



This is a non-official translation of the Swedish original wording. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.

Press release

April 17, 2020

Notice to the Annual General Meeting in GARO Aktiebolag (publ)

The shareholders of GARO Aktiebolag, Reg. No. 556051-7772, are hereby invited to attend the Annual General Meeting (the "AGM") to be held at 5 p.m. CET on Tuesday, 19 May 2020 at Gnosjöandans Kunskapscenter, at the address Fritidsvägen 4, Gnosjö, Sweden. Registration will commence at 4.30 p.m. CET.

Information about measures due to the new coronavirus

As a precautionary measure to decrease any risk of spreading of the new coronavirus in connection with the meeting, the company has decided that no beverages and food will be offered at the meeting, that the Managing Director's report will not be held as customary and that some restrictions will be made as to the attendance of non-shareholders. In light of the recent government instructions, the company would like to encourage all shareholders to carefully consider whether to attend the meeting in person, but instead use its right to vote via proxy. The company is carefully monitoring the development and will if necessary update the information on which measures that are taken on the company's website, www.garo.se.

A. RIGHT TO PARTICIPATE IN THE ANNUAL GENERAL MEETING

Shareholders who wish to participate in the AGM must:

firstly, be registered in the share register maintained by Euroclear Sweden AB no later than Wednesday, 13 May 2020, and

secondly, notify the company of their intention to attend the AGM under the address GARO AB, "AGM", P.O. Box 203, SE-335 25 Gnosjö, Sweden, by calling +46 (0)370-332 800, by e-mail to arsstamma@garo.se, or at the company's website no later than Wednesday, 13 May 2020.

In connection with notification, shareholders must state their name, address, telephone number (daytime), personal or corporate identity number and information concerning their shareholding. Shareholders or proxies for shareholders at the AGM may take a maximum of two representatives with them to the AGM. Representatives may accompany to the Meeting only if the shareholder gives notice of their attendance in connection with the shareholder's own notification of participation. For shareholders who will be represented by proxy at the AGM, a signed and dated power of attorney should be enclosed with the notification. A form for the power of attorney is available on the company's website, www.garo.se and will be sent by mail on request to shareholders who state their address. For those representing a legal entity, a verified copy of the registration certificate or corresponding document showing the company's signatories must also be submitted.

In order to be entitled to participate in the AGM, shareholders whose shareholding is registered in the name of a trustee must re-register their shares in their own name at Euroclear Sweden AB. Shareholders who require such re-registration should notify their trustee well in advance of Wednesday, 13 May 2020, when such re-registration must have been completed.

B. AGENDA OF THE ANNUAL GENERAL MEETING

Proposal for agenda

1. Opening of the Meeting.
2. Election of Chairman of the Meeting.
3. Preparation and approval of the list of shareholders entitled to vote at the Meeting.
4. Approval of the agenda.
5. Election of persons to approve the minutes of the Meeting.

6. Determination of whether the Meeting has been duly convened.
7. The Managing Director's report.
8. Presentation of
 - a) the annual report and the auditors' report, as well as the consolidated financial report and auditors' report on the consolidated financial report for the financial year 2019, and
 - b) statement from the company's auditor confirming compliance with the remuneration guidelines for the CEO and other senior managers that have applied since the preceding AGM.
9. Resolutions regarding
 - a) adoption of the income statement and the balance sheet, and of the consolidated income statement and the consolidated balance sheet, all as per 31 December 2019,
 - b) appropriation of the Company's profit as set forth in the balance sheet adopted by the Meeting, and
 - c) discharge of the Board of Directors and the Managing Director from personal liability for the financial year 2019.
10. Determination of the number of members of the Board.
11. Determination of the fees to be paid to the Board members and auditor.
12. Election of members of the Board.
13. Election of auditor.
14. Resolution regarding remuneration guidelines for the CEO and other senior executives.
15. Resolution regarding amendment of the Articles of Association.
16. Closing of the Meeting.

Proposals

Proposals by the Nomination Committee (Items 2 and 10-13)

The Nomination Committee appointed in anticipation of the 2020 AGM, comprising Lars Kongstad (Chairman) (Mannheimer Swartling Advokatbyrå) appointed by Lars Svensson, Fredrik Carlsson appointed by Svolder AB, Jan Särilvik appointed by Nordea Funds and Stefan Jonsson (Chairman of the Board) has proposed the following:

Chairman of the Meeting: The Chairman of the Board, Stefan Jonsson, shall be elected Chairman of the 2020 AGM.

Board members: 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.

Board member proposed for new election:

Ulf Hedlundh, born 1960, holds a M.Sc. in Business Administration and Economics from Stockholm School of Economics. Ulf Hedlundh has extensive operational experience from the finance market, among other things from several leading positions within analysis and management in the Alfred Berg group and from his current assignment as CEO of the public listed company Svolder AB (publ). Further, Ulf Hedlundh has solid experience from Board assignments in public listed companies. Ulf Hedlundh holds no shares in GARO.

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.

Auditor and auditor's fee: 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 continue as principally responsible auditor, if Ernst & Young AB is elected as auditor by the AGM. The auditor's fee shall be paid according to approved invoice.

Proposed appropriation of the Company's profit (Item 9 b)

In accordance with the press release on 6 April 2020, the Board proposes that no dividend shall be distributed for the financial year 2019 and that the company's funds available for distribution shall be carried forward.

Remuneration guidelines for the CEO and other senior executives (Item 14)

The Board of Directors of GARO Aktiebolag (publ) proposes that the Annual General Meeting 2020 resolves on the following guidelines for remuneration for senior executives.

Scope of the guidelines, etc.

The persons that during the guidelines duration are part of the Group management and other senior executives that report directly to the CEO and Board Members that is employed by the company, hereinafter referred to as "senior executives", fall within the provisions of these guidelines. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2020. These guidelines do not apply to any remuneration decided or approved by the General Meeting.

If a Board Member conducts work for the company that is not Board work, remuneration shall be paid on market terms taking into account the nature and effort of the work. The remuneration shall be determined by the Board (or the General Meeting if required by law). Board Members employed by the company shall not receive separate remuneration for Board assignments in the company or affiliate companies.

Remuneration under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

In short, the company's business strategy is to, with a focus on innovation, sustainability and design, provide profitable complete solutions for the electrical industry. For more information regarding the company's business strategy, please see <http://corporate.garo.se/en/about-garo/our-mission>. A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the executive management a competitive total remuneration.

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the General Meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration for the CEO may amount to not more than MSEK 2 per year and shall not be pensionable income. The variable cash remuneration to other senior executives shall not exceed 30 per cent of the fixed annual cash salary. The variable cash remuneration shall be linked to clear performance related criteria in easy and transparent designs. The criteria can be financial, non-financial or be individualized, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development. Currently, these criteria include among others sales and earnings based financial criteria.

When the measurement period has ended, an assessment/evaluation to which extent the criteria for awarding variable cash remuneration has been satisfied shall be made. The Board of Directors is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on established financial data for the relevant period.

For the CEO, pension benefits, including health insurance (Sw: *sjukförsäkring*), shall be premium defined. The pension premiums for premium defined pension shall amount to not more than 30 per cent of the pensionable income. For other executives, pension benefits, including health insurance, shall be premium defined unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions. The

pension premiums for premium defined pension shall amount to not more than 30 per cent of the pensionable income.

The non-cash remuneration to the Group management, e.g. car allowance, computer, cell-phone, additional private health insurance or private health service, can be paid to the extent considered to be in accordance with relevant market terms for senior executives at other corresponding positions on the market on which the company operates. Such benefits may amount to not more than 15 per cent of the fixed annual cash salary.

Termination of employment

The notice period may not exceed twelve months if notice of termination of employment is made by the company. Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the CEO's fixed cash salary for two years, and one year for other executives. The period of notice may not to exceed six months without any right to severance pay when termination is made by the executive.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to executives and remuneration to other employees will be disclosed in the remuneration report.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has not established a Remuneration Committee, since the Board of Directors found it more appropriate for the entire Board to fulfil the duties of the Remuneration Committee. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Board of Directors shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the remuneration committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Information on remuneration resolved upon but not yet due for payment

Information on remuneration resolved upon but not yet due for payment is presented in note 8 of the Annual Report 2019.

Resolution regarding amendment of the Articles of Association (Item 15)

The Board of Directors proposes that § 9 subparagraph 2 in the Articles of Association is amended in accordance with below, in order to prevent contradiction between the provision and the expected amended wording of the Swedish Companies Act (2005:551).

Current wording § 9 st. 2	Proposed wording § 9 st. 2
Shareholders wishing to participate in the General Meeting of the shareholders must, firstly, be registered in the transcript of the entire shareholders' register prevailing five weekdays prior to the Meeting and, secondly, notify the company of their intention to attend the Meeting not later than the day stipulated in the notice convening the General Meeting. The latter day must not be a Sunday, any other public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not be more than five weekdays before the Meeting.	<i>Shareholders wishing to participate in the General Meeting of the shareholders must, firstly, be registered in the transcript or other presentation of the entire shareholders' register on the record date for the General Meeting, which is established in accordance with the Swedish Companies Act, and, secondly, notify the company of their intention to attend the Meeting not later than the day stipulated in the notice convening the General Meeting. The latter day must not be a Sunday, any other public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not be more than five weekdays before the Meeting.</i>

Further, the Board of Directors proposes that § 1 and 11 of the Articles of Association shall be amended in

accordance with below, due to certain earlier changes of statutory law. Please note that the proposed amendment of § 1 does not affect the English unofficial translation of the Articles of Association.

Current wording § 1	Proposed wording § 1
§ 1. Company name The name of the company is GARO Aktiebolag. The company is a public company (publ).	§ 1. <i>Company name</i> <i>The name of the company is GARO Aktiebolag. The company is a public company (publ).</i>
Current wording § 11	Proposed wording § 11
§ 11. CSD Company The Company's shares shall be registered in a central securities depository register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479).	§ 11. <i>CSD Company</i> <i>The Company's shares shall be registered in a central securities depository register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).</i>

After the proposed amendment, the company's Articles of Association will have the wording set out in Appendix A.

Authorisation

The Board of Directors proposes that the CEO shall be authorized to make such minor adjustments of the above resolution as may be required in connection with the registration with the Swedish Companies Registration Office.

Majority requirement

In order to be valid, a resolution regarding amendment of the Articles of Association requires approval of at least two thirds of the votes cast and the shares represented at the meeting.

C. NUMBER OF SHARES AND VOTES IN THE COMPANY

The total number of shares and voting rights in the company is 10,000,000.

D. AVAILABLE DOCUMENTATION

The Annual Report and the auditor's statement, including the Board's proposal for remuneration guidelines for the CEO and other senior managers, as well as the auditors' statement regarding whether the guidelines have been complied with and the Board's complete proposal concerning Items 14 and 15 will at the latest be available for the shareholders at the company's office in Gnosjö as from Tuesday, 28 April 2020. Copies of the documents will be sent to those shareholders who request to receive such information and who have provided their address. They will also be available on the company's website www.garo.se and at the AGM.

E. INFORMATION AT THE ANNUAL GENERAL MEETING

At the AGM, the Board and the Managing Director shall, if requested by a shareholder and the Board considers that it can be done without material damage to the company, provide information regarding issues that may (i) affect the assessment of an item on the agenda, (ii) affect the assessment of the company's or a subsidiary's financial situation or (iii) concern the company's relation to another group company.

F. PROCESSING OF PERSONAL DATA

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Gnosjö in April 2020

GARO Aktiebolag (publ)

Board of Directors

GARO develops, manufactures and supplies innovative products and systems for the electrical installations market under its own brand. With a focus on user-friendliness, sustainability and design, GARO takes responsibility for the entire life cycle of its product areas within Electrical distribution products, Project business, Temporary electric installations and E-mobility.

At year-end, the Group had 420 employees with operations in Sweden, Norway, Finland, Ireland, Poland and Great Britain and Northern Ireland. Sales are divided into GARO Sweden and GARO Other markets. The head office is in Gnosjö, Sweden. Production units are located in Gnosjö and Värnamo, Sweden, and in Szczecin, Poland. GARO is listed on Nasdaq Stockholm, Mid Cap.

The business concept is "with a focus on innovation, sustainability and design, GARO provides profitable complete solutions for the electrical industry."