

Unofficial translation of minutes from  
the Annual General Meeting of Nelly  
Group AB (publ), reg. no. 556035-6940,  
Monday 13 May 2024 at Drottninggatan  
50 in Stockholm

Time: 14:00 – 14:20

**Present:** Shareholders and proxy holders, Appendix 1, stating the number of shares and votes.  
Noted as present were also the Chair of the Board Ebba Ljungerud, the Board members Daniel Hörnqvist, Stefan Palm and Axel Westphalen, the Chief Executive Officer Helena Karlinder-Östlundh, the Chief Financial Officer Niklas Lingblom, the Chair of the Nomination Committee Hugo Näslund as well as the Company's Auditor-in-Charge Mathias Arvidsson.

## § 1

### Opening of the Annual General Meeting (agenda item 1)

Ebba Ljungerud declared the Annual General Meeting open and welcomed the shareholders.

## § 2

### Election of Chair of the Annual General Meeting (agenda item 2)

The Meeting elected, in accordance with the Nomination Committee's proposal, Matilda Larsson as Chair of the Meeting.

The Chair informed that Niklas Lingblom had been appointed to keep the minutes of the Meeting.

It was noted that the Board had decided that the shareholders would be able to exercise their voting rights at the Meeting also by postal voting in advance in accordance with the provisions of the Articles of Association.

The Meeting resolved that invited guests were entitled to attend the Meeting, but without the rights to address the Meeting or participate in the Meeting's resolutions.

## § 3

### Preparation and approval of the voting list (agenda item 3)

The Meeting approved the procedure for preparing the voting list and that the list in Appendix 1 of shareholders who had given notice of participation and were present at the Meeting, including shareholders who had casted postal votes in advance, should be the voting list at the Meeting.

## § 4

### Approval of the agenda (agenda item 4)

The Meeting approved the proposed agenda, Appendix 2, which had been included in the notice of the Meeting.

It was noted that the complete proposals of the Board and the Nomination Committee had been included in the notice of the Meeting.

The Annual Report, the Auditor's Report, and the consolidated financial statements and the Auditor's Report on the consolidated financial statements for the financial year 2023, the Board's Remuneration Report and other documents for the Annual General Meeting, which had been held available to the shareholders in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, were presented.

## **§ 5**

Election of one or two persons to verify the minutes (agenda item 5)

The Meeting elected Sandra Backlund, representing Rite Ventures, to verify the minutes of the Meeting jointly with the Chair.

## **§ 6**

Determination of whether the Annual General Meeting has been duly convened (agenda item 6)

The Chair found that notice had been made in accordance with the provisions of the Swedish Companies Act and the Articles of Association.

The Meeting resolved to approve the notice procedure and declared the Meeting duly convened.

## **§ 7**

Presentation by the CEO (agenda item 7)

Helena Karlinder-Östlundh gave a presentation of the company's operations in 2023 and the first quarter of 2024.

## **§ 8**

Presentation of the Annual Report, the Auditors' Report and the consolidated financial statements and the Auditors' Report on the consolidated financial statements (agenda item 8)

The Chair found that the Annual Report, the Auditor's Report and the consolidated financial statements and the Auditors' Report on the consolidated financial statements for the financial year 2023 had been presented.

The Company's Auditor-in-Charge, Mathias Arvidsson, KPMG AB, presented the audit work and commented on the Auditor's Report for the Parent Company and the Group for 2023.

## **§ 9**

Resolution on the adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet (agenda item 9)

The Meeting resolved to adopt the income statement for 2023 and the balance sheet as per 31 December 2023 for the Parent Company and the Group.

## **§ 10**

Resolution on the proposed treatment of the company's result as stated in the adopted balance sheet (agenda item 10)

The Meeting resolved, in accordance with the Board's proposal, that the Company's result should be distributed so that the retained earnings, share premium reserve and result for the year are carried forward.

## **§ 11**

Resolution on the discharge of liability of the members of the Board and the Chief Executive Officer (agenda item 11)

The Meeting discharged the members of the Board and the Chief Executive Officers from liability for the management of the company and its affairs during 2023.

It was noted that all shareholders participating in the resolution supported the resolution except for those shareholders that in advance had given notice or by postal voting had casted no or abstain votes. It was further noted that the members of the Board and the Chief Executive Officer did not take part in the resolution as regards themselves.

## **§ 12**

Presentation and resolution on approval of the Remuneration Report (agenda item 12)

The Chair found that the Board's Remuneration Report for 2023 had been presented.

The Meeting resolved to approve the Board's Remuneration Report, Appendix 3.

## **§ 13**

Determination of the number of members of the Board (agenda item 13)

Hugo Näslund presented the Nomination Committee's proposals.

The Meeting resolved in accordance with the Nomination Committee's proposal, that the Board, for the period until the end of the next Annual General Meeting, shall consist of six (6) members.

## **§ 14**

Determination of the remuneration to the members of the Board and the Auditor (agenda item 14)

The Meeting resolved, in accordance with the Nomination Committee's proposal, that remuneration for ordinary Board work and work within the Board's committees shall be paid in accordance with the following:

- SEK 650,000 to the Chair of the Board;
- SEK 250,000 to each of the other five members of the Board;
- SEK 75,000 to the Chair and SEK 30,000 to each of the other two members of the Audit Committee;
- SEK 50,000 to the Chair and SEK 20,000 to the other member of the Remuneration Committee.

The Meeting resolved, in accordance with the Nomination Committee's proposal, that the Auditor shall be paid in accordance with approved invoices.

## **§ 15**

Election of Board members (agenda item 15)

The Chair provided information to the Meeting on the assignments held by the proposed Board members in other companies.

The Meeting resolved, in accordance with the Nomination Committee's proposal, to re-elect Daniel Hörnqvist, Ebba Ljungerud, Stefan Palm, Josephine Salenstedt, Lennart Sparud and Axel Westphalen as Board members.

## **§ 16**

### Election of Chair of the Board (agenda item 16)

The Meeting resolved, in accordance with the Nomination Committee's proposal, to re-elect Ebba Ljungerud as Chair of the Board.

## **§ 17**

### Determination of the number of Auditors and election of Auditor (agenda item 17)

The Meeting resolved, in accordance with the Nomination Committee's proposal and in accordance with the Audit Committee's recommendation, that the Company shall have one registered accounting firm as Auditor, and to re-elect KPMG AB as Auditor for the period until the end of the next Annual General Meeting.

It was noted that Mathias Arvidsson will continue as Auditor-in-Charge.

## **§ 18**

### Resolution on instruction for the Nomination Committee (agenda item 18)

The Meeting resolved in accordance with the Nomination Committee's proposal, Appendix 4, to adopt an instruction for the Nomination Committee.

## **§ 19**

### Resolution on guidelines for remuneration to senior executives (agenda item 19)

The Meeting resolved in accordance with the Board's proposal, Appendix 5, to approve guidelines for remuneration to senior executives.

## **§ 20**

### Resolution on authorisation for the Board to resolve on new issues of ordinary shares, warrants and/or convertible bonds (agenda item 20)

The Meeting resolved in accordance with the Board's proposal, Appendix 6, on authorisation for the Board to resolve on new issues of ordinary shares, warrants and/or convertible bonds.

It was noted that all shareholders participating in the resolution supported the resolution except for those shareholders that in advance had given notice or by postal voting had casted no or abstain votes

**§ 21**

Closing of the Annual General Meeting (agenda item 21)

The Chair declared the Annual General Meeting closed.

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At the minutes:

Niklas Lingblom

Minutes checkers:

Matilda Larsson

Sandra Backlund

## APPENDIX 2

## **Agenda for the Annual General Meeting of Nelly Group AB (publ)**

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1. Opening of the Annual General Meeting.
2. Election of Chair of the Annual General Meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to check and verify the minutes.
6. Determination of whether the Annual General Meeting has been duly convened.
7. Presentation by the CEO.
8. Presentation of the Annual Report, the Auditor's Report and the consolidated financial statements and the Auditor's Report on the consolidated financial statements.
9. Resolution on the adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet.
10. Resolution on disposition of the company's result as stated in the adopted balance sheet.
11. Resolution on the discharge of liability of the members of the Board and the CEO.
12. Presentation and resolution on approval of the Remuneration Report.
13. Determination of the number of members of the Board.
14. Determination of the remuneration to the members of the Board and the Auditor.
15. Election of Board members:
  - (a) Daniel Hörnqvist (re-election, proposed by the Nomination Committee).
  - (b) Ebba Ljungerud (re-election, proposed by the Nomination Committee).
  - (c) Stefan Palm (re-election, proposed by the Nomination Committee).
  - (d) Josephine Salenstedt (re-election, proposed by the Nomination Committee).
  - (e) Lennart Sparud (re-election, proposed by the Nomination Committee).
  - (f) Axel Westphalen (re-election, proposed by the Nomination Committee).
16. Election of Chair of the Board.
17. Determination of the number of Auditors and election of Auditor.
18. Resolution on instruction for the Nomination Committee.
19. Resolution on guidelines for remuneration to senior executives.
20. Resolution on authorisation for the Board to resolve on new issues of ordinary shares, warrants and/or convertible bonds.
21. Closing of the Annual General Meeting.

## APPENDIX 3



## **The Board's Remuneration Report for 2023**

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### **Introduction**

This remuneration report describes how the guidelines for remuneration to senior executives of Nelly Group AB (publ) ("Nelly" or the "company"), adopted by the Extraordinary General Meeting in December 2020, were applied in 2023. The report also provides information on remuneration to the CEO and Board members (in addition to ordinary board remuneration) and a general description of outstanding and during the year ended share-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Stock Market Self-Regulation Committee's rules on remuneration of executive management and on incentive programmes.

The information required by Chapter 5, Section 40-44 of the Swedish Annual Accounts Act is provided in note 21 on the pages 101-107 in the 2023 Annual Report. Information regarding the work of the Remuneration Committee during 2023 is set out in the Corporate Governance Report on page 56 in the 2023 Annual Report.

Ordinary Board remuneration is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in note 21 on pages 101 -107 in the 2023 Annual Report.

### **Key developments 2023**

The CEO summarizes the company's overall performance in her statement on pages 5-6 in the 2023 Annual Report.

### **The company's remuneration guidelines: scope, purpose and deviations**

A prerequisite for the successful implementation of Nelly's business strategy and safeguarding of its long-term interests, including its sustainability, is that Nelly is able to attract, motivate and retain senior executives. To this end, it is necessary that the company can offer competitive remuneration. The remuneration guidelines enable the company to offer a competitive total remuneration to senior executives. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, the possibility of participating in long-term share and share price related incentive plans resolved by the General Meeting and cash-based incentive plans, pension benefits and other customary benefits. The variable cash remuneration shall be linked to financial or non-financial criteria, which may be quantitative, qualitative, general and individualized objectives. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including its sustainability.

The applicable remuneration guidelines adopted at the Extraordinary General Meeting in December 2020 can be found on pages 101-102 in the 2023 Annual Report and on the company's website [www.nellygroup.com](http://www.nellygroup.com). During 2023, the company has complied with the applicable remuneration guidelines adopted by the General Meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. No remuneration has been reclaimed. The Auditor's report regarding the company's compliance with the guidelines is available on the company's website [www.nellygroup.com](http://www.nellygroup.com).

Based on the conclusions from the monitoring and evaluation of the variable remuneration programs, the application of the remuneration guidelines and the overall evaluation of the current remuneration structures and remuneration levels in Nelly, the Board has concluded that the current remuneration guidelines are appropriate, reflect what is customary and promote Nelly's business strategy, long-term interests and sustainability and the proposed guidelines to the 2024 Annual General Meeting is therefore in all material respects in line with the current guidelines.

### **Remuneration to a Board member outside of the board assignment**

In 2023, Nelly paid Ebba Ljungerud TSEK 500 in consultancy fees.

### Total remuneration to the CEO in 2023 (TSEK) <sup>1)</sup>

	1 Fixed remuneration		2 Variable remuneration		3	4	5	6
	Base salary	Other benefits	One-year	Multi-year	Extraordinary items	Pension expense	Total remuneration	Portion of fixed and variable remuneration
Helena Karlinder-Östlundh	2,164	22	380	-	190	472	3,228	82 % / 18 %
Ludvig Anderberg	1,086	13	-	-	-	205	1,304	100 % / 0 %

1) The table shows remuneration due in 2023 that is included in the income statement for 2023.

### Outstanding and during the year ended share-related incentive plans

#### PSP 2022

Nelly's long-term four-year performance share plan ("PSP 2022") was adopted by the 2022 Annual General Meeting. At the end of 2023, there was one (1) remaining participant in PSP 2022. Under PSP 2022, the participants have through a personal investment acquired ordinary shares in Nelly ("Savings Shares"). For each Savings Share, Nelly has, free of charge, allotted share rights entitling the participant to receive ordinary shares in Nelly free of charge ("Performance Shares") provided that, and to the extent, the performance-based condition for the period 1 April 2022 – 31 March 2026 is being fulfilled. The right to finally receive Performance Shares is also conditional upon the participant having retained the Saving Shares and, subject to certain exemptions, continued his or her employment with Nelly throughout the vesting period ending after the disclosure of Nelly's interim report for the period January-March 2026. If the participant's employment is terminated during the period 1 April 2025 – 31 March 2026, the participant shall however be entitled to one quarter of the Performance Shares provided that, and to the extent, the performance-based condition is fulfilled at the time of termination of employment. The performance-based condition is based on the total shareholder return on the ordinary share (including any dividends reinvested) during March 2022 to be compared to March 2026.

Nelly's CEO Helena Karlinder-Östlundh does not participate in PSP 2022.

#### Additional information

Additional information on outstanding and during the year ended share-related incentive plans may be found on the pages 102-103 in the 2023 Annual Report.

### Application of performance criteria for variable remuneration

The performance criteria for the CEO's variable cash remuneration for 2023 were set during the first quarter of 2023. In the selection of performance criteria, Nelly's strategic objectives and short-term and long-term business priorities for 2023 have been taken into account.

#### Performance of the CEO during 2023: variable cash remuneration

	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) outcome b) actual remuneration outcome
Helena Karlinder-Östlundh	EBIT	100%	a) 50% b) TSEK 0

### Comparative information on the changes of remuneration and the company's performance

	Financial year			
	2020 vs. 2021	2021 vs. 2022	2022 vs. 2023	2023
Total remuneration to the CEO (MSEK)*	-7.0	+2.0	-0.9	4.6

The Group's operating profits (MSEK)	+7.3	-17.5	+67.0	10.9
The Group's profit after tax for continuing and discontinued operations (MSEK)**	-559.9	-23.9	+70.2	-1.5
Average remuneration on a full-time equivalent basis of employees of the Group*** (TSEK)	+77	-18	+20	503

\* During 2020 Nelly (previously Qliro Group AB (publ)) had three CEOs: Marcus Lindqvist (1 January – 31 May 2020), Mathias Pedersen (1 June – 5 November 2020) and Kristina Lukes (from 6 November 2020). The total remuneration for 2020 refers to the total remuneration to the three CEOs. Nelly had three CEOs during 2022: Kristina Lukes (1 January – 13 June 2022), Helena Karlinder-Östlundh (13 June – 21 August 2022) and Ludvig Anderberg (from 22 August 2022). The total remuneration for 2022 refers to the total remuneration to the three CEOs. Further, Nelly had two CEOs in 2023: Ludvig Anderberg (1 January – 15 January 2023) and Helena Karlinder-Östlundh (from 16 January 2023). The total remuneration for 2023 refers to the aggregate total remuneration of the two CEOs.

\*\* The consolidated income statement may be found on page 64 in the 2023 Annual Report.

\*\*\* The average remuneration has been calculated by dividing the remuneration for all employees in the Group (excluding the CEO and other senior executives) with the average number of employees during 2023.

## APPENDIX 4

### **Resolution on instruction for the Nomination Committee (item 18)**

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The Nomination Committee proposes that the Annual General Meeting resolves on the following instruction for the Nomination Committee. The instruction shall apply until the General Meeting resolves otherwise.

The Nomination Committee shall consist of one representative of each of the three largest shareholders in Nelly Group AB (publ) (the "Company") in terms of votes, based on the share register maintained by Euroclear Sweden AB as of the last trading day in September each year.

As soon as possible after the last trading day in September each year, the Chair of the Board shall contact shareholders as set out above. If any of the three largest shareholders choose to waive their right to appoint a member of the Nomination Committee, the right shall be transferred to the shareholder who, after these shareholders, has the largest shareholding in the Company in terms of votes. However, no more than five additional shareholders must be contacted, unless the Chair of the Board considers that there are special reasons for doing so.

The members of the Nomination Committee shall appoint a Chair at their first (constituent) meeting. The Chair of the Board shall be invited to the Nomination Committee's meetings when deemed appropriate by the Committee.

The composition of the Nomination Committee, stating which shareholder has appointed each member, shall be announced on the Company's website no later than six months before the Annual General Meeting. The term of office for the Nomination Committee shall be for the period until a new Committee has been appointed.

If a member resigns during the Committee term, the Nomination Committee may choose to appoint a new member. Provided that the shareholder who appointed the resigning member is still one of the largest shareholders of the Company, the shareholder shall be asked to appoint a new member. If this shareholder refrains from appointing a member, the Nomination Committee may ask the next largest shareholder who has not previously appointed a member of the Committee. Changes in the composition of the Nomination Committee shall be made public as soon as they occur.

If the ownership structure of the Company changes, the Nomination Committee may choose to amend its composition to ensure that the Committee appropriately reflects the ownership of the Company. However, unless there are special circumstances, the composition of the Committee may remain unchanged following changes in the ownership structure that are either minor or occur less than three months prior to the Annual General Meeting.

All information received by the members of the Nomination Committee in the course of their assignment or otherwise received by the Company shall be treated as strictly confidential and may not be disclosed to third parties before the information is made public. The Nomination Committee's proposals shall be communicated to the Company in reasonable time to ensure compliance with the Swedish Corporate Governance Code. No remuneration shall be paid to the members of the Nomination Committee. The Committee shall have the right to receive resources from the Company upon request, such as a secretary function in the Nomination Committee and the right to charge the Company with costs for recruitment consultants and travels related to the assignment, if deemed necessary.

The Nomination Committee shall perform the duties of the Nomination Committee in accordance with the Swedish Corporate Governance Code.

## APPENDIX 5

## **Resolution on guidelines for remuneration to senior executives (item 19)**

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The Board proposes the following guidelines for remuneration of the CEO and other members of the management team (the "Senior Executives") of Nelly and of Board members, where they receive remuneration for tasks other than Board duties.

The guidelines shall be applied to remuneration that is agreed, and changes made to remuneration already agreed, after the guidelines have been adopted by the 2024 Annual General Meeting. The guidelines do not include remuneration adopted by the General Meeting such as ordinary Board fees and long-term share/share price related incentive plans.

### How the guidelines promote Nelly's business strategy, long-term interests and sustainability

Nelly operates nelly.com, which is one of the Nordic region's strongest fashion brands for young women, and nlyman.com. Nelly's business model is based on a core of its own brands and a supplementary range of curated brands from an international portfolio. Nelly will continue to strengthen its own brands and remain at the forefront of digital marketing and sales. The company will continue to inspire its target group with selected trends and fashion.

For Nelly to be able to realise its business strategy and safeguard the company's long-term interests, including their sustainability, it is essential that it can attract, motivate and retain senior executives in competition with comparable Nordic companies, primarily Nordic companies operating in e-commerce and retail with consumer brands. These guidelines must, therefore, allow the Senior Executives to be offered a competitive package of remuneration. At the same time, Nelly's remuneration system must be compatible with and promote sound, effective risk management and discourage excessive risk-taking.

Remuneration of the Senior Executives in Nelly must, in both the short and long terms, reflect the individual's performance and responsibilities, and the earnings of Nelly and its subsidiaries and must also align the incentives of the Senior Executives with the interests of the shareholders. Consequently, the Senior Executives must be remunerated according to the principle of reward for performance.

The Board considers that the option of variable remuneration and participation in any long-term incentive plans, plus carefully balanced fixed remuneration, create the conditions for Nelly to be a competitive employer, while the design of and conditions for the variable remuneration promote responsible, sound risk management and the company's profitability and growth strategy, long-term interests and sustainability.

### Types of remuneration

Remuneration must be market-based and may consist of the following components: fixed cash salary, variable cash remuneration, the option to participate in long-term (i) share/share price-related incentive plans adopted by the General Meeting and/or (ii) cash-based incentive plans, pension benefits and other customary benefits.

#### *Fixed cash salary*

The Senior Executives' fixed cash salaries are revised each year. They must be competitive and based on the individual's skills, responsibilities and performance.

#### *Variable cash remuneration*

The Senior Executives' variable cash remuneration must be based on performance in meeting established targets for profitability, growth and value creation for their areas of responsibility and for Nelly. The outcome must be linked to measurable targets (qualitative, quantitative, general and individual) that are measured during one year. The targets within the Senior Executives' respective areas of responsibility are intended to promote Nelly's performance in both the short and long terms and thus promote Nelly's business strategy and long-term interests, including the company's sustainability. The variable cash remuneration may not exceed 100 percent of the Senior Executive's fixed annual salary.

Additional cash variable remuneration may be paid in extraordinary circumstances, provided that such extraordinary arrangements are only made at individual level either to recruit or retain an executive or as remuneration for extraordinary performance above and beyond the person's ordinary duties. Such remuneration may not exceed an amount equivalent to 100 percent of fixed annual cash salary. Any decision on such remuneration must be made by the Board following a proposal by the Remuneration Committee.

The Board must also consider deciding that part of Senior Executives' variable cash remuneration must be invested in shares or share price-related instruments in Nelly.

### *Long-term share-related and cash-based incentive plans*

The Senior Executives may be offered incentive plans which must, in general, be share/share price-related and are, therefore, not subject to these guidelines but may also be cash-based. Long-term share/share price-based incentive plans must be designed to ensure the participants' long-term commitment to value growth in Nelly and align the interests of the Senior Executives with those of the shareholders.

### *Establishment of criteria for cash variable remuneration and long-term cash-based incentive plans, and the right to demand repayment of such remuneration in certain cases*

When the measurement period for meeting criteria for payment of variable cash remuneration and long-term cash-based incentive plans has ended, it is necessary to decide/establish the extent to which the criteria have been met. The Remuneration Committee is responsible for such assessment. Where financial criteria are concerned, the assessment must be based on the financial information most recently published by Nelly. The Remuneration Committee must, in its assessment, ensure that the remuneration is linked to Nelly's earnings. When determining the remuneration, the Remuneration Committee must also take relevant circumstances into account in relation to the environment, social conditions, corporate governance and anti-corruption (ESG criteria).

To ensure that performances on which the remuneration has been based are sustainable over time, Nelly is entitled, with the restrictions that may be stipulated by law or contract, to demand repayment of all or part of remuneration other than fixed cash salary, pension and other customary benefits that has been paid incorrectly as a result of information that turns out to be obviously incorrect (claw-back).

### *Pensions and other customary benefits*

Pension commitments are defined contribution and secured through premiums paid to insurance companies. The amount of pension premiums is specified by Nelly's pension plan and must generally correspond to the provision levels applicable under the ITP 1 plan with the resulting restrictions in relation to fixed annual salary. No provisions are made for salary components in excess of 60 income base amounts calculated on an annual basis. Variable cash remuneration must generally not be pensionable. The retirement age is normally 65.

Other benefits should be customary and contribute to facilitating the executives' ability to perform their duties, for example, company car, occupational health services and medical expense insurance. The total of such benefits may not exceed 30 percent of the fixed annual cash salary.

### Notice of termination and severance pay

Upon termination of employment, the notice period may not exceed twelve months. The total of fixed cash salary during the notice period and severance pay may not exceed an amount equivalent to the fixed cash salary for eighteen months for the CEO and twelve months for other Senior Executives. Upon termination by the employee, the notice period may not exceed six months and the employee is not entitled to severance pay.

### Salary and terms of employment for employees

The salary and terms of employment of Nelly's employees were taken into consideration in the preparation of the Board's proposal for these remuneration guidelines. The guidelines do not deviate from the remuneration systems that are generally applied in Nelly to other employees. The remuneration, types of remuneration and development of salary of the Senior Executives are deemed to be in line with salaries and terms of employment of other employees in Nelly in other respects as well. The development of remuneration of the Senior Executives and remuneration of other employees is reported in the Board's annual Remuneration Report.

### Remuneration to Board members

Board members in the parent company, who are appointed at the General Meeting, may, in special cases, receive remuneration for services performed within their respective specialist areas that fall outside their ordinary Board duties for the parent company. Remuneration for such services must be market-based and approved by the Board.

### The decision-making process

The Board has established a Remuneration Committee. The duties of the Committee include preparing the



Board's decisions on proposals for guidelines for remuneration of senior executives. At least every four years, the Board must submit a proposal for guidelines for remuneration of senior executives to the General Meeting for resolution. The guidelines must apply until new guidelines have been adopted by the General Meeting.

The Remuneration Committee shall also monitor and assess plans for variable remuneration of the company management, the application of these guidelines for remuneration of senior executives and the remuneration structures and levels of remuneration in the company.

The members of the Remuneration Committee are independent of the company and the executive management. Senior Executives do not take part in the Board's discussions and decisions on issues related to remuneration where the issues affect them personally.

#### Deviations from the guidelines

Where the Board finds that there are particular reasons in a particular case and to safeguard the company's long-term interests, including its sustainability, or to safeguard the company's financial position, the Board is entitled to deviate from the guidelines. If the Board deviates from the guidelines, it must report the reasons for this at the following Annual General Meeting.

#### Description of significant changes and how the shareholders' views have been taken into account

There have been no significant changes to the remuneration guidelines in relation to the guidelines adopted by the extraordinary general meeting on 16 December 2020. No material views on the remuneration guidelines have been presented by shareholders.

## APPENDIX 6

**Resolution on authorisation for the Board to resolve on new issues of ordinary shares, warrants and/or convertible bonds (item 20)**

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The Board proposes that the Annual General Meeting authorises the Board to, on one or more occasions during the period until the next Annual General Meeting, resolve to issue new ordinary shares, warrants and/or convertible bonds. The increase in share capital, which entails issuance, conversion or subscription for new ordinary shares, may correspond to a dilution of no more than 25 percent of the share capital in Nelly at the time of the Annual General Meeting. New issues of ordinary shares, warrants and/or convertible bonds may be effected with or without deviation from the shareholders' preferential rights. Payment may be made in cash, in kind or through set-off. New issues with deviation from the shareholders' preferential rights shall be made on market terms.

The purpose of the authorisation and the reason for any deviation from the shareholders' preferential rights is to increase the company's financial flexibility by allowing the company to raise new capital to finance its operations as well as to finance acquisitions of companies, businesses or parts thereof.