



Motivated opinion Kindred Group plc

The Annual General Meeting of Kindred Group plc 2018 will be held on Tuesday 15 May 2018 in Stockholm.

About the Nomination Committee

At the AGM on 16 May 2017, it was decided that the Nomination Committee for the AGM 2018 shall consist of not less than four and not more than five members, of which one shall be the Chairman of the Board of Directors. The members of the Nomination Committee shall represent all shareholders and be appointed by the four largest shareholders at the end of August 2017 having expressed their willingness to participate in the Nomination Committee. Should one of these shareholders appoint the Chairman of the Board of Directors as its representative, the Nomination Committee shall consist of four members.

The Nomination Committee, appointed by owners of the Company that owns 28.4 per cent of votes and capital, consists of **Evert Carlsson, Swedbank Robur Fonder (chairman), Jonas Eixmann, Andra AP-fonden, Olof Jonasson, Första AP-fonden, Caroline Sjösten later replaced by Per Lindgren, Skandia Mutual Life Insurance Company, and Anders Ström, chairman of the Board of Directors.**

The work of the Nomination Committee

The sole task of the Nomination Committee is to submit proposals to the AGM on electoral and remuneration issues and, where applicable, procedural issues for the appointment of the following year's nomination committee. The responsibilities for the Nomination Committee are to **review the structure, size and composition of the Board**. The Nomination Committee is guided by the Swedish Corporate Governance Code to lead the process for Board appointments and make recommendations to the AGM thereon.

The Nomination Committee held eight meetings in which minutes were taken.

On Kindred Group plc's website and in the Q3 and Q4 Interim reports, information on how to communicate with the Committee was given.

Assessment of the Board

The Nomination Committee has reviewed and discussed the size and the composition of the Board of Directors especially in terms of competence, industry and international experience, diversity and expertise. In its assessment, the Nomination Committee has conducted interviews with the Board members and with the CEO Henrik Tjärnström.

Kindred Group is an **extremely data driven scientific organisation** and such experience is imperative. The view of the Nomination Committee is that the composition of the Board

should reflect this. For the implementation of Kindred Group's strategy **in a highly complex and legal shifting international environment with high demands on sustainability and player safety**, different backgrounds and areas of expertise that mirror this are required.

The Nomination Committee is also of the opinion that diversity is important, as relates to gender, nationality, and industry experience in order to achieve a well-functioning composition of the Board of Directors.

The Nomination Committee proposals

In accordance with the Terms of Reference and the Swedish Code of Corporate Governance the Nomination Committee has prepared the proposals regarding:

- Chairman of the AGM
- Composition of the Board
- Chairman of the Board
- Board fees, divided between the Chairman and members
- Remuneration for Board Committee work
- Auditors and Auditors Fees

Chairman of the AGM

The Nomination Committee proposes that Gunnar Johansson is elected Chairman of the AGM.

Composition of the Board

The Senior Independent Board member Nigel Cooper has notified the Nomination Committee that he will not stand for re-election. Nigel has since his appointment in 2010, made an exceptionally important contribution to the Board and the Audit Committee through his accounting, financial and business expertise,

The Board member Sophia Bendz has also notified the Nomination Committee that she will not stand for re-election. Sofia was appointed 2014 and with her international background she has provided valuable marketing and sales insights to the Board and supported the remuneration committee in its work.

The Kindred Group has been very fortunate to have had both good continuity and a high quality of performance from the Board of Directors over a number of years. However, in an industry that is changing in an increasingly faster pace, it is natural that the Nomination Committee puts more emphasis on the potential need to regularly rotate board members. At a time when the Kindred Group is entering a new phase in its technology and innovation strategy towards 2020, the Nomination Committee see this as an opportunity to bring new expertise onto the Board.

Following the changes described above, the Nomination Committee proposes to re-elect as members of the Board of Directors: Kristofer Arwin, Peter Boggs, Peter Friis, Stefan Lundborg and Anders Ström and to elect as new members, Helene Barnekow and Gunnel Duveblad.

Hélène Barnekow, born 1964, has been CEO at Telia Sweden since 2015. Helene joined Telia Sweden as Chief Commercial Officer in 2014 and has previously held a number of global marketing & product roles within Dell EMC and SonyEricsson. Since 2013 Hélène is a Member of the Board of GN Store Nord A/S and Member of the Board at Svenskt Näringsliv (Confederation of Swedish Enterprise). Hélène holds a master in International Business from Lund University, and has extensive experience from the mobile and IT business, and was appointed Leader of the Year within Telecoms in 2017.

Gunnel Duveblad, born 1955, has an extensive experience from listed companies both in executive management positions and at Board level. Gunnel has served in Senior Executive positions both at national and international level at IBM for 25 years and is today chairman of the Board of HiQ International AB and Team Olivia Group AB and Board member of Dustin Group AB and SWECO AB to name a few. Gunnel's background is in Computer Science at Umeå University.

The Committee is of the opinion that these two new candidates have the experience and expertise to contribute to driving Kindred Group's strategy and ensuring that the Group will continue to outperform in its key markets. The proposed composition of the Board of Directors reflects a good and relevant breadth of industry experience with qualifications within strategically important areas for Kindred Group such as the global gaming and betting industry, sustainability and player safety, digitalisation, data intelligence (big data) & IT, corporate governance and financial control.

This means that the proposed Board will comprise seven members and that the number of female members has doubled. This is in line with the Committee's intention to over time level out the gender balance and also to manage an appropriate rotation of the Board.

The proposal for the composition of Kindred Group's Board of Directors meets the requirements of the Swedish Code of Corporate Governance for Independent Members of the Board. Details about all the persons proposed to be re-elected as Members of the Board of Kindred Group plc may be found on Kindred Group's website: www.kindredgroup.com

Chairman of the Board

The Nomination Committee proposes that Anders Ström is appointed the Chairman of the Board.

Board fees and remuneration for Board Committee work

The Nomination Committee proposes that a total fee of maximum GBP 730,000 (2017: GBP 695,000) be paid to Directors elected at the AGM, who are not employees of the Company. It is proposed that the Board of Directors will apportion the fee within the Board so that the Chairman will receive a fee of GBP 260,000 (2017: GBP 250,000), and a fee of GBP 57,000 (2017: GBP 55,000) be paid to each other Director, an additional fee of GBP 10,000 (2017: GBP 27,000) will be paid to the Deputy Chairman, and an additional GBP 22,000 (unchanged) be paid for Audit Committee work, GBP 12,000 (unchanged) for Remuneration Committee work and an additional GBP 8,000 (2017: GBP 4,000) be paid to the Chairman of the Audit Committee, and the Chairman of the Remuneration Committee.

The total fee is subject to that the Audit Committee and the Remuneration Committee will be comprised of three members. The increase in remuneration is approximately 5 per cent.

The Nomination Committee encourages that Board members acquire and hold Kindred shares/SDRs in order to increase the alignment with the shareholders.

Auditors and Auditors Fees

During 2016, the Audit Committee together with the financial management of Kindred Group made an extensive procurement regarding the appointment of the external auditors. Based on this process, PricewaterhouseCoopers were 2017 reappointed as auditors.

The Nomination Committee, based on recommendation from the Audit Committee, proposes to reappoint PricewaterhouseCoopers as auditors of the Company for 2018 and to authorise the Directors to determine their remuneration.

April 2018

Nomination Committee