

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 17.00 CET on Wednesday, 18 April 2012, in Stockholm Waterfront Congress Centre, Nils Ericsons Plan 4 (entrance via Klarabergsviadukten), 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 no later than 12 April 2012,
- (ii) notify the company of their intention to attend no later than 16.00 CET on 12 April 2012.

Notification 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 Thursday, 12 April 2012. 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 12 April 2012 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 accounts 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 2011 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 a record date for dividends.
12. Determination of the number of directors and deputy directors to be elected by the Meeting.
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 issue of synthetic options to company management and other key people at Ratos.

19. Board's proposal for decision regarding transfer of treasury shares to administrative employees.
20. The Board's proposal that the Board be authorised to decide on purchase of treasury shares.
21. The Board's proposal that the Board be authorised to decide on a new issue of shares in conjunction with company acquisitions.
22. Any other business.
23. Conclusion of the Meeting.

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 2013 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 2012. 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 co-operation with the company's Audit Committee, to the Annual General Meeting regarding election of auditor when appropriate,
- 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 for 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 2013 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.

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 2013 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 2011 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 shareholders.

The system comprises four components – basic salary, variable salary, call options and synthetic options – and rests on five basic principles.

- Ratos's employees shall be offered competitive fundamental 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 does not fall due until certain conditions have been met with regard to return on the company's equity.
- 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 gain from share price rises alternatively realised increase in value but also take a personal risk by paying a market premium for the options.

The variable salary that can be allocated to an employee is paid over a multi-year period. The cost of each year's variable salary will be booked in its entirety in the year in which the salary was earned. 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 18). 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.

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

The main content of the Board's proposal is that a maximum of 1,150,000 call options shall be issued on treasury shares and for a market premium be transferred to key people at Ratos. It is intended that the purchase of options will be partly subsidised.

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. A maximum total of approximately 30 people are 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.

The options can be utilised for the purchase of class B shares in Ratos during the period starting on 1 October 2015 and ending on 20 March 2017 for an exercise price of 125 per cent of the average for each trading day during the period 17-21 September 2012 calculated average of the highest and lowest price paid during the day for Ratos B shares on Nasdaq OMX Stockholm according to the official price list. A market premium shall be paid for the options based on a market accepted valuation model (Black & Scholes). The calculation will be performed by Nordea Bank AB (publ) and Deloitte AB whereby the average of the valuations shall be regarded as market premium. The purchase of options will be subsidised by the option purchaser receiving an extra remuneration 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.

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 shareholders. The system comprises four components – basic salary, variable salary, call options and synthetic options.

Against the above 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.

Furthermore, the proposal means that the company will be entitled to transfer a maximum of 1,150,000 class B shares in the company at a selling price corresponding to the above-mentioned exercise price in connection with possible exercise of the call options. The number of shares and the selling price for the shares included in the transfer decision according to this item may be recalculated as a result of a bonus issue, reverse split or split of shares, new issue or reduction of the share capital or similar measures.

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, 0.4 per cent of shares outstanding (i.e. total number of shares issued decreased by the company's treasury shares) and 0.1 per cent of voting rights, based on shares outstanding (i.e. total number of shares issued decreased by the company's treasury shares). In the event of full exercise of the options now proposed together with existing options, the number of shares will comprise 2.0 per cent of the number of shares outstanding and 0.6 per cent of voting rights, based on shares outstanding.

The Annual General Meeting's decision under item 17 above will only be valid if it is supported by shareholders with at least nine-tenths of both votes cast and the shares represented at the Meeting.

The Board's proposal for decision on the issue of synthetic options to company management and other key people at Ratos (item 18)

The Board of Ratos AB (publ) ("Ratos") proposes that the Annual General Meeting resolves to introduce a cash-based option programme related to Ratos's investments in portfolio companies. It is proposed that the programme is carried out through the issue of synthetic options ("2012 Option Programme"). The programme is essentially identical to the 2011 Option Programme decided at the 2011 Annual General Meeting.

A programme that in the long term gives key people an opportunity to share in the growth in value of the portfolio companies will maintain confidence in Ratos and increase the value of its shares. The 2012 Option Programme is also 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 2012 Option Programme is intended to include approximately 30 present and future senior executives and other key people at Ratos. Ratos's Board is of the opinion that the 2012 Option 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 2012 Option Programme, the Board proposes that the Annual General Meeting decides on the main conditions for the issue to the company's management and other key people 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 market price.

The options will be transferred at market price. Initially therefore, Ratos will not incur any cost. The future cost 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 3 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. The proposal has been prepared together with external advisers and has been examined by the Compensation Committee and the Board at three meetings. The proposal was adopted by the Board on 15 February 2012.

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 additional key people (investment managers and others) working at Ratos, a total of approximately 30 people, with a maximum of between 10 and 120 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 companies Ratos invests in during the period from the 2012 Annual General Meeting until the next Annual General Meeting. The total number of options attributable to one portfolio company shall amount to 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 2012 Option Programme.
- c) Participants in the 2012 Option Programme shall no later than 10 May 2012 provide notification of how many options per investment he or she wishes to purchase. Notification and the invitation to acquire shall relate to options in all portfolio companies invested in by Ratos during the period from the 2012 Annual General Meeting until the next Annual General Meeting (subject to the limitation that a maximum total of 8,000 options may be issued in the 2012 Option Programme).
- d) Employees' option acquisitions shall be made at market value. The value will be calculated by an independent valuation institute 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 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 2012 Option Programme within the framework of the main terms and guidelines set out above.

The Annual General Meeting's decision according to the above shall be made taking into account the majority rules stipulated in Chap 7, § 40 of the Swedish Companies Act, which means that the decision must be supported by shareholders representing more than half of the number of votes represented at the Meeting.

The Board's proposal for decision on transfer of treasury shares to administrative employees (item 19)

The Board of Ratos AB (publ) ("Ratos") 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 2012 financial year and individual performance.

The Board is of the opinion that it is to the advantage of Ratos and 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 Annual General Meeting's according to the Board's above proposal will only be valid if it is supported by shareholders with at least nine-tenths of both votes cast and the shares represented at the Meeting.

The Board's proposal that the Board be authorised to decide on a purchase of treasury shares (item 20)

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:

1. Acquisition may be made of class A shares or class B shares.
2. Acquisition must take place on Nasdaq OMX Stockholm.
3. Acquisition may take place on one or more occasions prior to the next Annual General Meeting.
4. 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.
5. 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.

Ratos's holding of treasury shares at 15 February 2012 amounted to 5,144,127, corresponding to 1.6 per cent of all the shares in the company.

The Annual General Meeting's decision under this item will only be valid if it is supported by shareholders with at least two-thirds of both votes cast and the shares represented at the Meeting.

The Board's proposal that the Board be authorised to decide on a new issue of shares in conjunction with company acquisitions (item 21)

The Board of Ratos AB proposes that the 2012 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 in the company. 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 requires the Annual General Meeting's decision to be supported by shareholders representing at least two-thirds of both votes cast and the shares represented at the meeting.

Proposal by the Nomination Committee regarding Board of Directors, etc.

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, Olof Stenhammar.
- Item 12: Seven directors and no deputy directors.
- Item 13: Remuneration to the Board is proposed to amount to SEK 3,700,000 (previous year SEK 3,700,000) to be allocated to the Chairman in the amount of SEK 1,000,000 and to each other Board member with SEK 450,000.
A separate fee of SEK 50,000 per year will be paid to the chairman and SEK 30,000 per year to other members of the Compensation Committee and the Audit Committee.
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, Per-Olof Söderberg and Margareth Øvrum. A presentation of proposed Board members is provided on the company's website. Arne Karlsson is proposed as the Chairman of the Board.
The audit firm PricewaterhouseCoopers AB is proposed as auditor for the period until the next Annual General Meeting has been held. PricewaterhouseCoopers has announced that Peter Clemetson will act as Senior Auditor.

Dividend and record date

The Board proposes an ordinary dividend for 2011 of SEK 5.50 per share. The proposed record date is 23 April 2012 and dividends are thus expected to be paid through Euroclear Sweden AB on 26 April 2012.

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 A shares with one vote each and 239,503,836 are B shares with one-tenth of a vote each, corresponding to a total of 108,587,444 votes. The company's treasury shares on the same date amount to 5,139,537 B shares, corresponding to 513,954 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 accounts, 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 9 March 2012. Documents will also be sent free of charge to those who so request.

Stockholm, February 2012
Ratos AB (publ)
Board of Directors