

# **Proposals by the Nomination Committee in respect of the Annual General Meeting 2020 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 2020 annual general meeting 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.

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 AGM**

The Nomination Committee makes the following proposals in respect of the 2020 AGM:

**Chairman of the AGM:** The Chairman of the Board, Stefan Jonsson, shall be elected chairman of the AGM.

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

For further information about the Board member proposed for new election, Ulf Hedlundh, 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:** The Board and Committee fees are proposed to be unchanged. Directors’ fees, excluding Committee fees, shall be paid by SEK 1,520,000 of which SEK 470,000 to the Chairman of the Board and SEK 210,000 to each of the other Board members elected by the AGM who are not employed by the group. Fees for assignment in the Audit Committee shall be paid by SEK 160,000, of which SEK 80,000 to the Chairman and SEK 40,000 to each of the other members of the Audit Committee.

In light of the current situation in Sweden, with respect the coronavirus and Covid-19, it is proposed that no change of the Board and Committee fees compared to the previous year shall be made.

**Auditor:** The number of auditors shall be one without deputies. In accordance with the Board'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 2021. Ernst & Young AB has notified that the authorised public accountant Joakim Falck will be appointed principally responsible auditor, if Ernst & Young AB is elected as auditor by the AGM. 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 to accept the assignment as member of the Nomination Committee of GARO.

Three 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 Board of Directors' recommendation regarding election of auditor.

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 is of the opinion that the existing Board of Directors of GARO is a well-functioning body and that the Board members individually and as a group possesses a wide range of competence and experience that is relevant for GARO's business.

The Nomination Committee has assessed the number of Board members and found that Board's current composition of six members is suitable 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 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 and EV charging in a broad sense, sustainability matters, capital market matters and financing matters, wholesale stages, customer service and changed customer behaviors, 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. Therefore, the Nomination Committee considers that the current Board members together 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 four men (equivalent to approximately 33 and 67 per cent, respectively).

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 Ulf Hedlundh. Ulf Hedlundh has extensive operational experience from the finance market, among other things as CEO of public listed company Svolder AB (publ) and solid experience from Board assignments in public listed companies. As stated above, it can be noted that the Board member Per Holmstedt has declined re-election.

In consideration hereof, the Nomination Committee has proposed new election of Ulf Hedlundh, re-election of Rickard Blomqvist, Susanna Hilleskog, Stefan Jonsson, Mari-Katharina Jonsson Kadawaki and Lars-Åke Rydh as Board members and re-election of Stefan Jonsson as Chairman of the Board.

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 fulfills 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 its 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 – except for Stefan Jonsson – are to be regarded as independent in relation to GARO and the executive management. Four of the Board members are also to be regarded as independent in relation to major shareholders in GARO.

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March 2020

**The Nomination Committee of GARO Aktiebolag**

**Appendix A****Ulf Hedlundh (born 1960)**

<b>Principal education:</b>	M.Sc. in Business Administration and Economics.
<b>Work experience:</b>	Several leading positions within analysis and management in the Alfred Berg group (1984-1993) and CEO of the public listed investment company Svolder AB (publ) since 1993
<b>On-going assignments:</b>	None.
<b>Holding in GARO:</b>	0 shares.

*The Nomination Committee deems that Ulf Hedlundh is to be regarded as independent in relation to GARO and the executive management, but not in relation to major shareholders in GARO.*