

Guidelines for remuneration to senior executives in Qliro AB

This proposal has been prepared by the board of directors of Qliro AB (“Qliro”) after preparation by the remuneration committee established by the board (the “Remuneration Committee”) in accordance with Chapter 8 section 51–53 in the Swedish Companies Act (Sw. *Aktiebolagslagen*) (the “Companies Act”), the Swedish Corporate Governance Code and the Corporate Governance Board's rules on remuneration of the board and executive management and on incentive programs. The board of directors proposes that the annual general meeting resolves to adopt the following guidelines for remuneration to senior executives in Qliro as well as board members, to the extent remuneration is received outside of their board duties. The guidelines shall apply to remuneration that is agreed upon, and changes made to previously agreed remuneration, after the guidelines have been adopted by the annual general meeting on 19 May 2021. The guidelines shall apply until new guidelines have been adopted by the annual general meeting. The guidelines do not apply to remuneration resolved by the general meeting.

Senior executives

Senior executives shall within these guidelines refer to the board of directors of Qliro, the chief executive officer (CEO), the deputy chief executive officer (if applicable) and the group management, which is also presented on the website.

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

In short, Qliro's business strategy entails that Qliro, through continued product development and continued expansion in the Nordic e-commerce market, shall strengthen its position as one of the leading players in payment solutions for e-merchants in the Nordics. In addition to the payment solutions, Qliro shall also continue to develop the digital banking-platform and the offer to consumers. For more information about the company's business strategy, see the company's website.

A prerequisite for Qliro to realize its business strategy and safeguard its long-term interests, including its sustainability, is that Qliro can recruit and retain qualified senior executives in competition with comparable Nordic companies, primarily Nordic credit market companies and banks that specialize in e-commerce payments, digital consumer financing, private loans and savings accounts. These guidelines shall therefore facilitate that senior executives are offered a competitive remuneration. At the same time, Qliro's remuneration system shall be compatible with and promote sound and efficient risk management and counteract excessive risk taking.

Remuneration to senior executives in Qliro shall be based on the individual's performance and responsibility in the short and long term and the financial outcome in Qliro as well as align the interests and rewards of the senior executives with the shareholders.

The board of directors assesses that the possibility of variable remuneration and participation in possible share-related incentive plans resolved by the general meeting together with a well-balanced fixed remuneration will facilitate Qliro being a competitive employer, while the form and terms for the variable remuneration will support responsible and sound risk management as well as the company's growth strategy, long-term interests and sustainability.

Forms of compensation

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

- fixed cash remuneration,
- variable cash remuneration,
- pension, as well as
- other customary benefits.

The total remuneration also includes long-term variable remuneration. Such long-term variable remuneration is decided by the annual general meeting and is therefore, as previously mentioned, not covered by these guidelines.

Fixed cash remuneration

The senior executives' fixed cash remuneration in the form of salary is revised each year and shall be competitive and based on the individual's competence, responsibility and performance. The fixed remuneration shall also constitute a sufficiently large part of the executive's total remuneration to enable the variable components to be set to zero.

Variable cash remuneration

The senior executives' variable cash remuneration shall be based on how well the determined targets for their respective areas of responsibility and for Qliro have been met. Both financial and non-financial criteria can be considered in the assessment. The outcome shall be linked to measurable targets, which, as far as concerning Qliro, shall be directly or indirectly linked to the achievement of Qliro's targets. The targets within the senior executives' respective responsibilities are to promote Qliro's development in both short and long term and thus promote Qliro's business strategy and long-term interests, including the company's sustainability. The CEO's variable cash remuneration is set based on company-targets, which has been determined internally by the board, for example based on income and expenses and credit loss development. Others in group management has targets divided into three levels; company level, function level and individual level.

The maximum payment of variable cash remuneration may not exceed a maximum of 100 percent of the senior executive's annual fixed salary. Furthermore, such remuneration shall only be paid or transferred to the senior executive if it is reasonable with respect to the company's financial situation, including own funds and motivated in accordance with the result of the company, the business unit concerned and the senior executive. The variable cash remuneration may therefore be reduced or lapse due to such reasons.

The company also has the right to claim back, in whole or in part, paid variable cash remuneration if it can be demonstrated that such remuneration has been calculated based on information or results that prove to be incorrect and the recipient of the remuneration has been in bad faith.

Long-term share-related incentive programs

Senior executives can be offered to participate in incentive programs, which are mainly to be share or share-price related. An incentive program shall aim to improve participants' commitment to the company's development and is implemented on market terms. A long-term share-related incentive program, Qliro's warrant program 2020/2023, has been implemented in Qliro during 2020. Qliro's warrant program 2020/2023 has been resolved upon by the annual general meeting and is therefore not covered by these guidelines. For further information about Qliro's warrant program 2020/2023, including the requirements on which the outcome depends, please see the company's website.

Pension

The pension commitments are premium-based and are secured by premium payments to insurance companies. The size of the pension premiums follows the company's pension plan and shall essentially correspond to the provision levels that apply according to the ITP 1 plan and have the limitations as follows in relation to the fixed annual salary. No contributions are made for salary components exceeding 60 income base amounts calculated on an annual basis. As a general rule, variable cash remuneration shall not be pensionable. The retirement age is normally 65 years. Pension costs may amount to a maximum of 40 percent of the fixed annual salary.

Other customary benefits

Other benefits shall be customary and facilitate the executive's ability to perform its tasks and to attract and retain qualified employees, such as company car, occupational health care as well as life- and health insurance. Costs arising from such benefits may amount to a maximum of 25 percent of the fixed annual salary.

Compensation in connection with new employment

In addition to the aforementioned remuneration forms, remuneration shall also in certain exceptional cases and in accordance with the company's guidelines for remuneration to senior executives and remuneration policy, applicable at each time, be paid in connection with new employment to attract certain key persons to the company as part of the company's business strategy. Such remuneration shall be limited to the first year of employment.

Termination and severance pay

In the event of termination by the company, the notice period shall not exceed twelve months. In total, the fixed cash salary during the notice period together with the severance pay may not exceed an amount corresponding to the fixed cash salary for a period of eighteen months for the CEO and twelve months for other senior executives. In the event of termination by the executive, the notice period shall not exceed six months, without the right to severance pay. Severance pay can also be paid in the form of a specifically agreed pension.

Income that the senior executive earns from other employment or assignments during the time when the severance pay is paid may be deducted from the severance pay.

In addition, remuneration for non-compete undertakings may be awarded. Such remuneration shall be based on the fixed annual salary at the time of notice of termination, unless otherwise stipulated by mandatory collective agreement provisions, and awarded during the period for which the non-compete clause applies, which shall be a maximum of twelve months after the date of termination of employment. The remuneration shall be reduced by a value corresponding to the income that the person receives from other sources of income, either from employment or from other independent activities.

Remuneration policy for credit market companies

In addition to these guidelines, the board of directors of Qliro has, in accordance with, *inter alia*, the Swedish Financial Supervisory Authority's regulations regarding remuneration structures (FFFS 2011:1), which covers remuneration structures in credit market companies, in its current wording, and EBA's guidelines for a sound remuneration policy according to the articles 74(3) and 75(2) in the Directive 2013/36/EU and information according to article 450 in the Regulation (EU) No 575/2013, established a remuneration policy that includes all employees in Qliro and is compatible with and promotes healthy and efficient risk management, and counteracts excessive risk taking. Information about the company's remuneration system is published on the company's website.

Salary and employment conditions for employees

In the preparation of the board of director's proposal for these guidelines, salary and employment conditions for the employees of the company have been taken into account in that information on employees' total remuneration, the components of remuneration and the increase and rate of remuneration over time have formed part of the Remuneration Committee's and the board's decision basis in evaluating the reasonableness of the guidelines and the limitations that follow from them.

The guidelines do not deviate from the remuneration systems that are generally applied within the company for other employees. In other respects as well, the remuneration, remuneration forms and salary development for senior executives are also assessed to be in line with the salaries and employment conditions of other employees of the company.

The decision-making process

The board of directors has established a Remuneration Committee. The committee's tasks include preparing the board of directors' proposal on guidelines on remuneration to senior executives. The board of directors shall prepare a proposal for new guidelines on remuneration to senior executives at least every fourth year and submit it to the annual general meeting to resolve upon. The guidelines shall be in force until new guidelines are adopted by the general meeting.

The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the senior executives, the application of the guidelines as well as the current remuneration structures and compensation levels in the company.

The members of the Remuneration Committee are independent in relation to Qliro and its management. The CEO or other members of the group management are not present at the board's consideration of and decisions on remuneration-related issues, insofar as they are affected by the issues.

Deviation from the guidelines

The board of directors may temporarily resolve to deviate from the guidelines if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability, in case such deviation do not violate the provisions of the Swedish Financial Supervisory Authority's regulations or applicable parts of EBA's guidelines. As stated above, it is part of the Remuneration Committee's tasks to prepare the board's decisions on remuneration issues, which includes decisions on deviations from the guidelines. The reasons for any deviations from the guidelines shall be reported and justified by the board annually in the remuneration report.

Changes in the guidelines

Compared with the previous guidelines, the reference to certain provisions in the Swedish Supervisory Authority's regulations (FFFS 2011:1) (regarding deferral of payment of variable remuneration and payment of variable remuneration in the form of shares/share-related instruments) has been excluded since these provisions are no longer applicable to the Company due to the amendments implemented in the Swedish Supervisory Authority's regulations (FFFS 2020:30) on amendments to the Swedish Supervisory Authority's regulations (FFFS 2011:1). This will also be clarified in the Company's Remuneration Policy, also mentioned above under the heading "Remuneration Policy for credit market companies".