



## Motivated opinion Kindred Group plc

The Annual General Meeting (AGM) of Kindred Group plc 2019 will be held on Tuesday 14 May 2019 in Stockholm.

### About the Nomination Committee

At the AGM on 15 May 2018, it was decided that the Nomination Committee for the AGM 2019 shall consist of not less than four or 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 2018 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 25.2 per cent of votes and capital, consists of **Evert Carlsson, Swedbank Robur Fonder (chairman), Ossian Ekdahl, Första AP-fonden, Jonas Eixmann, Andra AP-fonden, Johan Strandberg, SEB Investment, 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 four 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 Nomination 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 individual interviews with the Board members. The Nomination Committee has also used an independent consultant to evaluate the Board as input for the review.

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 and industry experience in order to achieve a well-functioning composition of the Board of Directors.

### The Nomination Committee proposals

In accordance with 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, partner at law firm DLA Piper, is elected Chairman of the AGM.

### Composition of the Board

The two Senior Independent Board members Kristofer Arwin and Peter Friis has notified the Nomination Committee that they will not stand for re-election. Kristofer was appointed in 2008, and Peter was appointed 2014, and both have made important contributions to the Board through their financial and business expertise.

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 and beyond, 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: Helene Barnekow, Peter Boggs, Gunnel Duveblad, Stefan Lundborg and Anders Ström and to elect as new members, Erik Forsberg and Carl-Magnus Månsson.

Erik Forsberg, born 1971, is Independent advisor and Director of Stillfront Group. Previous assignments have been: CFO of Intrum 2011-2018, CFO of Cision 2008-2011, Business Area CFO and Group Treasurer at EF Education Group 2001-2008. Erik Forsberg's background and expertise is as a CFO in public and private companies, in particular in the fields of financial reporting, mergers and acquisitions as well as financing. He holds a MSc Business and Administration from Stockholm School of Economics.

Carl-Magnus Månsson, born 1966, is President and CEO of Acando since 2009. Acando is an IT and Management consulting firm listed on Nasdaq OMX Stockholm midcap. Previously Carl-Magnus held a number of global roles within Ericsson. Since 2016 Carl-Magnus is a Member of the Board at Asiakastieto Group Plc., a provider of digital business and consumer information services in the Nordic countries listed on Nasdaq OMX Helsinki midcap. Carl-Magnus Månsson has studied Applied Physics and Electronics at Linköping University.

The Nomination 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 and business acumen with qualifications within strategically important areas for Kindred Group such as the global gaming and entertainment industry, sustainability and player safety, digitalisation and data intelligence, corporate governance and financial control.

This means that the proposed Board will comprise of seven members out of which two are female members. This is in line with the Nomination Committee's intention to over time establish a 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. In its work, the Nomination Committee has applied Rule 4.1 of the Swedish Code of Corporate Governance as a diversity policy. 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](http://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 764,000 (2018: GBP 730,000) be paid to Directors elected at the AGM, who are not employees of the Company.

It is proposed that the fee will be apportioned within the Board so that the Chairman will receive a fee of GBP 260,000 (unchanged), and a fee of GBP 57,000 (unchanged) be paid to each other Director, 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 (unchanged) be paid to the Chairman of the Audit Committee, and the Chairman of the Remuneration Committee.

As the US market presented new opportunities for Kindred Group in 2018, who has now taken its first steps into this market, the Nomination Committee proposes that the Board installs a new "US Committee" to monitor and follow the developments in detail. The Nomination Committee proposes that the US Committee comprises three members and that the fee should be the same as for the Remuneration Committee, GBP 12,000 to each member and an additional GBP 8,000 be paid to the Chairman of the Committee.

This means that a total fee of maximum GBP 764,000 is proposed.

The total fee is subject to that the Audit Committee and the Remuneration Committee and the new US Committee will be comprised of three members.

**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 2019 and that the auditor fees be paid against approved account.

April 2019

Nomination Committee