

# Qliro Group

## NOTICE TO ATTEND THE ANNUAL GENERAL MEETING

**The shareholders of Qliro Group AB (publ) are hereby invited to the Annual General Meeting on Tuesday 12 May 2020 at 10.00 a.m. at the company's premises on Sveavägen 151 in Stockholm.**

### *Special arrangements in view of the spread of the corona virus*

*The continued development of the spread of the corona virus (COVID-19) remains difficult to assess with any certainty. Qliro Group is carefully monitoring developments. As a precautionary and risk-minimising measure for its shareholders and employees etc. Qliro Group has decided to implement special arrangements at the Annual General Meeting, among other things, the following measures will be taken:*

- *The doors will not open for shareholders until 9.45 a.m. CET.*
- *No food or drinks will be served.*
- *There will be no remarks by Qliro Group's CEO or Chairman of the Board and presentations of proposals will be minimised.*
- *There will be a limited participation by the Executive Management and the Board.*

*Qliro Group is closely monitoring the impact of the corona outbreak in Sweden and may, in case of updated instructions or recommendations from the government or other relevant authorities, decide on additional precautionary measures in connection with the meeting. Additional information and updates regarding the special arrangements in view of the spread of the corona virus are available at the company's website [www.qlirogroup.com](http://www.qlirogroup.com).*

## NOTICE ETC.

Shareholders who wish to attend the Annual General Meeting shall:

- be entered in the share register maintained by Euroclear Sweden on Wednesday 6 May 2020, and
- give notice of their attendance no later than Wednesday 6 May 2020. Notice to attend is to be made on the company's website at [www.qlirogroup.com](http://www.qlirogroup.com), by telephone to +46 (0) 771 246 400 or by mail to Computershare AB "Qliro Group's AGM", P.O. Box 5267, SE-102 46 Stockholm, Sweden.

Shareholders shall in their notice to attend state name, personal identification number or company registration number, address, phone number and advisors, if applicable. Shareholders whose shares are registered in the names of nominees must temporarily re-register such shares in their own name in order to be entitled to attend the Annual General Meeting. In order for such re-registration to be completed on Wednesday 6 May 2020 the shareholder must inform their nominees well before that day.

For information regarding the processing of your personal data, please see the privacy notice available at Euroclear Sweden's website: [www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf](http://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf).

## IMPORTANT INFORMATION REGARDING THE POSSIBILITY TO NOT ATTEND THE GENERAL MEETING IN PERSON

In light of the authorities' regulations, and for the shareholders feeling worried about the spread of infection due to the corona virus, Qliro Group encourages all shareholders to carefully consider the possibility to, instead of personally attending the Annual General Meeting, attend by the help of a proxy holder. A template proxy form and information regarding proxy services available for the 2020 Annual General Meeting can be found on the company's website at [www.qlirogroup.com](http://www.qlirogroup.com).

Shareholders attending by a proxy or a representative should send, in addition to the proxy, documents of authorisation to Computershare AB "Qliro Group's AGM", P.O. Box 5267, SE-102 46 Stockholm, Sweden, well before the Annual General Meeting.

**PROPOSED AGENDA**

1. Opening of the Annual General Meeting.
2. Election of Chairman 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 of the Annual Report, the Auditors' Report and the consolidated financial statements and the Auditors' Report on the consolidated financial statements.
8. Resolution on the adoption of the income statement and the balance sheet and of the consolidated income statement and the consolidated balance sheet.
9. Resolution on the proposed treatment of the company's result as stated in the adopted balance sheet.
10. Resolution on the discharge of liability of the members of the Board and the Chief Executive Officer.
11. Determination of the number of members of the Board.
12. Determination of the remuneration to the members of the Board and the Auditor.
13. Election of Board members:
  - (a) Andreas Bernström (re-election, proposed by the Nomination Committee).
  - (b) Christoffer Häggblom (re-election, proposed by the Nomination Committee).
  - (c) Lennart Jacobsen (re-election, proposed by the Nomination Committee).
  - (d) Daniel Mytnik (re-election, proposed by the Nomination Committee).
  - (e) Jessica Pedroni Thorell (re-election, proposed by the Nomination Committee).
14. Election of Chairman of the Board.
15. Determination of the number of Auditors and election of Auditor.
16. Resolution regarding guidelines for remuneration to senior executives.
17. Resolution regarding amendment of the Articles of Association.
18. Resolution regarding authorisation for the Board to resolve on new issues of ordinary shares.
19. Closing of the Annual General Meeting.

## **RESOLUTIONS PROPOSED BY THE NOMINATION COMMITTEE**

### **Election of Chairman of the Annual General Meeting (item 2)**

The Nomination Committee proposes that Tone Myhre-Jensen, member of the Swedish Bar Association, is elected to be the Chairman of the Annual General Meeting.

### **Determination of the number of members of the Board and election of the members of the Board and the Chairman of the Board (items 11, 13 (a)-(e) and 14)**

The Nomination Committee proposes that the Board shall consist of five members.

The Nomination Committee proposes that Andreas Bernström, Christoffer Häggblom, Lennart Jacobsen, Daniel Mytnik and Jessica Pedroni Thorell shall be re-elected as members of the Board until the close of the next Annual General Meeting.

The Nomination Committee proposes that Christoffer Häggblom shall be re-elected as Chairman of the Board.

### **Determination of the remuneration to the members of the Board and the Auditor (item 12)**

The Nomination Committee proposes that the remuneration for the work in the Board and its Remuneration and Audit Committees for the period until the close of the next Annual General Meeting shall be unchanged. Accordingly, the Nomination Committee proposes that:

- SEK 670,000 shall be allocated to the Chairman of the Board,
- SEK 325,000 shall be allocated to each of the other four members of the Board,
- SEK 150,000 shall be allocated to the Chairman and SEK 75,000 shall be allocated to each of the other two members of the Audit Committee,
- SEK 75,000 shall be allocated to the Chairman and SEK 38,000 shall be allocated to each of the other two members of the Remuneration Committee, and
- SEK 75,000 shall be allocated to each of the two members appointed to the Consolidated Situation Committee by Qliro Group.

The total remuneration to the Board amounts to SEK 2,571,000.

The Nomination Committee proposes that remuneration of the Auditor shall be paid in accordance with approved invoices.

### **Determination of the number of Auditors and election of Auditor (item 15)**

In accordance with the Audit Committee's recommendation, the Nomination Committee proposes that Qliro Group shall have one registered accounting firm as Auditor, and that the registered accounting firm KPMG AB shall be re-elected as Auditor for the period until the close of the Annual General Meeting 2021. KPMG AB has informed Qliro Group that the authorised public accountant Mårten Asplund will continue as auditor-in-charge if KPMG AB is re-elected as Auditor.

## **RESOLUTIONS PROPOSED BY THE BOARD**

### **Treatment of the company's result (item 9)**

The Board proposes that the retained earnings, the share premium reserve and the result for the year, a total of SEK 953,187,190 is to be carried forward.

### **Guidelines for remuneration to senior executives (item 16)**

The Board proposes that the Annual General Meeting resolves to adopt the following guidelines for remuneration to senior executives in Qliro Group. Currently, Qliro Group's CEO and CFO as well as the CEOs of the subsidiaries Qliro, CDON and Nelly (in total five persons) are considered senior executives in Qliro Group.

The guidelines shall apply to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting on 12 May 2020. These guidelines do not apply to any remuneration decided by the General Meeting, such as ordinary Board remuneration and long-term share and share price-related incentive plans.

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

Qliro Group's strategy since June 2018 is to operate Qliro, CDON and Nelly as three separate companies.

Qliro offers digital financial services to merchants and consumers. Qliro's business strategy is, in short, that Qliro, through further product development and further expansion on the Nordic e-commerce market, shall strengthen its position as one of the main players within payment solutions to large e-merchants in the Nordics. In parallel with payment solutions, Qliro shall also continue to develop the digital banking platform and offerings to consumers.

CDON is a leading Nordic marketplace online with a very wide range of products from over 1,000 merchants. CDON's business model is to offer external merchants to sell their products through CDON for a commission. This is supplemented by that CDON purchases products in its own inventory, which are subsequently sold, mainly to consumers. CDON will continue to strengthen its position as the leading Nordic marketplace, inter alia by connecting e-merchants who have strong positions in their respective category as well as niche smaller e-merchants, for the wide range.

Nelly has one of the leading Nordic online fashion brands among young women. Nelly's business model is based on a core of its own designs and labels and a complementary range of selected clothing and beauty products from 300 brands. Nelly shall continue to strengthen its own brands and constantly be at the forefront of digital marketing and sales. The company shall continue to inspire with selected trends and clothing for its target group.

A prerequisite for the successful implementation of the Qliro Group's business strategy and the safeguarding of the Group companies' long-term interests, including their sustainability, is that Qliro Group is able to attract, motivate and retain senior executives in competition with comparable Nordic companies, primarily Nordic companies which are operating within e-commerce and retailing with consumer brands and products, as well as Nordic credit market companies and banks specialized in e-commerce payment solutions, digital consumer financing, personal loans and savings accounts. These guidelines shall therefore enable for senior executives to be offered a competitive total remuneration. At the same time, Qliro Group's remuneration system shall be in line with and promote sound and effective risk management and counteract excessive risk-taking behavior.

The remuneration to the senior executives in Qliro Group shall both short-term and long-term reflect the individual's performance and responsibilities and the results in Qliro Group, including in its subsidiaries, and shall also link the senior executives' interests and rewards with the shareholders'. Therefore, the remuneration to the senior executives shall be based on the pay for performance principle.

The Board considers that the possibility of variable remuneration and participation in any long-term incentive plans together with a well-balanced fixed remuneration provides the conditions for Qliro Group to be a competitive employer, while the design of and conditions for the variable remuneration support a responsible and sound risk management as well as the company's growth strategy, long-term interests and sustainability.

### *Types of remuneration*

The remuneration shall be on market terms and may consist of the following components:

- fixed cash salary,
- variable cash remuneration,
- the possibility of participating in (i) share and share price-related incentive plans resolved upon 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 salary is revised each year and shall be competitive and based on the individual's competence, responsibilities and performance. The fixed remuneration shall also represent a sufficiently large portion of the senior executives' total remuneration to enable that the variable components can be set at zero.

### *Variable cash remuneration*

Currently, Qliro Group's CEO and CFO do not have the right to short-term variable cash remuneration. The other senior executives' variable cash remuneration shall be based on fulfilment of established targets relating to growth and value creation for the subsidiary they are responsible for. The outcome shall be linked to measurable targets (qualitative, quantitative, general and individual) which shall be measured over a year. The targets within the senior executives' respective area of responsibility are defined to promote Qliro Group's development both in the short-term and long-term, and thus promote Qliro Group's business strategy and long-term interests, including the company's sustainability. Variable cash remuneration may not exceed 100 per cent of the senior executive's fixed annual salary.

Additional variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual level and either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performances in addition to the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100 per cent of the fixed annual cash salary. Any resolution on such remuneration shall be made by the Board based on a proposal from the Remuneration Committee.

The Board shall also consider to resolve that a part of the senior executives' variable cash remuneration shall be invested in shares or share price-related instruments in Qliro Group.

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

Senior executives may be offered to participate in incentive plans which shall generally be share or share price-related and shall therefore not be covered by these guidelines, but may also be cash-based. Long-term share or share price-related incentive plans shall be designed to ensure the participants' long-term commitment to the value growth in Qliro Group and/or its subsidiaries, and align the senior executives' interests with the shareholders. The long-term cash-based incentive plans shall be linked to pre-determined levels for the value growth in Qliro Group's subsidiaries and promote the implementation of Qliro Group's strategy to split the Group and may annually not exceed 100 per cent of the fixed annual salary.

### *Establishment of criteria for payment of cash variable remuneration and long-term cash-based incentive plans and claw-back rights in certain cases*

When the measurement period for fulfilling the criteria for payment of variable cash remuneration and long-term cash-based incentive plans ends, the extent to which the criteria have been met shall be assessed/determined. The Remuneration Committee is responsible for the evaluation. With regard to financial criteria, the assessment shall be based on Qliro Group's most recently published financial information. In the assessment, the Remuneration Committee shall ensure that there is a link between the remuneration and Qliro Group's results. When determining the remuneration, the Remuneration Committee shall also take into account relevant circumstances relating to the environment, social conditions as well as corporate governance and anti-corruption (so-called ESG).

To ensure that performances on which the remuneration have been based are sustainable over time, Qliro Group shall have the right, pursuant to applicable law or contractual provisions, subject to any restrictions that may apply under law or contract, to in whole or in part reclaim remuneration other than fixed cash salary, pension and other customary benefits which have been paid on incorrect grounds, as a result of information which turns out to be apparently incorrect ("claw-back").

#### *Pension and other customary benefits*

Pension commitments are premium defined and are secured through premiums paid to insurance companies. The size of the pension premiums shall be in accordance with Qliro Group's pension plan and shall in all material respects correspond to the provision levels that apply pursuant to the ITP 1 plan and thus have the limitations in relation to the fixed annual salary as stated therein. No provisions are made for salary components exceeding 60 income base amounts calculated on an annual basis. Variable cash remuneration shall, in general, not qualify for pension benefits. Under normal circumstances the retirement age is 65 years.

Other benefits shall be customary and facilitate that the senior executives can carry out their duties, for example a company car, company health care and health care insurance. Such benefits shall in aggregate not exceed 30 per cent of the fixed annual cash salary.

#### *Notice of termination and severance pay*

Upon termination of employment the notice period may not exceed 12 months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for 18 months for the CEO and 12 months for other senior executives. When the termination is initiated by the senior executive, the notice period may not exceed six months, without any right to severance pay.

#### *Remuneration to senior executives covered by the remuneration rules for credit market companies*

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 and EBA's guidelines on sound remuneration policies. The Boards of Qliro Group and Qliro AB have established a remuneration policy that covers all employees in each respective company (including the CEO and the CFO in the parent company Qliro Group) and, *on the one hand*, is compatible with and promotes sound and efficient risk management and, *on the other hand*, counteracts excessive risk taking. In addition to the guidelines set out above, the following guidelines will mainly be applied in relation to remuneration for senior executives covered by the remuneration rules:

- Qliro Group and Qliro will conduct an analysis annually to identify employees whose duties have a significant impact on the company's risk profile based on a number of different criteria.
- The performance assessment shall, in case of variable remuneration, be set in a multi-year framework in order to ensure that the assessment process is based on long-term, sustainable results and that the underlying business cycle and business risks are taken into account when paying performance-based remuneration.
- The variable remuneration shall be based on the employee's performance and the overall performance of both the business unit and the company. Both financial and non-financial criteria shall be taken into account in the assessment of the employee's performance.
- At least 40-60 per cent of the variable remuneration shall be deferred at least three to five years before it is paid or the right of ownership passes to the employee.
- Variable remuneration shall only be paid or passed to the employee to an extent justifiable by the company's financial situation and justified based on the performance of the company, the business unit and the employee. The variable remuneration may be cancelled in full for these reasons.

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

In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for Qliro Group's employees have been taken into account. The guidelines do not differ from

the remuneration systems which are generally applied in Qliro Group for other employees (with the exception that the CEO and CFO are not entitled to short-term cash remuneration). In other respects, the remuneration, the types of remuneration and the salary development for senior executives are considered to be in line with the salaries and employment conditions of other employees in Qliro Group. The development of the gap between the remuneration to the senior executives and remuneration to other employees will be presented in the remuneration report.

#### *Remuneration to Board members*

Board members in the parent company, elected at General Meetings, may in certain cases receive compensation for services performed within their respective areas of expertise, but which are outside of their Board duties in the parent company. Compensation for such services shall be paid on market terms and be approved by the Board.

#### *The decision-making process*

The Board has established a Remuneration Committee. The Committee's tasks include preparing the Board's decision to propose guidelines for remuneration to senior executives. The Board 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 Remuneration Committee shall also monitor and evaluate plans for variable remuneration for the executive management, the application of these guidelines for remuneration to senior executives as well as the current remuneration structures and compensation levels in the company.

The members of the Remuneration Committee are independent of the company and its executive management. The senior executives do not participate in the Board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

#### *Deviations from the guidelines*

The Board may, if it considers that special circumstances are at hand and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial position, deviate from the guidelines in such respects where the deviation is not covered by provisions in the Swedish Financial Supervisory Authority's regulations or in EBA's guidelines. In such a case the Board shall explain the reason for the deviation at the following Annual General Meeting.

More information regarding remuneration to senior executives will be presented in Qliro Group's annual report for 2019.

### **Amendment of the Articles of Association (item 17)**

The Board proposes that the Annual General Meeting resolves to amend the Articles of Association, in accordance with the below. A new section is proposed to be inserted in the Articles of Association which allows for the Board to collect proxies in accordance with the procedure described in Chapter 7, section 4, of the Companies Act and for the Board to decide that the shareholders shall be able to exercise their right to vote by post before the General Meeting. The Board further proposes that the Annual General Meeting resolves to amend the Articles of Association due to legislative changes.

#### *Current wording*

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

To be entitled to participate in a general meeting, shareholders must *be recorded in a print-out or another presentation of the complete share register relating to the circumstances as of five business days before the meeting, and give notice to the company no later than on the day stipulated*

#### *Proposed wording*

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

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

#### **§ 1**

#### **§ 8, first paragraph**

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.

Year's Eve, and may not fall before the fifth business day prior to the meeting.

## § 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.*

As a consequence of the proposal to insert a new section 9, a renumbering is proposed, whereby the old § 9 becomes § 10 and the old § 10 becomes § 11.

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.

### **Majority requirement**

The resolution under item 17 is valid only if supported by shareholders holding not less than two thirds of both the votes cast and the shares represented at the Annual General Meeting.

### **The Board's proposal for a resolution regarding authorisation for the Board to resolve on an issue of ordinary shares (item 18)**

The Board proposes that the Annual General Meeting authorises the Board to, on one or more occasions up until the 2021 Annual General Meeting, resolve upon the issue of ordinary shares representing no more than 20 per cent in aggregate of the total number of ordinary shares at the time of this Annual General Meeting.

Any new issue of shares may be effected through a new issue with preferential rights to all shareholders and / or as a directed issue to one or more strategic investors with the right to deviate from the shareholders' preferential rights against payment in cash, in kind or through set-off.

The purpose of the authorisation, and the reason for the potential deviation from the shareholders' preferential rights, is to enable the company to raise capital on an accelerated basis from potential strategic investors, which could also bring operational advantages and synergies, including accelerated access to new markets.

To the extent that new issues of shares may be made with deviation from shareholders' preferential rights, such new issues shall be made on market terms and conditions.

### **Majority requirement**

The resolution under this item 18 is valid only if supported by shareholders holding not less than two thirds of both the votes cast and the shares represented at the Annual General Meeting.



## MISCELLANEOUS

### Shares and votes

There are a total number of 154,994,779 shares in the company, whereof 149,774,779 ordinary shares and 5,220,000 Class C shares, corresponding to a total of 154,994,779 votes. As per the day of this notice, the company holds 5,220,000 of its own Class C shares corresponding to 5,220,000 votes which cannot be represented at the Annual General Meeting.

### Authorisation

The Board, or the person that the Board will appoint, shall be authorised to make the minor adjustments in the Annual General Meeting's resolutions as may be required in connection with registration with the Swedish Companies Registration Office.

### Documentation

The Annual Report, the Auditor's statement pursuant to Ch 8 Sec 54 of the Swedish Companies Act, the proposed wording of the Articles of Association, the Board's report of the results of the evaluation according to the Swedish Corporate Governance Code, the Nomination Committee's motivated opinion explaining its proposals regarding the Board and information on the proposed members of the Board will be made available today at the company's website [www.qlirogroup.com](http://www.qlirogroup.com), at the company's premises at Sveavägen 151 in Stockholm and will be sent to shareholders who so request and state their postal or email address.

The documentation can be ordered by telephone at +46 (0) 771-246 400 or in writing at the address Computershare AB "Qliro Group's AGM", P.O. Box 5267, SE-102 46 Stockholm, Sweden.

### Shareholders' right to request information

The Board and the Chief Executive Officer shall, if any shareholder so requests and the Board believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the group and the consolidated accounts.

Stockholm, April 2020

QLIRO GROUP AB (PUBL)  
THE BOARD OF DIRECTORS

### Other information

Schedule for the Annual General Meeting:

The doors open for shareholders at 9.45 a.m. CET.

The Annual General Meeting commences at 10.00 a.m. CET.

### About Qliro Group

*Qliro Group is a Nordic e-commerce group that operates CDON, the leading Nordic online marketplace, the fashion brand Nelly and the fintech company Qliro AB, offering financial services to merchants and consumers. Qliro Group's shares are listed on the Nasdaq Stockholm mid cap segment under the ticker symbol "QLRO".*