

Remuneration report 2020

Introduction

This report describes how the Guidelines for the Remuneration of Senior Executives at Collector AB¹, adopted by the 2020 Annual General Meeting, were applied in 2020. The Guidelines for the Remuneration of Senior Executives were adopted by the 2020 Annual General Meeting to apply until the 2024 Annual General Meeting at the latest. The report also includes details of the remuneration of the CEO. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's *Rules on Remuneration of the Board and Executive Management and on Incentive Programmes*.

Further information on the remuneration of senior executives can be found in Note K10 (personnel expenses) on pages 63-65 in the 2020 Annual Report. Information on the work of the Remuneration Committee in 2020 can be found in the Corporate Governance Report on page 99 of the 2020 Annual Report.

Board fees are not covered by this report. Such fees are determined annually by the Annual General Meeting and are reported in Note K10 on pages 64-65 of the 2020 Annual Report. In exceptional cases, Board members elected by the Annual General Meeting may, in accordance with the Guidelines for the Remuneration of Senior Executives adopted by the Annual General Meeting, be engaged to perform work that goes beyond the work of the Board and it shall then be possible for them to receive remuneration for such work. For further information, see below under the heading "Fees to Board members in addition to Board fees".

Developments in 2020

The CEO summarizes the events most central for the company during the year in his report on pages 10-12 in the 2020 Annual Report.

The Company's remuneration guidelines: scope, purpose and deviations

A precondition for the successful implementation of the Company's business strategy and the fostering of its long-term interests, including its sustainability, is that the Company is able to recruit and retain qualified employees. This requires the Company to be able to offer competitive remunerations. The Company's remuneration guidelines make it possible for senior executives to be offered competitive total remuneration. According to the remuneration guidelines, remunerations for senior executives must be market-based and may comprise the following components: fixed cash salary, pension benefits and other non-monetary benefits. To avoid Company Management being encouraged to take unsound risks, no variable remuneration is to be paid, with the exception of what is stated below.

Variable cash remuneration may be paid in exceptional circumstances, provided that such extraordinary arrangements are limited in terms of time and applied only at the individual level, either for the purpose of recruiting or retaining executives, or as compensation for extraordinary efforts beyond the ordinary duties of the individual. Such variable remuneration may not, however,

¹ All senior executives of Collector are employed by Collector Bank AB, corporate identity number 556597-0513 (a wholly owned subsidiary of Collector AB), the company in which the principal operations of the Collector Group are conducted. For comparisons in this report to be fair, they are therefore made at the Group level.

be linked to the Company's financial targets or similar, which could lead to the employees concerned being enticed to take unsound risks. Such remunerations may not exceed an amount corresponding to 20 percent of the fixed annual cash salary and shall not be paid more than once per year and individual.

The Guidelines for the Remuneration of Senior Executives can be found on pages 37-39 in the Management Report in the 2020 Annual Report. During 2020, the Company adhered to the Guidelines for the Remuneration of Senior Executives adopted by the Annual General Meeting. No deviations from the guidelines occurred and no deviations occurred from the decision-making process to be applied in determining remunerations in accordance with the guidelines. In addition, no variable cash remuneration was paid to the CEO during the year. In preparation for the Annual General Meeting, the auditor's opinion on the Company's compliance with the guidelines can be accessed at www.collector.se/om-collector/arsstamma/. No demands have been made that remunerations be repaid.

Total remuneration to the CEO in 2020 (SEK thousands) *

Name of executive (position)	1 Fixed remuneration		2 Variable remuneration		3	4	5	6
	Basic salary*	Other benefits**	One-year	Multi-year	Non-recurring items	Pension costs***	Total remuneration	Proportion fixed and variable remuneration respectively****
Martin Nossman (CEO)	4,841	23			0	1,613	6,477	100/0

* Including holiday pay liability of SEK 341 thousand

** Car benefit, health benefit, subsistence benefit and congestion tax benefit

*** Pension expense includes pension premiums, health insurance and premium exemption insurance.

**** Pension expenses (column 4), which pertain entirely to basic salary and comprise defined-contribution pension plans, have been reported in their entirety as fixed remuneration

Share-based remuneration

Share-related and share price-related incentive programmes outstanding

The Company currently has no share-related or share price-related incentive programmes outstanding, which is why no such remuneration was paid from the Company to the CEO during the year.

Comparative information regarding changes in remuneration and the Company's earnings

Changes in remunerations and the Company's earnings over the past five financial years reported (operating profit) (SEK thousands)

	FY -4 v. FY -5	FY -3 v. FY -4	FY -2 v. FY -3	FY -1 v. FY -2*	FY v. FY -1	FY 2020
Total remuneration to CEOs	+700 (17.5%)	-174 (-3.8%)	+9274 (+205%)	-7908 (-57.3%)	+585 (+9.9%)	6,477
Remuneration to CEO Martin Nossman (Aug 2018 --)				2,600	5,892	6,477
Remuneration to CEO Liza Nyberg (Sep 2017 – May 2018)			1,917	10,600		
Remuneration to CEO Lena Apler (Jan-Aug 2017 + Jun-Jul 2018)			2,609	600		
Remuneration to CEO Stefan Alexandersson (– Dec 2016)	4,000	4,700				
Consolidated operating profit	150 (40%)	147 (28%)	53 (8%)	-773,000 (-107%)	447,000 (855%)	395,000
Average remuneration based on the number of employees (full-time equivalents)** in the Parent Company	-32 (-5.9%)	-40 (-8%)	-14 (-2.9%)	+158 (35%)	+45 (7.3%)	656

*The high level of remuneration is due to a change of CEO and severance pay of SEK 4,400 thousand paid to Liza Nyberg.

**Excluding members of Group Management. The comparative figures presented are based on Group-level data as the Parent Company, Collector AB, has no operational activities, rendering comparisons only with employees of the Parent Company, Collector AB, misleading. Average remuneration includes salaries, bonuses, benefits, pension, insurance and holiday pay liability.

Fees to Board members in addition to Board fees

In exceptional cases, Board members elected by the Annual General Meeting may, in accordance with the Guidelines for the Remuneration of Senior Executives adopted by the Annual General Meeting, be engaged to perform work that goes beyond the work of the Board and it shall then be possible for them to receive remuneration for such work. Such efforts may include instances where the Company lacks the internal expertise or resources necessary. Furthermore, only operational efforts may be called upon, not strategic efforts, and these may not interfere with the actions of the Company Management or otherwise contravene the Companies Act or the Swedish Code of Corporate Governance.

During the 2020 financial year, Board member Bengt Edholm was engaged for work extending beyond Board work for a fee amounting to SEK 150,000, excluding VAT. The assignment involved advisory services on treasury-related matters.

During the 2020 financial year, Board member Anna Kinberg Batra was also engaged for work extending beyond Board work for a fee amounting to SEK 50,000, excluding VAT. The assignment involved advisory services on communications matters.