

THE NOMINATION COMMITTEE'S PROPOSAL AND REASONED STATEMENT FOR THE 2018 AGM IN RATOS AB (PUBL)

The Nomination Committee of Ratos AB (publ) ("the Company") submits the following proposals and reasoned statement ahead of the 2018 Annual General Meeting.

The Nomination Committee's work ahead of the 2018 Annual General Meeting

The 2016 Annual General Meeting resolved on principles for appointing a Nomination Committee that is to apply until another decision has been made by the General Meeting. The principles are available on the Company's website www.ratos.se. In accordance with these principles, the Chairman contacted Ratos's major owners by vote in the beginning of autumn of 2017 in order to form a Nomination Committee which, in addition to the Chairman, shall consist of at least five members.

As a result of the Board's election of Jonas Wiström as new CEO and Per-Olof Söderberg as new Chairman of the Board as from 13 December 2017, Per-Olof Söderberg as Chairman of the Board has replaced Jonas Wiström in the Nomination Committee.

The Nomination Committee was given the following composition:

Ragnar Söderberg, Chairman of the Nomination Committee, nominated by the Ragnar Söderbergs foundation and related parties' holdings,
Jan Söderberg, own and related parties' holdings,
Maria Söderberg, nominated by Torsten Söderberg Foundation and own holdings,
Erik Brändström, nominated by Spiltan Fonder AB,
Håkan Roos, nominated by Roosgruppen AB,
Per-Olof Söderberg, Chairman of the Board (has replaced Ratos's CEO Jonas Wiström, who until 13 December 2017 was Chairman of the Board of Ratos).

The Nomination Committee's composition deviates from the Swedish Corporate Governance Code's rule 2.4, Section 2, which stipulates that if more than one member of the board is on the nomination committee, no more than one of these may be dependent in relation to the major shareholders in the company. Board members Per-Olof Söderberg (also Chairman of the Board) respectively Jan Söderberg, appointed as Nomination Committee members, are regarded as dependent in relation to the Company's major shareholders. However, given their long-term contribution to the Board's work, their deep knowledge about Ratos and their relationship to the principal shareholders, as well as their network in the Swedish business industry, the Nomination Committee have considered the deviation from the Code to be motivated.

Combined, the members of the Nomination Committee represent 59,8 % of the votes in the Company.

Ahead of the 2018 Annual General Meeting, the Nomination Committee has held five recorded meetings and has had regular contact in between. For its work, the Nomination Committee has taken part of the conducted internal evaluation of the Board's work, taken part of the Chairman's statement regarding the Board's work and the Company's strategies as well as the Chairman of the Nomination Committee has interviewed individual members.

Proposed fees to the members of the Board, as well as compensation for committee work, have been prepared by Ragnar Söderberg, Maria Söderberg, Erik Brändström and Håkan Roos – i.e. like in previous years, by the three members of the Nomination Committee who are not members of the Ratos' Board.

Shareholders have been informed that proposals regarding members of the Board can be submitted to the Nomination Committee. The proposals received has been dealt with by the Nomination Committee.

The Nomination Committee's proposals of the Board

The Nomination Committee has unanimously decided to propose the following to the 2018 Annual General Meeting:

- that the Board shall consist of six directors, a decrease by one director, without deputy directors.
- re-election of the Board members Ulla Litzén, Annette Sadolin, Karsten Slotte, Jan Söderberg, Per-Olof Söderberg and Jonas Wiström. Charlotte Strömberg has declined re-election.
- that Per-Olof Söderberg is elected as Chairman of the Board.

The Nomination Committee's reasoned statement

Election of Board members

Ratos's Board has in recent years gradually been renewed, at the same time as a consistency has been kept and the Board has consisted of seven Board members. Charlotte Strömberg has announced to the Nomination Committee that she declines re-election at the Annual General Meeting 2018.

The Nomination Committee is of the opinion that the present Board is well functioning and displaying a great commitment from the individual members. Ratos is an investment company that invests in, owns and develops primarily private companies in the Nordic region. During the year of 2017, Ratos has also developed a new strategic agenda that is being implemented. With this background, it is highly demanded that the Board can evaluate both acquisition and sales opportunities as well as operating and developing companies in different industries and in different development phases, in combination with continuity for the implementation of the new strategy. The Nomination Committee is of the opinion that the directors proposed for re-election holds a wide and complementary experience that satisfies these requirements and considers that continued continuity in the Board work is of great importance in the Company's present stage. The Nomination Committee has therefore not seen a reason, at this stage, to elect any additional board member, but considers that the proposed composition, with six members, i.e. a reduction of one director, is appropriate and that Jonas Wiström, who is elected to new CEO, remains as director of the Board.

The Nomination Committee has continued to discuss requirement for diversity, inter alia on the basis of the Swedish Corporate Governance Code's requirement to state how the diversity policy has been applied. In this regard, the Nomination Committee has chosen to use the Governance Code's paragraph 4.1, which stipulates that the board is to have a composition characterized by diversity and breadth of qualifications, experience and background. In addition, a gender balance in the board shall be strived for. Regarding the background and experience of the Board members and the importance of continuity in the Board work, it is noted that the proposed Board will constitute a less gender equal composition than last year, since the proposed directors for re-election are two women and four men, which will result in a gender diversity of 33,3 %/66,7% in the proposed Board.

The requirements on the Board's independence are deemed to be fulfilled. The Nomination Committee considers Ulla Litzén, Annette Sadolin and Karsten Slotte as independent in relation to the Company and the Company's management team, and to major shareholders in the Company. Jan Söderberg and Per-Olof Söderberg are considered to be independent in relation to the Company and the Company's management team, but not independent in relation to major shareholders in the Company. Jonas Wiström is considered to be dependent in relation to major shareholders in the Company but not in relation to the Company and the Company's management.

Compensation issues

The Nomination Committee's proposal to 2018 Annual General Meeting is that the remuneration to the Board members and for the members of the committees are left unchanged, but that the remuneration to the Chairman of the Board is decreased to a level twice as large as the remuneration to a Board member and that the CEO as Board member does not receive any remuneration in addition to his remuneration as CEO. This proposal, in combination with the decrease in the number of directors, will constitute a decrease in the total remuneration to the Board in Ratos compared to previous year.

The Nomination Committee's additional proposals to the 2018 Annual General Meeting

The Nomination Committee has unanimously decided to propose to the 2018 Annual General Meeting that:

- Per-Olof Söderberg is appointed Chairman of the 2018 Annual General Meeting.
- Remuneration to each of the Board members, except for CEO Jonas Wiström, amounts unchanged to SEK 485,000 and to the Chairman of the Board amounts to SEK 970,000, a decrease of SEK 480,000. For the members of the Audit Committee, remuneration is proposed unchanged to SEK 150,000 to the chairman of the Committee and unchanged SEK 100,000 to other members of the Committee. For the Compensation Committee, remuneration is proposed to unchanged amount to SEK 50,000 to both the chairman and to each other member of the Committee.
- The audit firm PricewaterhouseCoopers is re-elected as auditor for the period until the end of the next Annual General Meeting.
- The auditor shall be paid in accordance with approved account.

Stockholm in February 2018

NOMINATION COMMITTEE IN RATOS AB (PUBL)