



## Notice to attend the annual general meeting of Railcare Group AB (publ)

The shareholders of Railcare Group AB (publ), reg. no. 556730-7813, are hereby given notice to attend the annual general meeting to be held at 13:00 CEST, Wednesday 6 May 2020 at the company's head office, Näsuddsvägen 10 in Skelleftehamn. Registration for the meeting commences at 12:15 CEST.

### NOTICE OF PARTICIPATION

Shareholders who wish to participate in the proceedings of the general meeting must:

- be entered in the shareholders' register kept by Euroclear Sweden AB, as of Wednesday 29 April 2020; and
- notify the company no later than by Wednesday 29 April 2020, in writing, at Railcare Group AB, Att: General meeting, Box 34, SE-932 21 Skelleftehamn, Sweden. Notice can also be made via telephone +4672-528 00 09 or by e-mail at [ir@railcare.se](mailto:ir@railcare.se). Such notice must contain the shareholder's full name, personal identification number or registration number, the number of shares, address, telephone number and, if applicable, information regarding any attending representative or deputy (maximum two). The notice should, when appropriate, be accompanied by proxies, registration certificates and other authorization documents.

Personal data obtained from the share register kept by Euroclear Sweden AB, notice of attendance at the meeting and information on representatives, proxies and deputies will be used for registration, preparation of the voting list for the meeting and, where appropriate, the minutes of the meeting. Personal data is handled in accordance with the Data Protection Regulation (European Parliament and Council Regulation (EU) 2016/679). For full information regarding the company's handling of personal data, please refer to our privacy policy: <https://www.railcare.se/integritetspolicy/>.

### Nominee registered shares

Shareholders whose shares are nominee-registered, through a bank or other nominee, must, in order to be entitled to attend the general meeting, temporarily register the shares in their own name with Euroclear Sweden AB. Such re-registration must be completed no later than Wednesday 29 April 2020, which means that shareholders who desire such a re-registration must notify the nominee well in advance of that date.

### Proxy etc.

If shareholders are to be represented by a proxy, the proxy must bring a written, by the shareholder signed and dated power of attorney to the general meeting. The power of attorney may not be older than one year, unless a longer period of validity (but no longer than five years) has been stated in the power of attorney. If the power of attorney is issued by a legal person, the proxy must also include the current registration certificate or the corresponding authorization document for the legal person. A copy of the power of attorney and any registration certificate should be submitted to the company at the above address well in advance of the general meeting. The power of attorney in original shall also be presented at the general meeting. A proxy form is kept available on the company's website [www.railcare.se](http://www.railcare.se) and sent by post to shareholders who contact the company and state their postal address.

### PROPOSED AGENDA

1. Opening of the meeting.
2. Election of the chairman at the meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to approve the minutes.

6. Determination of whether the meeting has been duly convened.
7. Address by the managing director.
8. Presentation of the annual accounts and the audit report and the consolidated financial statements and the consolidated audit report.
9. Resolutions regarding:
  - a) adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet.
  - b) allocation of the company's earnings in accordance with the duly adopted balance sheet.
  - c) discharge from liability for the members of the board of directors and the managing director.
10. Determination of the number of board members, deputy board members and of the numbers of auditors and deputy auditors.
11. Resolution of remuneration for the board of directors and the auditor.
12. Election of board members and auditor.
13. Resolution regarding guidelines for remuneration to senior executives.
14. Closing of the meeting.

## **THE ELECTION COMMITTEES PROPOSED RESOLUTIONS WITH RESPECT TO ITEMS 2 AND 10-12 ON THE AGENDA**

The election committee has consisted of Åke Elveros, appointed by Norra Västerbotten Fastighets AB, Per Martin Holmgren, appointed by TREAC AB and Kjell Lindskog, appointed by the Marklund & Dahlqvist Families. The chairman of the election committee has been Åke Elveros.

### **Election of the chairman at the meeting (item 2)**

The election committee proposes Catharina Elmsäter-Svärd as chairman of the meeting.

### **Determination of the number of board members and the number of auditors (item 10)**

The election committee proposes that the annual general meeting resolve that the number of board members shall be six and that there shall be one auditor.

### **Determination of remuneration to the board of directors and auditor (item 11)**

The election committee proposes that the annual general meeting resolve that the remuneration to non-employed board members elected by the general meeting and the remuneration to non-employed members of the different board committees shall be distributed as follows:

- SEK 200 000 to the chairman of the board of directors; and
- SEK 100 000 to each of the other board members.

The above remunerations also include remuneration for work in both the audit and remuneration committees. The election committee proposes that no remuneration shall be paid to the members of the election committee. However, the company reimburse reasonable costs that the members of the election committee may have, such as, for example, costs that may arise during recruitment services, and for external consultants who are deemed necessary by the election committee for the election committee to be able to

fulfill its duty.

The election committee proposes that audit remunerations be paid according to approved invoice in accordance with custom billing standards.

#### **Election of board members and auditor (item 12)**

The election committee proposes that the annual general meeting resolves to re-elect the board members Catharina Elmsäter-Svärd, Ulf Marklund, Anna Weiner Jiffer, Adam Ådin, Anders Westermark and Björn Östlund. It is proposed to re-elect Catharina Elmsäter-Svärd as chairman of the board.

Furthermore, the election committee has proposed that the auditing company Ernst & Young Aktiebolag be re-elected as auditor until the end of the annual general meeting that is to be held the next financial year. The election committee's proposal is in accordance with the audit committee's recommendation.

Further information about the proposed directors is available on [www.railcare.se](http://www.railcare.se)

### **PROPOSALS BY THE BOARD OF DIRECTORS WITH RESPECT TO RESOLUTIONS UNDER ITEMS 9b AND 13 OF THE AGENDA**

#### **Resolution regarding allocation of the company's earnings in accordance with the duly adopted balance sheet (item 9b)**

The board of directors proposes that the company's profits be allocated so that SEK 7,237,250 (0) is distributed to the shareholders and that the remaining part of the company's profits, SEK 22,776,920 (24,394,628), is balanced on a new account. This means that the board of directors proposes to distribute SEK 0.30 (0.0) per share to the shareholders and that Friday, May 8, 2020 shall be the record date for the distribution of dividends. If the Annual General Meeting resolves in accordance with the proposal, the dividend is expected to be distributed through Euroclear Sweden AB's provision on Wednesday, May 13, 2020 to those who are included in the share register on the record day.

#### **Resolution regarding remuneration to senior executives (item 13)**

The board of directors proposes that the annual general meeting resolves on principles for remuneration to and other terms of employment for senior executives as follows. The guidelines apply to remuneration agreed to after the annual general meeting 2020 and to amendments to already agreed remunerations which are made thereafter. The guidelines do not apply to remuneration resolved by the general meeting. Regarding employments which are subject to other legislation than Swedish legislation, appropriate adjustments regarding pension benefits and other benefits may be done in order to comply with mandatory statutes or local customs, whereby these guidelines' comprehensive purpose shall be catered as far as practically possible. The guidelines also apply to board members insofar as they receive remuneration for services rendered to the company in addition to the board assignment. What is stipulated about the company also applies, if applicable, to the group.

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

A successful implementation of the company's business strategy and the safeguarding of the company's long-term interests, including its sustainability, presuppose that the company is able to recruit and retain qualified employees. This requires the company to be able to offer a competitive total compensation, which is made possible through these guidelines. The total remuneration shall be marketable and competitive and be related to responsibility and competence.

#### **Forms of remuneration, etc.**

The remuneration shall be marketable and consist of the following components: fixed salary, variable salary in accordance with separate agreements, pension and other benefits. The general meeting may in addition to that – irrespective of these guidelines – resolve on, for instance share or share price-based remuneration.

#### *Fixed salary*

The fixed salary shall consist of fixed cash salary and shall be reviewed yearly. The fixed salary shall be competitive and reflect the demands of the position held regarding competence, responsibility, complexity and in which way the position promotes the business targets. The fixed salary shall also reflect the performance of the executive and is therefore individual and differentiated.

#### *Variable salary*

In addition to the fixed salary, the managing director and other senior executives may, in accordance with separate agreements, receive variable salary upon fulfilment of the predetermined criteria. Any variable salary can be paid either as a cash salary or as a one-time pension provision. Payments as a one-time pension provision are adjusted so that the total cost for the company becomes neutral. The basic principle is that the variable salary component per year can amount to a maximum of 20 per cent of the fixed annual salary. To avoid unnecessary risk taking, there must be a fundamental balance between fixed and variable salary. The fixed salary shall account for a sufficiently large portion of the senior executive's total remuneration in order for it to be possible to reduce the variable part to zero.

The variable salary shall be linked to one or several predetermined and measurable targets resolved by the board of directors and which may be financial, such as the group's profit growth, profitability and cash flow or non-financial, such as sustainability, customer satisfaction, quality and corporate culture. As the targets are linking the senior executive's remuneration to the company's result and sustainability, they promote the accomplishment of the company's business strategy, long-term value growth and competitiveness. The terms and basis of calculation for variable salary shall be established for each fiscal year. The fulfilment of criteria for payment of variable salary must be measurable during a period of one financial year. Variable salary is settled the year after earning.

When the measurement period for fulfilling the criteria for payment of variable salary has ended, the extent to which the criteria have been met shall be assessed. As far as financial targets are concerned, the assessment shall be based on the latest financial information published by the company.

The criteria for variable remuneration shall be formulated in a way that allows the board of directors to, in case of exceptional financial circumstances, limit or abstain from payment of variable remuneration if such a measure is deemed reasonable.

When designing variable remuneration to the executive management, the board of directors shall consider introducing reservations that (i) conditionally disburses some part of such compensation on that the performance on which the vesting is based proves to be sustainable over time and (ii) gives the company the opportunity to recover such remuneration paid on the basis of data which subsequently proved to be obviously incorrect.

Additional variable cash compensation may be paid in exceptional circumstances, provided that such extraordinary arrangements are time-limited and made only at the individual level either with the purpose of recruiting or retaining executives, or as compensation for extraordinary work in addition to the person's regular job assignment. Such compensation may not exceed an amount corresponding to 30 per cent of the fixed annual salary and shall not be paid more than once a year and per individual. A decision on such remuneration shall be made by the board of directors on a proposal from the Remunerations Committee.

#### *Pension*

For the managing director and other senior executives, pension benefits, including health insurance, shall be defined contribution unless the executive is covered by defined benefit pension under mandatory collective agreement provisions. As a general rule, variable salary should be pension qualifying. Premiums for defined contribution pensions are not to exceed 35 per cent of the pension qualifying salary (which includes pension qualifying variable salary). Wage waivers can be utilized for increased occupational pension provisions through one-time paid pension premiums, provided that the total cost for the company becomes neutral. The pension qualifying salary corresponds to the fixed monthly salary multiplied by a factor of 12.2 and any variable salary.

#### *Other benefits*

Other benefits, which may include company car, travel benefits, extra health and medical insurance and occupational health service, shall be marketable and constitute a limited share of the total remuneration. Premiums and other costs associated with such benefits may amount to a maximum of 15 per cent of the fixed annual salary.



### **Termination of employment**

A mutual notice period of 12 months applies between the company and the managing director. In the event of the company's termination of the managing director's employment agreement, severance pay may be payable with an amount corresponding to a maximum of 12 months' fixed salary. The severance pay is not deducted against other income. No severance pay is payable in case of the managing director's own termination. A mutual notice period of six months applies between the company and other senior executives.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed salary at the time of termination of employment and amount to not more than 60 per cent of the fixed salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and be paid during the time the non-compete undertaking applies, which shall be not more than 12 month following termination of employment.

### **Fees to board members**

Railcare's board members elected by the general meeting may, in specific cases and for limited time, be remunerated for services beyond board work within their respective areas of competence. A fee on market terms for these services (including services rendered by a company wholly owned by a board member) shall be paid, provided that such services contribute to the implementation of Railcare's business strategy and safeguarding of the long-term interests, including its sustainability. Such consultant's fee may, for each board member, in no case exceed the annual directors fee.

### **Salary and employment conditions for employees**

In the preparation of the board of directors' proposal of these remuneration guidelines, the salary and employment conditions of the company's employees have been taken into account by the inclusion of information on the employees' total income, the components of the remuneration and the remunerations increase and growth rate over time, in the remuneration committee's and the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

### **Preparation and decision-making process**

The board of directors has resolved to establish a remuneration committee. The committee's duties include preparing principles for remuneration to senior executives and the board of director's decision to propose guidelines for remuneration to senior executives. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit the proposal to the annual general meeting for resolution. The guidelines shall be in force until new guidelines have been adopted by the general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration to senior executives, the application of the guidelines for remuneration to senior executives as well as the current remuneration structures and compensation levels in the company. Remuneration to the managing director shall be decided by the board of directors in line with approved policies following preparation and recommendation by the remuneration committee. Remuneration to other senior executives shall be decided by the managing director in line with approved policies and after consultation with the remuneration committee. The managing director and other senior executives do not participate in the board of director's preparation and decisions on remuneration-related matters that pertain to them.

### **Share-related incentive programs decided by the general meeting**

The board of directors shall annually evaluate the need for share-related incentive programs and, if necessary, present resolution proposals to the annual general meeting. Resolutions on any share and share price related incentive programs directed at senior executives shall be made by the general meeting and contribute to long-term value growth. Senior executives must be offered a corresponding incentive as would be the case under a share or share price-related incentive program, if such a program would prove practically unrealizable in the taxable domicile of any senior executive, or as a result of participation not being able to be effected at reasonable administrative costs or financial efforts. The cost and the investment for the company and the incentive and the financial outcome for such senior executive shall, in such circumstances, in all material respects correspond to the share or share price related incentive program.



### **Derogation from these guidelines**

The board of directors may decide to derogate from these guidelines, in whole or in part, if in a specific case there is special cause and such a derogation is necessary to safeguard the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As stated above, the remuneration committee's duties include preparing the board of directors' decisions on remuneration matters, including decisions to derogate from these guidelines.

### **Information regarding outstanding remunerations**

On 10 June 2019, new rules were implemented in the Swedish Companies Act, inter alia regarding the wording of the guidelines for remuneration. According to the transitional provisions, the proposal for guidelines for remuneration shall contain information regarding outstanding remuneration. There are no outstanding remunerations to senior executives save for the obligation to continuously pay remuneration such as fixed salary, pension and other benefits. For further information regarding remuneration to senior executives, see note K8 in the annual report.

### **NUMBER OF SHARES AND VOTES**

The number of outstanding shares and votes in the company amounts to 24,124,167 at the time of this notice. The company has no own shares.

### **SHAREHOLDERS REQUEST FOR INFORMATION**

Pursuant to Chapter 7, section 32 and 57 of the Swedish Companies Act (Sw. *aktiebolagslagen*), the board of directors and the managing director are under a duty to, if any shareholder so requests and the board of directors deems that it can be made without material damage to the company, provide information at the meeting, regarding circumstances which may affect the assessment of a matter on the agenda or of the company's economic situation. Such duty to provide information also comprises the company's relation to other group companies, the consolidated accounts and such circumstances regarding subsidiaries which are set out in the foregoing sentence.

### **DOCUMENTATION**

Financial accounts and auditors' report as well as the board of director's complete proposal for resolutions under items 9b and 13 of the agenda will be available at the company no later than Wednesday, 15 April 2020 and will be sent to shareholders who so request and state their postal address. These documents will also be available on Näsuddsvägen 10 in Skelleftehamn and the company's website from the same date. The election committee's proposals and reasoned opinions and information on all proposed board members are held available on the company's website from the day of issue of the notice.

Skelleftehamn in March 2020  
**Railcare Group AB (publ)**  
THE BOARD