

# Qliro Group

## DOCUMENTATION TO THE ANNUAL GENERAL MEETING ON TUESDAY 12 MAY 2020

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## **1. The Nomination Committee's motivated opinion regarding its proposal for election of the Board**

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### **Qliro Group Nomination Committee**

In accordance with the procedure of the Nomination Committee (adopted at Qliro Group's AGM 2018), a representative for the largest shareholder Kinnevik convened a nomination committee to prepare proposals for Qliro Group's Annual General Meeting 2020.

The Nomination Committee consists of Samuel Sjöström (Committee chairman), appointed by Kinnevik, Christoffer Häggblom, appointed by Rite Ventures, and Thomas Krishan, who represents his own holdings.

### **The Nomination Committee's proposal for election of the Board**

The Nomination Committee proposes the following:

- The Board shall consist of five members.
- The re-election of all current Board members, with the exception of Erika Söderberg Johnson who has decided not to seek re-election.
- The re-election of Christoffer Häggblom as Chairman of the Board.

The Nomination Committee's proposal is thus that the following persons are elected to the Board of Qliro Group for a term of office until the end of the next Annual General Meeting:

- Christoffer Häggblom, Chairman of the Board
- Andreas Bernström
- Lennart Jacobsen
- Daniel Mytnik
- Jessica Pedroni Thorell

### **The Nomination Committee's work**

The Nomination Committee has held a number of meetings, as well as additional contacts between the meetings. The Nomination Committee's work has primarily focused on succession planning and the Board's work in overseeing the group's strategic direction to split into three separate companies. The plan is to list the subsidiary Qliro AB on Nasdaq Stockholm. In addition, the process of listing CDON on First North Growth Market and distributing the shares to Qliro Group's shareholders has begun. This leaves Nelly as the remaining business.

In its assessment of the degree to which the current Board meets the requirements placed on it, the Nomination Committee has reviewed the balance and diversity of contributions of experiences from different business sectors and geographies relevant to Qliro Group and its strategic direction. The Committee has also had the benefit of a performance review of the Board and its individual members.

### **The Nomination Committee's motivated opinion**

The Nomination Committee proposes the re-election of all of the current members of the Board, with the exception of Erika Söderberg Johnson who has decided not to seek re-election. The Nomination Committee is of the opinion that the Board demonstrates the right skills and commitment needed to support Qliro Group's management in its delivery of value creation for the company's shareholders and possesses valuable insights and experiences from technology-enabled consumer-facing sectors in the Nordics. The Nomination Committee believes the proposed composition of individuals on the Board will continue to be of great support in Qliro Group's execution of the company's strategic initiative. The Nomination Committee looks forward to continue its work as the announced group split-up progresses, with the aim to propose a well-balanced Board of the remaining company Nelly, a leading Nordic online fashion brand among young women, during the second half-year of 2020.

In its work, the Nomination Committee applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. Accordingly, the Committee gives particular consideration to the importance of an increased diversity on the Board, including gender, age and nationality, as well as depth of experiences, professional backgrounds and business disciplines. The Committee believes the composition of the proposed Board is adequately diverse in respect of its set of experiences and solid mix of relevant skill-sets matching the priorities of Qliro Group. As part of its efforts to find the most competent Board members the Committee will also continue to pursue an increased gender balance.

### **Statement on independence**

The Nomination Committee has evaluated each Board member's independence in the work of preparing its proposals for the 2020 Annual General Meeting, and has found that the proposed Board is in compliance with the Swedish Corporate Governance Code's requirements for independence.

Some members of the Board of Qliro Group also serve, or may come to serve, as Board members of the company's operating subsidiaries. These Board members may receive Board fees from such subsidiaries. It is the opinion of the Nomination Committee that such remuneration does not affect the assessment of these Board members' independence of Qliro Group. As Qliro Group is a digital commerce group comprised of three independent operating businesses, the Nomination Committee believes it is a fundamental advantage that Qliro Group's Board members are participating in the work of the operating subsidiaries' Boards.

### **Information about the proposed members of the Board**

Information about the proposed members of the Board, including the Nomination Committee's assessment of each member's independence, may be found on the company's website at [www.qlirogroup.com](http://www.qlirogroup.com).

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April 2020

THE NOMINATION COMMITTEE  
QLIRO GROUP AB (PUBL)

## **2. Information on the proposed members of the Board**

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### **Christoffer Häggblom**

Chairman of the Board  
Finnish citizen  
Born 1981

Christoffer Häggblom has been a member of the Board of Qliro Group since May 2017 and Chairman of the Board since May 2018. Christoffer is the founder and Managing Partner of Rite Ventures and has 20 years of experience with technology-focused growth companies, both as an entrepreneur and investor. Christoffer is chairman of Verkkokauppa.com, Finland's largest e-commerce company, which is listed on Nasdaq First North Helsinki, and is also a board member of the SaaS-company Lemonsoft and Acervo, an investment company focused on listed stocks and bonds. Christoffer also sits on the boards of Qliro Group's subsidiaries Nelly and CDON.

Christoffer holds an MSc in Finance from Hanken School of Economics in Helsinki.

Member of the Remuneration Committee.

Independent of the company, executive management and independent of major shareholders.

Shareholdings (including related parties): Rite Ventures owns, directly and indirectly, 10,321,494 shares.

### **Andreas Bernström**

Board member  
Swedish citizen  
Born 1974

Andreas Bernström has been a member of the Board of Qliro Group since May 2018. Andreas is Investment Director at Kinnevik with a focus on the Nordic market. Andreas has been Chairman of the Board of Trustly, one of Europe's fastest growing fintech companies, between 2016-2018 and has also been an industrial advisor to EQT on issues of digitization and TMT for the last seven years. In 2014, Andreas founded and launched the company Sinch, a communication platform for IOS and Android developers, which was later sold to CLX Communications. He was also CEO of Rebtel and worked for eight years at Trade- Doubler, first as Managing Director for the United Kingdom and later as Chief Operating Officer. Andreas also sits on the boards of Qliro Group's subsidiaries Qliro and CDON.

Andreas holds a BA in Economics and French from Manchester University and an MA in Finance from Webster University.

Independent of the company and executive management, but not independent of major shareholders.

Shareholdings (including related parties): 0 shares.

### **Lennart Jacobsen**

Board member  
Swedish citizen  
Born 1966

Lennart Jacobsen has been a member of the Board of Qliro Group since May 2018. Lennart is active as a senior advisor and is currently Chairman of the board of Qliro. From 2013 to 2016, Lennart was EVP Head of Retail Banking at Nordea, a business that provided services to more than 10 million Nordic customers. Before entering his position at Nordea, Lennart worked for 15 years at GE Capital, finally as CEO of GE Money Bank Nordics.

Lennart holds an MSc in electrical engineering and telecommunications from the Swedish Royal Institute of Technology.

Member of the Consolidated Situation Committee.

Independent of the company, executive management and independent of major shareholders.

Shareholdings (including related parties): 40,000 shares.

**Daniel Mytnik**

Board member

Swedish citizen

Born 1971

Daniel Mytnik has been a member of the Board of Qliro Group since May 2014. Daniel is co-founder of the London-based private equity company Ventiga Capital Partners and has been Managing Partner since its start in 2015. Daniel was previously a partner at Palamon Capital Partners in London until 2013. During his seven years at Palamon, Daniel identified and managed a significant number of investments in rapid-growth service-oriented businesses, primarily in the Nordic countries and the United Kingdom. Before joining Palamon Capital Partners, Daniel spent four years as Managing Director of investment bank Altium Capital, prior to which he worked in Morgan Stanley's Private Equity and Investment Banking department in London for five years.

Daniel holds a BA in Philosophy, Politics & Economics and an M.Phil. in Economics from Oxford University.

Chairman of the Remuneration Committee and member of the Audit Committee.

Independent of the company, executive management and major shareholders.

Shareholdings (including related parties): 131,513 shares.

**Jessica Pedroni Thorell**

Board member

Swedish citizen

Born 1983

Jessica Pedroni Thorell has been a member of the Board of Qliro Group since May 2017. Jessica has been Investment Manager at Kinnevik since 2014, focusing on identifying and leading new investments in Europe and managing several consumer-focused investments in e-commerce and financial services. Prior to joining Kinnevik, Jessica spent four years as Senior Associate at the international risk capital company General Atlantic, where she managed the company's investment in Klarna. From 2008 to 2010, Jessica worked at Goldman Sachs' Nordic investment banking department. Jessica also sits on the Board of Qliro Group's subsidiary Nelly.

Jessica holds an MSc in Economics and Business Administration from the Stockholm School of Economics and a CEMS master's in international management from the University of St. Gallen.

Member of the Remuneration Committee and Audit Committee.

Independent of the company and executive management, but not independent of major shareholders.

Shareholdings (including related parties): 0 shares.

### 3. Auditor's report in accordance with Ch 8, Sec 54 of the Swedish Companies Act whether the guidelines for remuneration to Executive Management as approved by the Annual General Meeting has been complied with

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Translation from the Swedish original

#### **Auditor's opinion under Chapter 8 Section 54 of the Swedish Companies Act (2005:551) as to whether the guidelines of the annual general meeting on the remuneration of senior executives have been followed**

To the annual general meeting of Qliro Group AB (publ.), Corporate identity No 556035-6940

##### **Introduction**

We have audited whether the Board of Directors and the Chief Executive Officer of Qliro Group AB (publ.) during the year 2019 have followed the guidelines on remuneration of senior executives adopted at the annual general meeting on 22 May 2018 and the annual general meeting on 7 May 2019.

##### **Responsibility of the Board of Directors and the Chief Executive Officer**

The Board of Directors and the Chief Executive Officer are responsible for the guidelines being followed and for the internal control that the Board of Directors and the Chief Executive Officer deem necessary to ensure that the guidelines are followed.

##### **Responsibility of the auditor**

Our responsibility is to issue an opinion, based on our audit, to the annual general meeting as to whether the guidelines have been followed. We have conducted the audit in accordance with FAR recommendation RevR 8 *Audit of remuneration of senior executives of listed companies*. This recommendation requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the guidelines adopted by the annual general meeting are followed in all material aspects. The audit firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of Qliro Group AB (publ.) accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The audit has covered the company's organization for and documentation of remuneration issues for senior executives, the new decisions on remuneration that have been taken and a selection of the payments made during the financial year to the senior executives. The auditor chooses what procedures are to be performed, in part by assessing the risk of the guidelines not being followed in all material aspects. In making those risk assessments, the auditor considers internal control relevant to compliance with the guidelines in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

We believe that our audit provides a reasonable basis for our opinion set out below.

##### **Opinion**

We consider that the Board of Directors and Chief Executive Officer of Qliro Group AB (publ.) during 2019 have followed the guidelines on remuneration of senior executives adopted at the annual general meeting on 22 May 2018 and the annual general meeting on 7 May 2019.

Stockholm 6 April 2020

KPMG AB

Mårten Asplund

Authorized Public Accountant

#### **4. Evaluation of remuneration to the CEO and other members of the management group (Report according to the Swedish Corporate Governance Code 9.1)**

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##### **Introduction**

The Remuneration Committee of the Board of Qliro Group AB (publ) (“Qliro Group”) 2019/20 comprises the Board members Daniel Mytnik (Chairman), Christoffer Häggblom and Jessica Pedroni Thorell.

In accordance with the Swedish Corporate Governance Code 9.1, the Remuneration Committee has monitored and evaluated programs for variable remuneration (both ongoing and those that have ended during the year), the application of the guidelines for remuneration to the CEO and other members in the management group (the senior executives) adopted by the Annual General Meeting, as well as the current remuneration structure and levels of remuneration in Qliro Group.

The following is the Board’s report of the results of the evaluation.

##### **General information with respect to the remuneration to senior executives in Qliro Group**

During 2019 senior executives comprised Qliro Group’s CEO, Qliro Group’s CFO and CEOs of Qliro Group’s subsidiaries CDON, Nelly and Qliro (“QFS”).

The remuneration to the senior executives has during 2019 consisted of a fixed cash salary and, in certain cases variable cash remuneration, as well as the possibility to participate in the Group’s long-term incentive plans (during the year a new performance share plan for senior executives and other key employees in Qliro Group (“PSP 2019”) was launched), customary benefits and pension schemes.

For senior executives covered by the remuneration rules for credit market companies, special remuneration rules apply pursuant to laws and regulations issued by the Swedish Financial Supervisory Authority. Qliro Group’s CEO and CFO as well as the CEO of the credit market company QFS were covered by these rules during 2019.

The maximum, agreed, potential outcome for short-term variable cash remuneration to senior executives during 2019 was 50 per cent of the annual fixed salary (please note that the maximum potential outcome according to the remuneration guidelines was 100 per cent of the fixed annual salary), and such remuneration was based on a combination of outcome in relation to established targets and individual performance. Information regarding the outcome etc. of the short-term variable remuneration, PSP 2019 and other ongoing long-term incentive plans can be found in the 2019 Annual Report, note 24.

##### **Evaluation of programs for variable remuneration**

The Remuneration Committee follows and evaluates both the short-term and long-term variable remuneration, as well as the expected outcome of such remuneration, and has during its work reported to the Board and the remuneration has also been discussed at Board meetings. Also, the Remuneration Committee monitors to which extent the senior executives and other key employees participate in the ongoing long-term incentive plans and how the aforesaid plans align the participants’ potential rewards with the interests of the shareholders.

Qliro Group’s CEO and CFO have, as of June 2018, no right to short-term variable cash remuneration.

##### *PSP 2019*

PSP 2019 (that was adopted by Qliro Group’s AGM in May 2019) had, in principle, the same structure as the long-term share-based plans in Qliro Group 2011-2018. As a consequence of the remuneration rules applicable to credit market companies becoming applicable in relation to Qliro Group in a consolidated situation, the terms for the participation of Qliro Group’s CEO and CFO in PSP 2019 were changed. For the CEO and the CFO there was introduction of, inter alia, a maximum level of variable remuneration in relation to fixed remuneration (salary and pension) amounting to 100 per cent of the fixed remuneration, additional criteria for assessing variable remuneration, as well as terms that payment of 60 per cent of the variable remuneration shall be deferred for three years and the possibility for Qliro Group to decide that variable remuneration will not be paid out in case the criteria have not been met.

PSP 2019 had a relatively high participation ratio amongst those employees that were offered to participate in the plan.

#### *QOP 2019*

Qliro Group's synthetic call option plan for the management and key employees in QFS ("QOP 2019") was adopted by Qliro Group's AGM in May 2019. As a consequence of Qliro Group's strategy to split the Group into three separate companies and e.g. listing the shares in QFS on Nasdaq Stockholm during 2020, the Remuneration Committee made an assessment that the structure of QOP 2019 no longer was fit-for-purpose and consequently recommended the Board not to launch QOP 2019.

The executive management team and key employees in QFS will, in connection with a possible listing of QFS, have the opportunity to participate in QFS' warrant plan 2020/2023 (which was approved at the Extraordinary General Meeting held in Qliro Group on 6 March 2020, conditional upon the shares in QFS being admitted to trading during the first half of the 2020).

*No new long-term incentive plans will be proposed for the 2020 Annual General Meeting*

Considering Qliro Group's current strategy to split the Group into three separate companies, the Board will not propose any new long-term incentive plan for the Annual General Meeting in May 2020.

#### **Evaluation of the guidelines for remuneration to the senior executives**

The Committee considers that the current guidelines have efficiently fulfilled their purpose and has recommended that the Board proposes that the 2020 Annual General Meeting approves guidelines for remuneration which in substance correspond to the guidelines that have been applied since the 2019 Annual General Meeting. However, in order to comply with new legal requirements, the proposed guidelines for remuneration are more detailed than the previous guidelines.

The Remuneration Committee's evaluation of the application of the guidelines, and the review carried out by the auditor, has resulted in the conclusion that the guidelines for remuneration for senior executives established at the 2018 and 2019 Annual General Meetings have been applied on such remuneration in Qliro Group during 2019.

#### **Evaluation of remuneration structure and levels of remuneration in Qliro Group**

The Remuneration Committee's evaluation has resulted in that the Board has made the assessment that the current remuneration structure and levels of remuneration to the senior executives are appropriate considering Qliro Group's development stage, and offer a competitive compensation to key personnel both in the Group as a whole, and in the credit market company QFS.

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Stockholm, April 2020

THE BOARD OF DIRECTORS  
QLIRO GROUP AB (PUBL)



## **5. Proposed wording of the Articles of Association<sup>1</sup>**

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### **Articles of Association**

**Qliro Group AB (publ), reg. no. 556035-6940**

Adopted by the Annual General Meeting on 12 May 2020.

*N.B. This is an in-house translation of the authorised Swedish Articles of Association and for convenience only.*

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#### **§ 1**

The Company's name is Qliro Group AB (publ).

#### **§ 2**

The board of directors shall have its registered office in Stockholm.

#### **§ 3**

The primary purpose of the Company's business shall be to generate profit for its shareholders.

The object of the Company's business shall be to own and manage real property and movables, primarily through investments in businesses within the areas internet, online, e-commerce and retailing primarily with consumer brands and products as well as financing operations, with necessary licenses or authorisations from authorities where relevant. Furthermore, the object of the Company's business shall be to conduct business operations compatible with the above mentioned businesses.

The Company shall have the right to guarantee or otherwise pledge security for obligations assumed by other companies within the group.

#### **§ 4**

The Company's share capital shall be not less than SEK 100,000,000 and not more than SEK 400,000,000.

The number of shares in the Company shall be not less than 100,000,000 and not more than 400,000,000.

Shares may be issued in two classes, ordinary shares and Class C shares. Ordinary shares may be issued up to a maximum amount of 400,000,000 and Class C shares up to a maximum amount of 400,000,000.

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<sup>1</sup> The Extraordinary General Meeting in Qliro Group held on 6 March 2020 resolved to amend the section in the Articles of Association regarding company name to Nelly Group AB (§ 1) and the business object (§ 3) to be adapted to the business following the announced listing of the subsidiary within payment solutions, Qliro AB (Qliro Financial Services, QFS). The resolution to amend the Articles of Association was conditional upon the shares of QFS being admitted to trading on Nasdaq Stockholm during the first half of 2020. The Board proposes that the time during which the condition is to be met shall be extended, so that it shall be considered to be met if the shares of QFS are admitted to trading during 2020. If the condition is met, § 1 and § 3 shall have the wordings resolved at the Extraordinary General Meeting 2020, otherwise § 1 shall have the wording stated above, and § 3 should be left unchanged. The Articles of Association shall therefore not be registered until the Board of the company has determined whether the condition has been met or not.

Class C shares do not entitle to dividends. Upon the Company's liquidation, Class C shares carry an equivalent right to the Company's assets as the other classes of shares, however not to an amount exceeding up to the quota value of the share, annualised as per day of distribution with an interest rate of STIBOR 1M with an additional 1 percentage point calculated from the day of payment of the subscription price. STIBOR 1M is set on the first business day of each calendar month.

Should the Company resolve on an issue of new ordinary and Class C shares, against other payment than contribution in kind, each holder of ordinary and Class C shares has preferential rights to subscribe for new shares of the same class in proportion to the number of old shares held by such holder (primary preferential rights). Shares not subscribed for with primary preferential rights shall be offered for subscription to all shareholders in the Company (subsidiary preferential rights). If the number of shares so offered is less than the number subscribed for with subsidiary preferential rights, the shares shall be distributed among the subscribers in proportion to the number of already shares held, or, to the extent that this is not possible, by lot.

Should the Company resolve on an issue of new shares solely of ordinary shares or Class C shares, against other payment than contribution in kind, all shareholders, irrespective of which class of shares held, are entitled to preferential rights to subscribe for new shares in proportion to the number of shares previously held.

The stipulations regarding preferential rights shall apply mutatis mutandis for new issues of warrants and convertible debt, and shall not infringe on the possibility to resolve on an issue in which the preferential rights of shareholders are waived.

If the share capital is increased by a bonus issue, where new shares are issued, new shares shall be issued in relation to the number of shares of the same classes already held. In such cases, old shares of a specific class shall entitle to new shares of the same class. Following a requisite amendment in the Articles of Association, the aforementioned stipulation shall not infringe on the possibility to issue shares of a new class by a bonus issue.

Reduction of the share capital, however not below the minimum share capital, may on request of holders of Class C shares or as resolved by the Company's Board of Directors or General Meeting, be made by redemption of Class C shares. A request from a shareholder shall be made in writing to the Company's Board of Directors and the Board of Directors shall promptly act on the matter. When a resolution on reduction has been passed, an amount corresponding to the reduction amount shall be transferred to the Company's equity reserves, if the required funds are available.

The redemption payment per Class C share shall correspond to the quota value of the share annualised per day with an interest rate of STIBOR 1M with additional 1 percentage point calculated from the day of payment of the subscription price. STIBOR 1M shall be initially set on the day of payment of the subscription price.

Following notice of the redemption resolution, holders having requested redemption shall promptly receive payment for the share, or, if authorisation from the Swedish Companies Registration Office or a court is required, following notice that the final decision has been registered.

Class C shares held by the Company, may upon decision by the Board of Directors be reclassified into ordinary shares, provided that the Class C shares are held by the Company. Immediately thereafter, the Board of Directors shall report the reclassification to the Swedish Companies Registration Office (Sw. Bolagsverket) for registration. The reclassification is effected when it has been registered and the reclassification been noted in the Swedish Central Securities Depository.

## § 5

The board shall consist of no less than three and no more than nine directors.

## **§ 6**

The Company shall as Auditor have no less than one and no more than three registered accounting firms. The Auditors term of office shall last until the end of the first Annual General Meeting which is held after the year the Auditor was appointed.

## **§ 7**

Notice of a general meeting of shareholders shall be published in the Official Swedish Gazette (Post-och Inrikes Tidningar) as well as on the company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Svenska Dagbladet.

## **§ 8**

To be entitled to participate in a general meeting, shareholders must give notice to the company no later than on the day stipulated in the notice of the meeting. This day may not be a Sunday, another public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve, and may not fall before the fifth business day prior to the meeting.

A shareholder attending a general meeting may be accompanied by an assistant, however only where the shareholder has provided notification hereof in accordance with the foregoing paragraph.

## **§ 9**

The Board of Directors may collect powers of attorney in accordance with the procedure described in Chapter 7, section 4, second paragraph of the Companies Act (2005:551).

The Board of Directors has the right before a General Meeting to decide that shareholders shall be able to exercise their right to vote by post before the General Meeting.

## **§ 10**

The shareholder or nominee who on the record date is registered in the share register and in a central securities depository register pursuant to Chapter 4 of the Central Securities Depositories and Financial Instruments Accounts Act (1998:1479) or any person who is registered in a central securities depository account pursuant to Chapter 4, Section 18 first paragraph 6-8 of the mentioned Act, shall be deemed to be authorised to exercise the rights set out in Chapter 4, Section 39 of the Companies Act (2005:551).

## **§ 11**

The Company's financial year shall be the calendar year.

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