



Motivated opinion Kindred Group plc

The Annual General Meeting (AGM) of Kindred Group plc 2020 will be held on Tuesday 12 May 2020 in Stockholm.

About the Nomination Committee

At the AGM on 14 May 2019, it was decided that the Nomination Committee for the AGM 2020 shall consist of not less than four but 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 2019 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 in September 2019 were **Evert Carlsson, Swedbank Robur Fonder (chairman), Ossian Ekdahl, Första AP-fonden, Jonas Eixmann, Andra AP-fonden, Cecilia Marlow, Nordea Fonder, and Anders Ström, chairman of the Board of Directors.**

After Andra AP-fonden reduced their holdings during October, Jonas Eixmann was replaced by **Markus Iwar, Bodenholm.**

The Committee members represents 22.2 per cent of votes and capital.

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 three 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 Senior Independent Board member H el ene Barnekow has notified the Nomination Committee that she will not stand for re-election due to time constraints because of her new position as CEO Microsoft Sweden. H el ene was appointed in 2018 and has made important contribution to the Board through her financial and international 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, and local regulations puts more pressure on the gambling sector, the Nomination Committee saw this as an opportunity to bring new expertise onto the Board and last year Erik Forsberg and Carl-Magnus M ansson were appointed as new Independent Board members replacing Kristofer Arwin and Peter Friis.

Following the changes described above, the Nomination Committee proposes to re-elect as members of the Board of Directors: Peter Boggs, Gunnel Duveblad, Erik Forsberg, Stefan Lundborg, Carl-Magnus M ansson and Anders Str om.

The Nomination Committee is of the opinion that the proposed members have the experience and expertise to contribute to driving Kindred Group's strategy and ensuring that the Group will continue to perform well 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 gambling 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 six members out of which one is a female member.

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 Nomination Committee has started to look for appropriate, preferably female, candidates with sector experience to have a list prepared for the coming year's Committee work.

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

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 673,000 (2019: GBP 752,000) 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 and GBP 12,000 (unchanged) for Remuneration Committee work. As the US market presented new opportunities in 2018, and Kindred Group has now taken its first steps into this market, the two members of the US Committee formed last year should receive an additional GBP 12,000 (unchanged). An additional GBP 8,000 (unchanged) be paid to the Chairman of the three Committees.

This means that a total fee of maximum GBP 673,000 is proposed which is GBP 79,000 lower than last year.

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

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

Guidelines for how the Nomination Committee shall be appointed

The Nomination Committee proposes that the Annual General Meeting resolves that, until the general meeting of the shareholders decides otherwise, the Nomination Committee shall consist of not less than four and not more than five members.

The members of the Nomination Committee shall represent all shareholders and be appointed by the largest shareholders at the end of August 2020 having expressed their willingness to participate in the Nomination Committee. Should any of these shareholders appoint the Chairman of the Board of Directors as its member, the Nomination Committee shall consist of five members. Otherwise, the Chairman of the Board shall be adjunct to the Nomination Committee. The other members shall be appointed by each of the other largest shareholders expressing their willingness to participate in the Nomination Committee within one week from that they are asked. The appointment of a member of the Nomination Committee shall state which shareholder has appointed that member. Should one shareholder waive its right to appoint a member of the Nomination Committee, the opportunity to appoint a member shall thereafter be passed on in order of the largest shareholding who not already have a member in the Nomination Committee.

The members of the Nomination Committee shall appoint the committee chair among themselves. The Chairman of the Board shall not chair the Nomination Committee. The names of the members of the Nomination Committee shall be announced not later than the date of the publication of the Company's interim report for the third quarter of 2020. Should the ownership in the Company change, after the announcement of the Nomination Committee but before the end of the fourth quarter of 2020, to such extent that the members of the Nomination Committee no longer reflect the shareholding as stipulated above, and the Nomination Committee so considers appropriate, then the member of the Nomination Committee representing the shareholder with the lesser number of shares in the Company shall resign from the committee and the shareholder who has become the larger shareholder in the Company shall, in the order corresponding to its shareholding in the Company, be offered to appoint a new member of the Nomination Committee. Minor changes in the shareholding of the Company shall not be taken into account.

Shareholders who have appointed a member in the Nomination Committee have the right to dismiss that member and appoint a new member.

Should a member of the Nomination Committee leave his/her assignment prematurely and if the Nomination Committee deems it appropriate, a new member shall be appointed by the shareholder who appointed the resigning member or that other shareholder who at that point of time has the larger shareholding in the Company.

No remuneration will be paid to the members of the Nomination Committee.

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 reappointed as auditors.

The Nomination Committee, based on recommendation from the Audit Committee, proposes to reappoint PricewaterhouseCoopers as auditors of the Company for 2020 and that the auditor fees be paid against approved account.

March 2020

Nomination Committee