

THE NOMINATION COMMITTEE'S PROPOSAL AND REASONED STATEMENT FOR THE 2017 AGM

The Nomination Committee of Ratos AB (publ) ("the Company") submits the following proposals and reasoned statement ahead of the 2017 Annual General Meeting.

The Nomination Committee's work ahead of the 2017 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' major owners by vote in the beginning of autumn of 2016 in order to form a Nomination Committee which, in addition to the Chairman, shall consist of five members.

The Nomination Committee was given the following composition:

Jan Andersson, whom by Ratos main owner and by a number of institutional owners have been asked to continue as Chairman of the Nomination Committee,
 Ulf Fahlgren, nominated by Akademiinvest,
 Jan Söderberg, nominated by the Ragnar Söderbergs foundation and as a representative of his own and to him related parties' holdings,
 Maria Söderberg, nominated by Torsten Söderberg Foundation,
 Per-Olof Söderberg, as a representative of his own and to him related parties' holdings, and
 Jonas Wiström, Chairman of the Board.

The Nomination Committee's composition deviates from the Swedish Corporate Governance Code's rule 2.4, Section 2, which stipulates that if more than one member of the board is on the nomination committee, no more than one of these may be dependent in relation to the major shareholders in the company. Board members Per-Olof Söderberg 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 58,7 % of the votes in the Company.

Ahead of the 2017 Annual General Meeting, the Nomination Committee has held four 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 Boards work and the Company's strategies and also interviewed individual members.

Proposed fees to the members of the Board, as well as compensation for committee work, have been prepared by Jan Andersson, Ulf Fahlgren and Maria Söderberg – 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. No such proposal had been made.

The Nomination Committee's proposals of the Board

Ratos 2017 Annual General Meeting

This document has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the translation, the former shall take precedence.

The Nomination Committee has unanimously decided to propose the following to the 2017 Annual General Meeting:

- that the Board unchanged shall consist of seven directors, without deputy directors.
- re-election of all Board members, i.e. Ulla Litzén, Annette Sadolin, Karsten Slotte, Charlotte Strömberg, Jan Söderberg, Per-Olof Söderberg and Jonas Wikström.
- that Jonas Wikström is re-elected as Chairman of the Board.

The Nomination Committee's reasoned statement

Election of Board members. Ratos' Board has in recent years gradually been reformed. Three out of the seven proposed Board members have been elected within the last two years, including the Chairman, Jonas Wikström, who was elected at the 2016 Annual General Meeting.

The Nomination Committee is of the opinion that the present Board is well functioning and displaying a great commitment from the individual members. Since Ratos is an investment company that invests in large and medium-sized companies, primarily in the Nordic region, high demands are placed on the Board to be able to evaluate acquisition and sales opportunities as well as operating and developing companies within different sectors and phases of development. The Nomination Committee is of the opinion that the proposed Board members holds a wide and complementary experience regarding this.

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, it is noted that the proposed Board consists of three women and four men. The gender diversity is thus 43% / 57%, which, in the Nomination Committee's opinion, is consistent with the requirement of equal gender balance.

Also the requirements on the Boards independence is deemed to be fulfilled. The Nomination Committee considers Ulla Litzén, Annette Sadolin, Karsten Slotte, Charlotte Strömberg and Jonas Wikström as independent in relation to the Company and the Executive Committee, 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 Executive Committee, but not independent in relation to major shareholders in the Company.

Compensation issues. The 2017 Annual General Meeting decided to approve a 15 % increase of the total remuneration to the Board, primarily due to the fact that the Chairman's remuneration was raised to a more market oriented level. Thus, the Nomination Committee's proposal to the 2017 Annual General Meeting is that the remunerations, both for Board members and for members of the committees, are left unchanged. The Nomination Committee notes that the remuneration of the members of the Audit Committee remains relatively low as compared to similar companies and due to an increased workload.

The Nomination Committee's additional proposals to the 2017 Annual General Meeting

The Nomination Committee has unanimously decided to propose to the 2017 Annual General Meeting that:

- Jonas Wikström is appointed **Chairman of the 2017 Annual General Meeting**.
- **remuneration to the Board members** amounts, unchanged, to a total of SEK 4,860,000 to be allocated to the Chairman of the Board in the amount of SEK 1,450,000 and to each other Board member in the amount of SEK 485,000. For the members of the Audit Committee remuneration is proposed unchanged to SEK 150,000 to the chairman of the Committee and SEK 100,000 to other members of the Committee. Regarding the Remuneration Committee, remuneration is proposed to unchanged amount to SEK 50,000 to the chairman and SEK 50,000 to the other members of the Committee,
- **as auditor** the audit firm PwC is re-elected for the period until the next Annual General Meeting.
- **the auditor shall be paid** in accordance with approved account.

Stockholm i januari 2017

VALBEREDNINGEN I RATOS AB (PUBL)