

# **Proposals by the Nomination Committee in respect of the Annual General Meeting 2021 in GARO Aktiebolag**

## **1. Resolutions and the composition of the Nomination Committee**

At the Annual General Meeting in GARO Aktiebolag (“GARO”) held on 4 May 2017, instructions for the establishing of a Nomination Committee were adopted to apply until further notice. The Nomination Committee shall be composed of members, representing the three largest shareholders in terms of voting rights registered in the shareholders’ register maintained by Euroclear Sweden as of 31 August each year, together with the Chairman of the Board.

The Nomination Committee in respect of the Annual General Meeting 2021 has comprised:

- Lars Kongstad, Mannheimer Swartling Advokatbyrå, appointed by Lars Svensson
- Fredrik Carlsson, appointed by Svolder AB
- Jan Särlvik, appointed by Nordea Funds
- Stefan Jonsson, in his capacity of Chairman of the Board of GARO

Lars Kongstad has been elected Chairman of the Nomination Committee.

After the Nomination Committee was appointed, Swedbank Robur Fonder has become the third largest owner but has declared that Nordea Funds will continue the work of the Nomination Committee.

The Nomination Committee shall submit proposals regarding the election of chairman of the General Meeting, members of the Board of Directors, Chairman of the Board, auditor, fees for the members of the Board including division between the Chairman and the other Board members, as well as fees for committee work, fees to the company’s auditor and changes of the instructions to the Nomination Committee.

## **2. Proposals by the Nomination Committee in respect of the Annual General Meeting**

The Nomination Committee makes the following proposals in respect of the Annual General Meeting 2021:

**Chairman of the Annual General Meeting:** The Chairman of the Board, Stefan Jonsson, or if he is prevented from participating, the person appointed by the Nomination Committee, shall be elected Chairman of the Annual General Meeting.

**Board of Directors:** The number of Board members shall be seven, without deputies. Re-election shall be made of the Board members Rickard Blomqvist, Ulf Hedlundh, Susanna Hilleskog, Mari-Katharina Jonsson Kadowaki and Lars-Åke Rydh and new election shall be made of Martin Althén and Johan Paulsson. New election shall be made of Rickard Blomqvist as the Chairman of the Board. Stefan Jonsson has declined re-election.

For further information about the Board members proposed for new election, Martin Althén and Johan Paulsson, please see [Appendix A](#). Information about all Board members proposed for re-election is available on the company’s website, [www.garo.se](http://www.garo.se).

**Board and Committee fees:** Board fees, excluding Committee fees, shall be paid in a total of SEK 2,100,000 (previously SEK 1,520,000), of which SEK 600,000 (previously SEK 470,000) to the Chairman of the Board and SEK 250,000 (previously SEK 210,000) to each of the other Board members elected by the Annual General Meeting who are not employed by the group.

Fees for assignment in the Audit Committee shall be paid in a total of SEK 200,000 (previously SEK 160,000), of which SEK 100,000 (previously SEK 80,000) to the Chairman and SEK 50,000 (previously SEK 40,000) to each of the other members of the Audit Committee. Fees for assignment in the Remuneration Committee (new committee established by the Board in 2020) shall be paid in a total of SEK 100,000, of which SEK 50,000 to the Chairman and SEK 25,000 to each of the other members of the Remuneration Committee.

Due to the situation Sweden was in regarding Corona virus and Covid-19 no change in Board and committee fees was proposed for the Annual General Meeting 2020 compared with last year. Prior to the Annual General Meeting 2021, a comparison of the Board fees in GARO with the Board fees paid in other comparable Mid Cap companies has been made, whereby the Nomination Committee has found that the now proposed Board fees are on market terms and reasonable in light of the expected work effort and the responsibilities of the Board.

**Auditor:** The number of auditors shall be one without deputies. In accordance with the Audit Committee's proposal, the registered audit firm Ernst & Young AB is proposed for re-election as the company's auditor for a period of one year until the end of the Annual General Meeting 2022. Ernst & Young AB has notified that the authorised public accountant Joakim Falck will continue as principally responsible auditor, if Ernst & Young AB is elected as auditor by the Annual General Meeting. The auditor's fee is proposed to be paid according to approved invoice.

### **3. Report on how the Nomination Committee has performed its tasks**

All members of the Nomination Committee have carefully considered and concluded that there is no conflict of interest or other circumstances making it inappropriate to accept the assignment as member of the Nomination Committee of GARO.

Six meetings have been held by the Nomination Committee. In addition, the Nomination Committee has had contact via telephone and email. The Nomination Committee has received a presentation from the Chairman of the Board concerning the results of the evaluation of the Board of Directors, and has thereto conducted interviews with all members of the Board of Directors, the Board's employee representative and with the CEO of GARO. The Nomination Committee has further taken note of the Audit Committee's recommendation regarding election of auditor.

In light of the fact that a Board member declined re-election, a recruitment process has been carried out which has, inter alia, included interviews with a number of potential candidates for Board assignments.

The Nomination Committee has considered all tasks stated in the Swedish Corporate Governance Code under the responsibility of the Nomination Committee. The Nomination Committee has discussed and considered, inter alia, (i) to what extent the current Board of Directors fulfils the requirements that will be imposed on the Board of Directors as a result of GARO's business and development phase, (ii) the size of the Board of Directors, (iii) the different areas of competence that are and should be represented on the Board of Directors, (iv) the composition of the Board of Directors with respect to experience, gender and background, (v) remuneration to the members of the Board of Directors and (vi) questions relating to election of auditor and the auditor's fee. The Nomination Committee has applied rule 4.1 in the Swedish Corporate Governance Code as diversity policy, entailing that the Board of Directors shall, taking into account the company's business, phase of development and other relevant circumstances, have a suitable composition characterised by diversity and breadth of qualifications, experience and background among the Board members elected by the general meeting, as well as that an equal gender distribution shall be sought.

Finally, the Nomination Committee has, in order for the company to fulfil its information obligation to the shareholders, informed the company on how the Nomination Committee has performed its tasks and on the proposals that the Nomination Committee presents.

#### **4. Motivated statement by the Nomination Committee on the proposed Board of Directors**

The Nomination Committee has assessed the number of Board members and found that Board's current composition of six members is suitable, but came to the conclusion that the Board in the current situation should be extended by one member, considering, *inter alia*, the company's current challenges, operations and geographical market range. Furthermore, the evaluation and the interviews conducted has strengthen the opinion that number of six or seven Board members is an effective and well-functioning number.

The Nomination Committee considers that the members of the Board of Directors of GARO are competent and have extensive experience regarding electrical installations, temporary power, EV charging and charging infrastructure in a broad sense, economics, sustainability matters, capital market matters and financing matters, wholesale stages, customer service and changed customer behaviours, trend analysis, insight in transformation trends at business partners, communication and marketing and regarding Board work in general. The Board members have demonstrated a high level of commitment and the attendance rate at Board meetings has been high. The way in which the presidency has been managed is deemed to ensure an open and constructive dialogue within the Board.

The Chairman of the Board has declined re-election. In light of this, GARO's development and the company's upcoming challenges, the Nomination Committee has found that the Board's combined competence can preferably be strengthened with experience in product development, technology, innovation and digitalisation.

The Nomination Committee is of the opinion that the Board's need for competence is of great importance at the moment and therefore finds it important for GARO to supplement existing competence in the Board with the experience and knowledge of Martin Althén and Johan Paulsson. Martin Althén and Johan Paulsson have extensive operational experience from product development, technology, innovation and digitalisation.

In consideration hereof, the Nomination Committee has proposed new election of Martin Althén and Johan Paulsson and re-election of Rickard Blomqvist, Ulf Hedlundh Susanna Hilleskog, Mari-Katharina Jonsson Kadowaki and Lars-Åke Rydh as Board members and new election of Rickard Blomqvist as Chairman of the Board. Rickard Blomqvist has been a Board member of GARO since 2015 and the Nomination Committee considers that he has good experience and knowledge of Board work and the industry in which GARO operates.

Therefore, the Nomination Committee considers that the current Board members together with the now proposed Board members for new election, constitute a Board which has the diversity and breadth of competence, experience and background required with respect to GARO's business, development phase and other circumstances.

The question of equal gender distribution on the Board should be given specific attention in relation to election of Board members. The proposed Board members comprise two women and five men (equivalent to approximately 29 and 71 per cent, respectively). The Nomination Committee's view is that the current gender distribution preferably could be improved.

In addition, the Nomination Committee has assessed the independence of the Board members. The Nomination Committee believes that its proposal regarding the composition of the Board in GARO fulfils the requirements of independence as stipulated in the Swedish Corporate

Governance Code. In order to be able to evaluate the proposed members of the Board of Directors' independence in relation to GARO and the executive management, as well as to the larger shareholders in GARO, the Nomination Committee has obtained information on the proposed members of the Board of Directors. The Nomination Committee deems that all proposed Board members are to be regarded as independent in relation to GARO and the executive management. Six of the Board members are also to be regarded as independent in relation to major shareholders in GARO.

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March 2021

**The Nomination Committee of GARO Aktiebolag**

**Appendix A****Martin Althén (born 1968)**

<b>Principal education:</b>	M.Sc. in Industrial Economics.
<b>Work experience:</b>	CIO and President Intelligent Services at Securitas AB and has had the role of CIO and Head of Digital R&D at Husqvarna AB.
<b>On-going assignments:</b>	Board member of Securitas Intelligent Services AB.
<b>Holding in GARO:</b>	0 shares.

*The Nomination Committee deems that Martin Althén is to be regarded as independent in relation to GARO and the executive management and to GARO's major shareholders.*

**Johan Paulsson (born 1963)**

<b>Principal education:</b>	M.Sc. in Electrical Engineering
<b>Work experience:</b>	CTO at Axis Communications AB and has been COO and Head of R&D at Ericsson Mobile Platforms AB.
<b>On-going assignments:</b>	Board member of Acconeer AB.
<b>Holding in GARO:</b>	0 shares.

*The Nomination Committee deems that Johan Paulsson is to be regarded as independent in relation to GARO and the executive management and to GARO's major shareholders.*