

## Terms and conditions for call options 2016/2021 for the purchase of B shares in Ratos AB

### 1. Definitions

In these terms and conditions, the following terms shall be defined as stated below.

“Average share price”	average of the for each trading day volume weighted price paid for Ratos B shares on Nasdaq Stockholm during a specified period. If a listed price paid is not available the bid price listed as the closing rate shall instead be included in the calculation. A day without a listing of a price paid or bid price shall not be included in the calculation.
“Banking day”	Day that is not a Sunday or other public holiday or that, for purposes of settlement of debts, is not the equivalent of a public holiday in Sweden
“the Bank”	Nordea Bank AB (publ)
“the Company”	Ratos AB, reg. no. 556008-3585 (also the issuer)
“Euroclear”	Euroclear Sweden AB
“Holder”	The holder of the call option
“Call option”	right to purchase a B share in the Company in return for cash payment pursuant to these terms and conditions

### 2. Account holding institution, registration, etc.

The number of Call Options amounts to a maximum of 800,000.

The Call Options are to be registered by Euroclear in a control register pursuant to the Act on Accounting for Financial Instruments, as a result of which no physical securities will be issued.

The Call Options will be registered on behalf of the Holder in a securities (VP) account. Registration with respect to the Call Options as a result of the measures pursuant to sections 4, 5, 6 and 7 below shall be handled by the Bank. Other registration measures regarding the securities account will be handled by the Bank or the account holding institution.

### 3. Right to purchase shares

The Holder will be entitled, but not obliged, to buy one B share in the Company for each Call Option at an exercise price corresponding to 125 percent of the Average Share Price during the period 12-16 September 2016, rounded to the nearest full ten öre whereby five öre shall be rounded up. Adjustment of the exercise price and of the number of shares to which each Call Option provides right of purchase, may take place in cases shown in section 7 below. Purchase may be made only of the whole number of shares that the particular Holder wishes to purchase. Thus, in the case of such purchases, excess portions of a Call Option that cannot be used are disregarded.

If the Holder duly requests within the period of time stated in section 4 below, the Company shall sell the number of shares covered by the purchase application.

#### **4. Purchase of shares**

If the Holder wishes to exercise the Call Options, application for purchase must be made during the period from and including 1 October 2019 until and including 19 March 2021 or the later or earlier expiration date, respectively for the application for purchase that may be established in cases stated in section 7 Points C, D, E, L and M below. In cases of such notification, a filled in form for registration measures, in accordance with the set formulation, is to be submitted to the Bank. As soon as possible after receipt, the Bank will draw up the transaction note between the Company and the Holder regarding the purchase of the shares covered by the notification. However, application for purchase cannot be undertaken and the Company is not obliged to transfer shares during such periods when trading in the shares of the Company is forbidden pursuant to 15 § of the Act on Disclosure Obligation for certain holdings of financial instruments (or other corresponding legislation prevailing at any time).

Application for purchase is binding and may not be revoked.

If the application for purchase is not submitted within the period stated in the first paragraph, all rights pursuant to the Call Options cease to apply.

#### **5. Payment for shares**

Payment for shares acquired is to be made not later than the payment date stated on the transaction note, but not later than ten (10) Banking Days from the last day of the subscription period. Payment is to be made in cash to the account indicated by the Bank. After payment has been made the Bank shall ensure that the Holder is registered in the indicated securities account as the owner of the shares covered by the exercised Call Options. The Holder shall pay tax or charges that may be charged on the transfer, holding or exercise of Call Options as a result of Swedish or foreign legislation or Swedish or foreign official decisions.

#### **6. Status of the holder**

Call Options do not present any rights for the Holder that are available to shareholders in the Company, such as voting or dividend rights. All such rights relating to the shares shall for as long as the Company is the owner of the shares belong to and be exercised by the Company.

The Holder is entitled to receive dividends on the shares that the Holder acquires pursuant to these terms and conditions if the record day for the dividend on the shares occurs not earlier than five (5) Banking Days after payment has been made.

#### **7. Adjustment, etc.**

The following shall apply regarding the rights accruing to Holders in the situations stated in this paragraph.

- (A) If the Company conducts a **bonus issue** with effect from the date on which the share is listed ex rights to participation in the bonus issue, an adjusted number of shares to which each Call Option provides the right to purchase and an adjusted exercise price shall apply.

The adjustments are conducted by the Bank in line with the following formulas:

$$\text{adjusted number of shares for which each Call Option provides right of purchase} = \frac{\text{preceding number of shares for which the Call Option provides right of purchase of x number of shares after the bonus issue}}{\text{number of shares before the bonus issue}}$$

$$\text{adjusted exercise price} = \frac{\text{preceding exercise price x number of shares before the bonus issue}}{\text{number of shares after the bonus issue}}$$

If, as a result of the bonus issue, the class of shares covered by the Call Option in conjunction with its issue provides entitlement to shares of another class, the new shares, along with the original shares, shall comprise valid and indivisible delivery in conjunction with the exercise of the Call Option.

- (B) If the company conducts a **consolidation** or a **division** of shares, referred to as a split, a corresponding adjustment of the number of shares to which the Call Option provides right of purchase and the exercise price shall be conducted by the Bank on the same basis as in the adjustment resulting from a bonus issues as stated in Point A above.
- (C) If the Company conducts a **new share issue** - with preferential rights for shareholders to subscribe for new shares in return for cash payment – adjustment shall be made of the number of shares to which Call Options provide right of purchase as well as the exercise price.

Adjustments are conducted by the Bank in line with the following formulas:

$$\text{adjusted number of shares for which each Call Option provides purchase rights} = \frac{\text{preceding number of shares to which each Call Option provides right of purchase x (Average Share Price during the subscription period plus the theoretical value of the subscription right calculated from this)}}{\text{Average Share Price during subscription period}}$$

$$\text{adjusted exercise price} = \frac{\text{preceding exercise price x Average Share Price during the subscription period set according to the resolution}}{\text{Average Share Price during the subscription period plus the theoretical value of the subscription right calculated from this}}$$

The theoretical value of the subscription right is showed in the following formula:

$$\text{value of the subscription right} = \frac{\text{maximum number of new shares that may be issued according to the resolution authorising the share issue} \times (\text{Average Share Price during subscription period} - \text{issue price for the new share})}{\text{number of shares before the resolution authorising the share issue}}$$

If a negative value arises in this case, the theoretical value of the option right is to be set at zero.

The number of shares and exercise price adjusted as above are set by the Bank two Banking Days following the expiry of the subscription period and shall be applied to purchases implemented following such determination.

During the period from the date on which the share is listed ex rights to participation in the share issue through the date on which the adjustments are set, the purchase of shares may not take place. If the final date for application to purchase is during the subscription period, the expiration date is moved to the second trading day after the expiry of the subscription period.

- (D) If the Company conducts a **share issue pursuant to Chapter 14 or 15 of the Swedish Companies Act** – with preferential rights for shareholders and in return for cash payment – an adjustment shall be made of the number of shares for which each Call Option provides right of purchase and of the exercise price.

The adjustments are to be made by the Bank in accordance with the following formulas:

$$\text{adjusted number of shares for which each Call Option provides right of purchase} = \frac{\text{preceding number of shares for which each Call Option provides right of purchase} \times (\text{Average share price during subscription period plus value of subscription right})}{\text{Average Share Price during subscription period}}$$

$$\text{adjusted exercise price} = \frac{\text{preceding exercise price} \times \text{Average Share price during the subscription period}}{\text{Average Share Price during the subscription period plus value of subscription right}}$$

The value of the subscription right shall be regarded as corresponding to the average of the for each trading day during the subscription period calculated volume-weighted average price paid on Nasdaq Stockholm. In the absence of a quoted paid price, the last quoted bid price shall be included as the closing price in the computation. Days with no quotation of a price paid or bid price shall not be included in the computation.

The adjusted number of shares and adjusted exercise price shown above are set by the Bank two Banking Days after the expiry of the subscription period and shall be applied to purchases subsequently completed.

In application for purchases made during the period up until the adjustments are completed, the provisions of Point C, final paragraph, shall apply correspondingly.

- (E) In cases other than those noted in Points A-C above, if the Company should make an **offering to shareholders** to use preferential rights pursuant to the principles in Chap 13 § 1 of the Swedish Companies Act to acquire securities or rights of any type from the Company or decide that, pursuant to aforementioned principles, distribute such securities or rights to shareholders free of charge, an adjusted number of shares to which each Call Option provides rights and an adjusted exercise price shall be used.

The adjustments are conducted by the Bank in accordance with the following formulas:

$$\text{adjusted exercise price} = \frac{\text{preceding exercise price} \times \text{Average Share Price during the application period}}{\text{Average Share Price during the application period plus the value of the right to participate in the offering}}$$

$$\text{adjusted number of shares for which each Call Option provides right of purchase} = \frac{\text{preceding number of shares which each Call Option provides right of purchase} \times (\text{Average Share Price during the application period plus the value of the purchase right})}{\text{Average Share Price during the application period}}$$

In cases in which the shareholders have received purchase rights and trading in these has taken place, the value of the right of participation in the offering shall be deemed to correspond to the value of the purchase right. The value of the purchase right shall be regarded as corresponding to the average of the for each trading day during the subscription period calculated volume-weighted average price paid on Nasdaq Stockholm. In the absence of a quoted paid price, the last quoted bid price shall be included as the closing price in the computation. Days with no quotation of a price paid or bid price shall not be included in the computation.

In cases in which shareholders have not received purchase rights or in which such trading in purchase rights referred to in the preceding paragraph has not taken place, adjustment of the exercise price shall be done applying as far as possible the principles noted above in Point E, whereby the following shall apply. If a listing is done of the securities or rights offered to shareholders, the value of the right of participation in the offering shall be deemed to correspond to the average of the for each trading day during the subscription period calculated volume-weighted average price paid on Nasdaq Stockholm for each day during 25 trading days from the first day of listing, in appropriate cases less the price paid for these in connection with the offering. In the absence of a quoted paid price, the last quoted bid price shall be included as the closing price in the computation. If neither a price paid nor a bid price is listed on a certain day or days, such days shall be disregarded in computing the value of the right of participation in the offering. The set application period in the offering shall, in conjunction with the adjustment of the exercise price pursuant to this paragraph, be deemed to correspond to the period of 25 trading days as noted above in this paragraph. If such listing does not take place, the value of the right of participation in the offering shall, as far as possible, be set on the

basis of the change in market value for the Company's shares that can be deemed to have arisen as a result of the offering.

The number of shares and exercise price shall be adjusted by the Bank as soon as possible after the expiration of the offering and shall be applied in connection with the purchases completed after such determination has been made.

Share purchases may not take place during the application period set in the offering. If the expiration date for application to purchase occurs during the application period, the expiration date is to be moved to the first Banking day after the expiry of the application period.

(F) If the Company decides to pay a **cash dividend** to shareholders an adjusted exercise price shall be applied.

Adjustments shall be performed by the Bank. Such an adjustment of the exercise price shall be made and determined the day the right to a dividend has been detached from underlying shares and shall be applied to purchases effected after such determination has taken place. The adjustment shall be made applying the same valuation method (Black & Scholes) and with the same opening values as used when determining the option premium for the Call Options with the exception that assumed dividend of zero kronor shall be replaced with the actual dividend.

(G) If a decision is made regarding a **partial demerger pursuant to Chap. 24 of the Swedish Companies Act** by means of which a part of the Company's assets and liabilities are taken over by one or several other companies without the Company being liquidated, an adjusted exercise price and an adjusted number of shares for which each Call Option provides right of purchase shall be applied. The adjustments are conducted by the Bank pursuant to the following formulas:

$$\text{adjusted exercise price} = \frac{\text{preceding exercise price} \times \text{Average Share Price during a period of 25 trading days from the date the share was listed ex rights to division payment}}{\text{Average Share Price during a period of 25 trading days calculated from the date the share was listed ex rights to division payment plus the value of the division payment which is paid per share}}$$

$$\text{adjusted number of shares for which each Call Option provides right to purchase} = \frac{\text{preceding number of shares for which each Call Option provides right to purchase} \times (\text{Average Share Price during a period of 25 trading days calculated from the date the share is listed ex rights to division payment plus the value of the division payment paid per share})}{\text{Average Share Price during a period of 25 trading days calculated from the date the share is listed ex rights to division payment}}$$

In cases in which the demerger payment is paid in the form of shares or other securities listed on an exchange or other authorised marketplace, the value of the division payment per share shall be deemed to correspond to the average on each trading day during the above-mentioned period of 25 trading days calculated volume-weighted average price paid on Nasdaq

Stockholm's quote or other market quote. In the absence of a quoted paid price, the quoted bid price shall instead be included as the closing price in the computation. Days with no quotation of a price paid or bid price shall not be included in the computation.

In cases in which the demerger payment takes the form of shares or other securities that are not listed, the value of the demerger payment shall as far as possible be set on the basis of the change in market value of the Company's shares that can be deemed to have arisen as a result of making the demerger payment.

The adjusted exercise price and adjusted number of shares, as above, are conducted by the Bank two Banking Days after the expiry of the aforementioned period of 25 trading days and shall be applied in purchases subsequently completed.

In conjunction with purchases completed during the period until the adjusted exercise price is set, the provisions in Point C, final paragraph above, shall apply correspondingly.

Holders shall not be able to claim any rights pursuant to these provisions against the company or companies who in conjunction with partial division take over assets and liabilities from the Company.

- (H) If the Company's share capital is **reduced** by means of repayment to shareholders, and this reduction is obligatory, an adjusted exercise price and an adjusted number of shares for which each Call Option provide right of purchase shall apply.

The adjustments are conducted by the Bank pursuant to the following formulas:

$$\text{adjusted exercise price} = \frac{\text{preceding exercise price} \times \text{the Average Share Price during a period of 25 trading days from the date on which the shares are listed ex rights to repayment}}{\text{Average Share Price during a period of 25 trading days calculated from the date when the shares are listed ex rights to repayment plus the amount repaid per share}}$$

$$\text{adjusted number of shares for which each Call Option provides right of purchase} = \frac{\text{preceding number of shares for which each Call Option provides right of purchase} \times (\text{Average Share Price during a period of 25 trading days calculated from the date the shares were listed ex rights to repayment plus the amount repaid per share})}{\text{Average Share Price during a period of 25 trading days calculated from the shares are listed ex rights to repayment}}$$

In adjustment pursuant to the above and where a reduction is conducted through the redemption of shares, instead of the actual amount repaid per share, a computed repayment amount shall be used as follows:

$$\text{computed repaid per share amount} = \frac{\text{the actual amount repaid per redeemed share less the Average Share Price over a period of 25 trading days immediately prior to the day when the share was listed ex rights to participation in the reduction}}{\text{the number of shares in the Company providing the basis for the redemption of one share less 1}}$$

The adjusted exercise price and adjusted number of shares, as above, are conducted by the Bank two Banking Days after the expiry of the aforementioned period of 25 trading days and shall be applied in purchases subsequently completed.

If the Company's share capital is reduced through the redemption of shares with payment to shareholders, and which reduction is not obligatory and in which, pursuant to the Bank's assessment, such measures taking into account technical configuration and financial effects, may be compared with obligatory reduction, adjustment of the exercise price and number of shares for which each Call Option provides right of purchase shall be done using as far as possible the principles stated above in this Point H.

- (I) If the Company conducts a **purchase of treasury shares** through an offering to all shareholders and in which, pursuant to the Bank's opinion, the measures, on account of its technical configuration and financial effects, are equivalent to a mandatory reduction in share capital, the adjustment of the exercise price and number of shares for which each Call Option provides right of purchase shall be done using as far as possible the principles stated above in Point H.
- (J) If the Company conducts measures covered by A-I above or similar measures and if the application of the adjustment formula for this purpose, due to the technical configuration or other reasons, cannot be done or would lead to a situation in which the financial compensation received by the holders in relation to shareholders would not be reasonable, the Bank shall, provided that the Company's Board provides written consent, conduct adjustment to ensure the result is reasonable.
- (K) Adjustment must not result in an increase in the exercise price or a reduction in the number of shares for which each Call Option provides right of purchase in cases other than those stated in Point B. In adjustment pursuant to the above, the exercise price shall be rounded off to the nearest whole ten öre, with five öre being rounded upwards, and the number of shares rounded off to two decimals.
- (L) If the shares covered by the Call Options become subject to **compulsory acquisition procedures** pursuant to Chap. 22 of the Swedish Companies Act, the Bank shall, in cases in which the expiration date for notification of purchase is later than 30 days from the announcement of the request for redemption, set a new expiration date prior to the expiry of the aforementioned time.



- (M) That which is stated concerning compulsory acquisition in Point L shall apply correspondingly if the Company's AGM decides to approve a **merger plan**, according to which the Company is to become part of another company or a **division plan**, according to which all the company's assets and liabilities are taken over by one or more limited liability companies and the Company thus is dissolved without liquidation or if a decision is made concerning the Company going into **liquidation** or **bankruptcy**. In such cases, the period of time is estimated from the public announcement of the merger, division, liquidation or bankruptcy.

## 8. Special undertakings from the Company

The Company pledges to consult with the Bank in good time before the Company undertakes such measures as stated in section 7 above.

## 9. Trustees

In the case of Call Options that are nominee registered pursuant to the Financial Instruments Act, their trustee shall be viewed as the Holder for the application of these terms and conditions.

## 10. Limitation of the liability of the Bank and Euroclear

As regards Euroclear and taking into consideration the provisions of the Financial Instruments Act, in issues regarding action to be taken by the Bank and Euroclear, liability cannot be claimed for loss arising from legislation, official actions, acts of wars, strikes, blockades, boycotts, lockouts or similar circumstances. The provisions regarding strikes, blockades, boycotts and lockouts apply even when the Bank or Euroclear itself takes such measures or is the object of such measures.

Neither the Bank nor Euroclear is liable in other cases to pay compensation arising if the Bank or Euroclear has displayed a normal level of care. In no circumstances is the Bank liable for indirect loss.

If obstacles arise that prevent the Bank or Euroclear from effecting payment or take other measures as a result of such circumstances as stated in the first paragraph, the measures may be postponed until such obstacle has ceased.

## 11. Notices

Notices pertaining to the Call Options shall be issued to all registered holders and other holders of rights listed on a securities account.

## 12. Confidentiality

The Bank or Euroclear may not provide unauthorised information to a third party regarding holders.

The Company is entitled to receive the following information from Euroclear concerning the Holder's account in the company's control register:

- I. Name of the Holder, personal identity number or other identification number and postal address,

2. Number of Call Options.

**13. Amendment of terms and conditions**

The Bank is entitled on behalf of Holders to reach agreement with the Company to amend these terms and conditions to the extent legislation, a court order or an official decision requires or otherwise – in the opinion of the Bank – for practical reasons it is necessary or desirable and the rights of Holders are not impaired to any material extent.

**14. Applicable law, etc.**

The interpretation and application of these terms and conditions and related legal matters shall be subject to Swedish law. Claims arising from these terms and conditions shall be lodged with the Stockholm District Court or some other similar forum whose authority is accepted by the Company.

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