

## **The Board's proposal for decision on amendments to the Articles of Association (item 20)**

In order to enable the issue of preference shares in accordance with the Authorisation proposed in item 23, the Board proposes that the Annual General Meeting resolves on changes in the Articles of Association's articles 6 and 7, whereby they will contain the following wording:

*“Article 6: SHARE CLASSES*

1. Shares shall be issued in four classes, Class A, Class B, Class C preference shares and Class D preference shares.
2. Each class A share entitles the holder to one vote. Each Class B share, each Class C preference share and each Class D preference share entitles the holder to one-tenth of a vote.
3. Class A shares may be issued in a maximum number that corresponds to 27 per cent of the share capital in the Company, Class B shares may be issued in a maximum number that corresponds to 100 per cent of the share capital in the company, Class C preference shares may be issued in a maximum number that corresponds to 10 per cent of the share capital in the company, and Class D preference shares may be issued in a maximum number that corresponds to 10 per cent of the share capital in the company.
4. *Dividend*  
If the Annual General Meeting resolves on a dividend, Class C preference shares shall carry preferential rights before Class A shares and B shares to an annual dividend as set out below.

Preferential rights to dividend per Class C preference share (“Preference Dividend C”) shall:

- i. with effect from the first payment date (see below) immediately after Class C preference shares are registered with the Swedish Companies Registration Office until and including the final payment date prior to the 2017 Annual General Meeting amount to SEK 25 per quarter, although a maximum of SEK 100 per year with record dates as set out below.
- ii. with effect from the first payment date after the 2017 Annual General Meeting and for the subsequent period the annual Preference Dividend C shall increase by a total of SEK 20 evenly divided into quarterly payments. Adjustment shall be made in conjunction with the first payment after the 2017 Annual General Meeting.

If the Annual General Meeting resolves on a dividend, Class D preference shares shall carry the same preferential rights as Class C preference shares before Class A and Class B shares to an annual dividend as set out below.

Preferential rights to dividend per Class D preference share (“Preference Dividend D”) shall:

- i. with effect from the first payment date (see below) immediately after Class D preference shares are registered with the Swedish Companies Registration Office until and including the final payment date prior to the 2018 Annual General Meeting amount to SEK 25 per quarter, although a maximum of SEK 100 per year with record dates as set out below.

- ii. with effect from the first payment date after the 2018 Annual General Meeting and for the subsequent period the annual Preference Dividend D shall increase by a total of SEK 28 evenly divided into quarterly payments. Adjustment shall be made in conjunction with the first payment after the 2018 Annual General Meeting.

Payment of dividends on Class C and Class D preference shares shall be made quarterly. Record dates shall be 15 February, 15 May, 15 August and 15 November. In the event such day is not a banking day, i.e. a day that is not a Saturday, Sunday or a public holiday, the record date shall be the closest preceding banking day. Dividend payments will be made on the third banking day after the record date. The first time payment of dividends on Class D preference shares may be made is on the payment date that occurs after the first record date after the shares are registered with the Swedish Companies Registration Office.

If no dividend is paid on Class C or Class D preference shares, or if only a dividend lower than the Preference Dividend C and D is paid, Class C and Class D preference shares shall, provided the Annual General Meeting resolves on a dividend, carry entitlement to in addition to future Preference Dividends C and D to receive an amount, evenly distributed on each Class C and Class D preference share, corresponding to the difference between what would have been paid and the amount paid ("Outstanding Amount) before dividends are paid on Class A or Class B shares. The Outstanding Amount shall be adjusted upwards by a factor corresponding to an annual interest rate of 10 per cent, whereby upward adjustment shall start from the quarterly date when payment of part of the dividend was made (or should have been made, in the event no dividend was paid at all).

Class C and Class D preference shares shall not otherwise carry entitlement to a dividend.

#### 5. *Redemption of Class C and Class D preference shares*

A reduction of the share capital, although not below the minimum capital, may be effected through redemption of a certain number or all Class C and/or Class D preference shares following a decision by the Board. When a decision on redemption is made, an amount corresponding to the reduction amount shall be placed in a reserve if requisite funds for this purpose are available.

The allocation of which Class C preference shares shall be redeemed shall be made pro rata in relation to the number of Class C preference shares which each preference shareholder owns on the date of the Board's decision on redemption. If the allocation as set out above is not even, the Board shall decide on allocation of surplus Class C preference shares which shall be redeemed. If the decision is approved by all holders of Class C preference shares the Board may decide, however, which Class C preference shares are to be redeemed.

The redemption amount for each redeemed Class C preference share shall be an amount as follows:

- i. Until the first quarterly record date for dividends after the 2017 Annual General Meeting, an amount corresponding to 115 per cent of the amount paid for each Class C preference share at the first issue of Class C preference shares ("Initial Subscription Price C") plus the Outstanding Amount adjusted upwards by an annual rate as set out in paragraph 4 above. The redemption amount for each redeemed Class C preference share shall, however, never be lower than the share's quota value.
- ii. With effect from the first quarterly record date for dividends after the 2017 Annual General Meeting and for the subsequent period, an amount corresponding to 105 per

cent of the Initial Subscription Price C plus the Outstanding Amount adjusted upwards by an annual rate as set out in paragraph 4 above. The redemption amount for each redeemed Class C preference share shall, however, never be lower than the share's quota value.

The allocation of which Class D preference shares shall be redeemed shall be made pro rata in relation to the number of Class D preference shares which each preference shareholder owns on the date of the Board's decision on redemption. If the allocation as set out above is not even, the Board shall decide on allocation of surplus Class D preference shares which shall be redeemed. If the decision is approved by all holders of Class D preference shares the Board may decide, however, which Class D preference shares are to be redeemed.

The redemption amount for each redeemed Class D preference share shall be an amount as follows:

- i. Until the first quarterly record date for dividends after the 2018 Annual General Meeting, an amount corresponding to 115 per cent of the amount paid for each Class D preference share at the first issue of Class D preference shares ("Initial Subscription Price D") plus the Outstanding Amount adjusted upwards by an annual rate as set out in paragraph 4 above. The redemption amount for each redeemed Class D preference share shall, however, never be lower than the share's quota value.
- ii. With effect from the first quarterly record date for dividends after the 2018 Annual General Meeting and for the subsequent period, an amount corresponding to 100 per cent of the Initial Subscription Price D plus the Outstanding Amount adjusted upwards by an annual rate as set out in paragraph 4 above. The redemption amount for each redeemed Class D preference share shall, however, never be lower than the share's quota value.

Owners of Class C and Class D preference shares which shall be redeemed shall be obliged within three months of receipt of a written notification of the Board's decision on redemption to accept the redemption amount for the shares or, where permission for the reduction is required from the Swedish Companies Registration Office or the court, after receipt of notification that a decision on such permission has gained legal force.

#### 6. *Dissolution of the Company*

If the Company is liquidated Class C and Class D preference shares shall carry preferential rights before Class A and Class B shares to receive from the Company's assets an amount per Class C and Class D preference share corresponding to the redemption amount calculated in accordance with paragraph 5 above as per the liquidation date, prior to distribution to owners of Class A or Class B shares. Class C and Class D preference shares shall otherwise not carry any entitlement to a share of distribution.

#### 7. *Recalculation in the event of certain company events*

In the event the number of Class C or Class D preference shares is changed through a merger, demerger or other similar company event, the amount to which Class C and Class D preference shares carry entitlement according to paragraphs 4-6 in this Article 6 of the Articles of Association shall be recalculated to reflect such change.

#### 8. *Conversion of Class A shares to Class B shares*

Owners of Class A shares shall be entitled to request conversion of Class A shares to Class B shares. Such request for conversion, which shall be made in writing and specify the

number of shares to be converted, shall be made to the Company. The Company shall without delay notify the conversion to the Swedish Companies Registration Office for registration. The conversion is effected upon registration.

The Company will take the necessary measures for conversion free of charge for shareholders four times a year. Such measures will be taken at the end of each quarter for requests received by the Company no later than seven days prior to the end of the quarter. Shareholders are also entitled to have such conversion carried out at other times but in such case a charge will be made.

*Article 7: PREFERENTIAL RIGHTS OF SHAREHOLDERS*

Should the Company decide to issue new Class A shares, Class B shares and Class C and Class D preference shares through a cash issue or a set-off issue, owners of Class A shares, Class B shares and Class C and D preference shares shall have preferential right to subscribe for new shares of the same class in proportion to their existing shareholdings (primary preferential right). Shares that are not subscribed for with primary preferential right shall be offered to all shareholders for subscription (subsidiary preferential right). Should the number of shares offered in this way not be enough for subscription through subsidiary preferential right, said shares shall be apportioned among subscribers in proportion to their existing shareholdings and, to the extent that this cannot be done, by lottery.

Should the Company decide through a cash issue or a set-off issue to offer shares of only Class A, Class B or Class C or Class D preference shares, all shareholders, regardless of whether their shares are Class A, Class B or Class C or Class D preference shares, shall have preferential right to subscribe for new shares in proportion to their existing shareholdings.

Should the company decide through a cash issue or through a set-off issue to issue subscription warrants or convertibles, shareholders shall have preferential right to subscribe for warrants as if the issue was in respect of the shares that may be subscribed for by exercising the warrants and to subscribe for convertibles as if the issue was in respect of the shares that the convertibles may be exchanged for.

The aforesaid shall not imply any limitation in the possibility of a decision on cash issue or set-off issue with divergence from shareholders' preferential rights, or to the issue of shares of a new class following appropriate amendment to the Company's Articles of Association.

An increase of share capital through a bonus issue of shares may only be made by issuing Class A or Class B shares, whereby, if both Class A and Class B shares were previously issued, the relationship between the Class A and Class B shares issued through a bonus issue and already issued Class A and Class B shares shall be unchanged. This means that only owners of Class A and Class B shares are entitled to the new shares. If both Class A and Class B shares are issued, the bonus shares will be allocated between owners of Class A and Class B shares in proportion to the number of existing shares of the same class that they previously owned. What has just been said shall not imply any limitation in the possibility that through bonus issue, after appropriate amendment to the Articles of Association, shares of a new class may be offered.

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

Stockholm, February 2014  
Ratos AB (publ)  
*Board of Directors*