debentures (based on the current quotient value and that no recalculation has been made in accordance with Appendix 2A).
- b. to carry out an issue of not more than 900,000 warrants without preemptive rights for the shareholders. The increase of the company's share capital could not amount to more than SEK 2,835,000 upon full exercise of the warrants (based on the current quotient value and that no recalculation has been made in accordance with Appendix 2B).

Yet, a maximum of 1,800,000 Instruments can be issued. The increase of the company's share capital can accordingly, if all the Instruments are subscribed for and converted/exercised, amount to not more than SEK 5,670,000 (based on the current quotient value and that no recalculation has been made in accordance with Appendix 2A and 2B).

The right to subscribe for the Instruments, with deviation from the shareholders' preemptive rights, shall belong to the CEO with not more than 300,000 Instruments (excluding the right to additional subscription as stated below), members of Ratos's management team with not more than 250,000 Instruments (excluding the right to additional subscription as stated below) and other key employees currently active in Ratos or that may be recruited, with a right to subscribe for not more than 100,000 Instruments per person (excluding right to additional subscription as stated below). Members of the Board whom are not employed by Ratos are not included in this offering. In total, a maximum of 15 individuals are included in this offering.

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

Participants are free to decide to which extent the offered Instruments shall consist of convertible debentures. For warrants apply, that they may constitute a maximum of 50 per cent of the offered Instruments. Subscription of the convertible debentures and warrants must be made in even numbers of thousands.

In the event that a participant does not subscribe for the full amount of Instruments offered, other participants have a right to subscribe for such Instruments to an amount corresponding to not more than 50 per cent of their initial allocation, where the proportion of warrants can, however, only consist of a maximum of 25 per cent of the participant's initial allotment. In the event that the issue is oversubscribed, the Instruments will be allotted pro rata in relation to the participant's initial allocation. Oversubscription of the convertible debentures and warrants must however be made in even numbers of hundreds.

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



Subscription of the Instruments shall be made during the period from and including 20 March 2021 until and including 26 March 2021 on a separate subscription list. The Board has the right to extend the subscription period for the Instruments and the time for payment for the convertible debentures.

The subscription price for each convertible debenture shall correspond to its nominal amount. Subscribed convertible debentures shall be paid in cash no later than on 1 April 2021. The warrants shall be issued free of charge resulting in costs for the company (see below). As the warrants are offered to the employees free of charge, the employees will thereby receive a benefit corresponding to the market value of the warrants at allocation, calculated in accordance with Black & Scholes. To stimulate participation in the program, Ratos intends to subsidize part of the cost, meaning that the net cost for participants amounts to approximately 25 per cent of the benefit value from the first acquired warrant. The subsidy is received in connection with the allotment. The right to a subsidy does not include those Instruments that are subscribed for in addition to the initial allocation.

Each convertible debenture entitles at the time of conversion to one new share of Class B in the company and each warrant entitles to subscription of one new share of Class B in the company. The convertible debentures can be converted into new share of Class B during the period from and including 30 April 2024 until and including 31 May 2025. The warrants may be exercised to subscribe for new shares of Class B during the period from and including 30 April 2024 until and including 29 November 2024. Such right is however limited to a period of 10 Banking Days as from the first Banking Day immediately following the publishing of an interim report/year-end report as well as regarding the convertible debentures during the period from and including 1 May 2025 until and including 31 May 2025 and regarding the warrants during the period from and including 1 November 2024 until and including 29 November 2024.

The Conversion Price per share at the time of conversion of the convertible debenture shall correspond to a certain percentage (the "Percentage") of the volume weighted average share price according to Nasdaq Stockholm's official price list for the shares of Class B during the period from 10 March 2021 until and including 19 March 2021 (the "Conversion Price"), but not lower than the current quotient value of the shares of Class B or higher than SEK 70. The Percentage shall be determined in accordance with the calculation methodology set forth in Appendix I which is available at the company's website.

Based on a price for Ratos's share of Class B amounting to SEK 37.26 and other market conditions prevailing on 20 January 2021 the Percentage would have been 99.85 per cent and the Conversion Price SEK 37.50. If the total return (i.e. the share price development with reinvested dividends) for Ratos's share of Class B amounts to at least 10 per cent up to the time of exercise, the subscription price per share shall upon exercise of the warrants correspond to 100 per cent of the volume weighted average share price according to Nasdaq Stockholm's official price list for shares of Class B during the period from and including 10 March 2021 until and including 19 March 2021, but not lower than the current quotient value of a share of Class B. If the total return (i.e. the share price development with reinvested dividends) for Ratos's share of Class B amounts to less than 10 per cent up to the time of exercise, the subscription price per share shall upon exercise of the warrants, however, correspond to 125 per cent of the volume weighted average share price according to Nasdaq Stockholm's official price list for shares of Class B during the period from and including 10 March 2021 until and including 19 March 2021, but not lower than the current quotient value of a share of Class B. The starting point for the calculation of the total return shall correspond to the volume weighted average share price according to Nasdaq Stockholm's official price list for shares of Class B during the period from and including 10 March 2021 until and including 19 March 2021 (corresponding to 8 trading days), but not lower than the current quotient value of a share of Class B. The end point for calculating the share price development shall correspond to the volume weighted average share price according to Nasdaq Stockholm's official price list for shares of Class

B for a period of 8 trading days immediately before the exercise of the warrant. The Percentage, Conversion Price and subscription price shall be adopted by the Board immediately after the expiration of the mentioned measurement period.

Any share premium when converting to a new share of Class B in the Company or when subscribing for a new share of Class B in the Company shall be allocated to the Company's free share premium fund (Sw: *fria överkursfonden*).

The convertible debentures are due for payment on 30 June 2025, to the extent that conversion has not taken place by then. The convertible debentures shall carry an annual interest to be determined the first time on 30 March 2021 for the period from 1 April 2021 until and including 30 September 2021. The interest rate is STIBOR (3 or 6 months) plus 1.9 percentage points, where the starting point of STIBOR never can fall below 0 per cent. The interest is due for payment in arrears on 30 March each year, the first time on 30 March 2022, and at the maturity date of the loan.

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

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

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

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

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

## **More information on LTI2021**

### **Dilution**

During LTI2021, not more than 1,800,000 Instruments can be issued and allotted. At full subscription/conversion, not more than 1,800,000 new shares can be issued, which corresponds to a dilution of approximately 0.56 per cent of the number and approximately 0.17 per cent of the votes, calculated based on the number of outstanding shares (i.e., the total amount of issued shares

reduced by the numbers of shares held by the company) (notwithstanding a possible recalculation in accordance with Appendix 2A and 2B). At full conversion and exercise of the proposed Instruments, together with already outstanding options and convertible debentures, the amount of shares amounts to 1.85 per cent of the number and 0.55 per cent of the votes, calculated based on the amount of outstanding shares.

#### Preparation of the proposal

The proposal of LTI2021 has been prepared by the Compensation Committee in consultation with external experts and the Board. The Board has subsequently decided to present this proposal to the annual general meeting. The CEO has not participated in the preparations of the proposal.

#### Other share-based incentive programs

The ongoing share-based incentive programs of Ratos are described in the company's annual report 2020, note 7.

#### Effects on key ratio and costs etc.

LTI2021 will entail certain limited costs consisting of remuneration to external consultants and administration costs regarding the Instruments and the program in general.

Based on a share price of Ratos's share of Class B of SEK 37.56 and other market conditions prevailing on 20 January 2021, the value per warrant has been estimated to SEK 8.21, which implies a value for all warrants that could be issued of a maximum of approximately SEK 7.4 million.

LTI2021, calculated on the basis of the above estimated warrant value, entails a cost for the company amounting to a maximum of approximately SEK 14.6 million, of which SEK 7.4 million refers to the benefit value of the warrants at allotment, SEK 3.7 million refers to the cash subsidy to the participants and SEK 3.5 million refers to social security contributions. The proposed convertible debentures are not expected to result in any social security contributions for the company. The dilution effect of the Instruments may affect the key ratio per share in accordance with the IAS 33 accounting standard, but to a very limited extent.

#### Financing

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

#### Instruction to the Board

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

#### Majority requirement

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

#### **(b) Approval of inclusion of the CEO in the LTI2021**

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

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

***Authorization to decide on acquisition of treasury shares***

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

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

***Authorization to decide on transfer of treasury shares***

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

- Transfer may take place of all treasury shares held by the Company.
- Transfer may take place on one or more occasions prior to the next Annual General Meeting.
- Transfer may place on Nasdaq Stockholm at a price within the price band registered at any time on Nasdaq Stockholm.
- Transfer of shares may also take place outside Nasdaq Stockholm, with or without deviation from the pre-emptive rights of shareholders and with or without provisions on non-cash or set-off.
- Payment for transferred shares shall be made in cash, or through non-cash or set-off of claims against the Company, or otherwise be subject to terms and condition.

The reason for deviation from the shareholders' preferential rights when transferring shares and the basis for the sale price is that the best possible conditions for the Company can be achieved.

The purpose of acquisition and transfer of treasury shares is to give the Board more flexibility in its work to create value for the Company's shareholders and to enable the transfer of own shares as payment or to finance acquisitions or to potential investors in the Company or to enable so-called cashless exercise of call options issued within the framework of Ratos's incentive program. It is noted that the purpose of the authorization does not allow the Company to trade in own shares for short-term profit.

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

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

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

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

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

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

**The Board's proposal for decision to amend the Articles of Association (item 19)**

The Board proposes that the Annual General Meeting resolves to amend the Articles of Association according to the following:

Present wording	Proposed wording
<p><b>Article 1: Registered name</b></p> <p>The registered name of the Company, which is a public (publ) company, is Ratos AB.</p>	<p><b>Article 1: Registered name</b></p> <p>The registered name of the Company is Ratos AB. The Company is a public (publ) company.</p>
Present wording	Proposed wording
<p><b>Article 8: Record date provision</b></p> <p>The Company's shares shall be registered in a record verification register pursuant to the Financial Instruments Accounts Act (1998:1479).</p>	<p><b>Article 8: Record date provision</b></p> <p>Company's shares shall be registered in a record verification register pursuant to the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).</p>
Present wording	Proposed wording
<p><b>Article 9: Board of Directors</b></p> <p>Excluding members who pursuant to Swedish law may be appointed in a manner other than by the Annual General Meeting, the Board of Directors shall consist of not less than four</p>	<p><b>Article 9: Board of Directors</b></p> <p>Excluding members who pursuant to Swedish law may be appointed in a manner other than by the Annual General Meeting, the Board of Directors shall consist of not less than four</p>

<p>and not more than nine directors, with not more than three deputy members. The members and deputy members shall be elected annually at the Annual General Meeting for the period until the next Annual General Meeting has been held.</p> <p>When all the members of the Board are not present, the decisions of the Board of Directors are only valid when more than half of the elected Board members are agreed.</p>	<p>and not more than nine directors. The members shall be elected annually at the Annual General Meeting for the period until the next Annual General Meeting has been held.</p> <p>When all the members of the Board are not present, the decisions of the Board of Directors are only valid when more than half of the elected Board members are agreed.</p>
<b>Present wording</b>	<b>Proposed wording</b>
<p><b>Article 12, item 12: Annual General Meeting</b></p> <p>Any other business to come before the Meeting according to the Swedish Companies Act or the Articles of Association.</p>	<p><b>Article 12, item 12: Annual General Meeting</b></p> <p>Any other business to come before the Meeting according to the Swedish Companies Act (2005:551) or the Articles of Association.</p>
<b>Present wording</b>	<b>Proposed wording</b>
<p><b>Article 13: Notice of the General Meeting</b></p> <p>Notice of a general meeting must be given by advertisement placed 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.</p> <p>To be entitled to participate in the business of a General Meeting, shareholders must be recorded in transcript or other presentation of the complete share register as of five weekdays before the Meeting and must have notified the Company of their intention to attend no later than on the day stipulated in the notice of the Meeting. This day may not be a Sunday, any other public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve nor may it fall earlier than five weekdays prior to the Meeting. Shareholders may only be accompanied by an assistant at a General Meeting if the shareholder has notified the Company in the manner specified in the previous paragraph.</p>	<p><b>Article 13: Notice of the General Meeting</b></p> <p>Notice of a general meeting must be given by advertisement placed 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.</p> <p>To be entitled to participate in the business of a General Meeting, shareholders must have notified the Company of their intention to attend no later than on the day stipulated in the notice of the Meeting, whereby the number of assistants shall be stated. This day may not be a Sunday, any other public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve nor may it fall earlier than five weekdays prior to the Meeting.</p>

New item is introduced	Proposed wording
	<p><b>Article 17: Collection of proxies and postal voting</b></p> <p>The Board of Directors may collect power of attorneys in accordance with the procedure described in Chapter 7, section 4, second paragraph of the Swedish Companies Act (2005:551).</p> <p>The Board of Directors may before a General Meeting resolve that the shareholders shall be entitled to vote by post prior to the General Meeting.</p>
New item is introduced	Proposed wording
	<p><b>Article 18: Presence of third parties at General Meetings</b></p> <p>The Board of Directors may decide that a person who is not a shareholder in the Company shall, under the terms determined by the Board of Directors, have the right to be present or otherwise follow the proceedings at a General Meeting.</p>

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

## OTHER INFORMATION

### Shares and votes

On the date this notice was issued there are a total of 324,140,896 shares in the Company, of which 84,637,060 are Class A shares with one vote each and 239,503,836 are Class B shares with one-tenth of a vote each, corresponding to a total of 108,587,443.6 votes. The Company's treasury shares on the same date amount to 5,126,262 Class B shares, corresponding to a total of 512,626.2 votes, which cannot be represented at the Meeting.

### Documentation

The annual report, audit report, remuneration report and other documents for the Annual General Meeting will be available at the Company at Drottninggatan 2, in Stockholm, and on the Company's website [www.ratos.com](http://www.ratos.com) from February 17, 2021, at the latest. Documents will also be sent free of charge to shareholders who so request.

### Processing of personal data

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

Stockholm, February 2021  
Ratos AB (publ)  
*Board of Directors*