

## **Evolution Gaming Group AB (publ)'s Nomination Committee's reasoned statement regarding its proposals for board members to the Annual General Meeting to be held on 21 April 2017**

### **The Nomination Committee and its work**

Per the principles adopted by the Annual General Meeting held on 28 April 2016, the Nomination Committee was constituted based on the ownership status of Evolution Gaming Group AB (publ) ("**Evolution**" and together with its group companies the "**Evolution Group**") at the last business day of August 2016. Thus, the Nomination Committee for the Annual General Meeting 2017 consists of Ian Livingstone (elected by Richard Livingstone), Johan Menckel (elected by JOVB Investment AB), Peter Ihrfelt (elected by FROS Ventures AB) and Joel Citron, who, at the time of appointment of the Nomination Committee, was Chairman of the board of directors (nowadays a member of the board of directors). Peter Ihrfelt is the Chairman of the Nomination Committee

Shareholders have been able to submit proposals to the Nomination Committee. No proposals have been received.

Ahead of the Annual General Meeting 2017, the Nomination Committee has held two meetings where minutes have been kept. Between these meetings, additional contacts among the members of the Nomination Committee have taken place when needed. The Nomination Committee worked in accordance with requirements set out in the Swedish Code of Corporate Governance (the "**Code**") and in accordance with the instructions adopted by the Annual General Meeting 2016.

All decisions by the Nomination Committee have been unanimous.

### **The Nomination Committee's proposals for board members**

The Nomination committee proposes that the board of directors of Evolution shall consist of six members with no deputy directors. The Nomination Committee proposes re-election of all members of the board of directors, meaning that the following persons are proposed as members of the board of directors for the period until the end of the 2018 Annual General Meeting:

- Jens von Bahr
- Joel Citron
- Jonas Engwall
- Cecilia Lager
- Ian Livingstone
- Fredrik Österberg

Furthermore, the Nomination Committee proposes that Jens von Bahr is re-elected as Chairman of the board of directors for the period until the end of the 2018 AGM.

## Reasons for the proposal

Members of the Nomination Committee have evaluated the board of director and its work by, *inter alia*, interviewing all current board members and having a separate meeting with the Chairman of Evolution's Audit Committee.

The Nomination Committee is of the opinion that the board members proposed to the 2017 Annual General Meeting represent a good breadth in terms of qualifications and experience in areas of material importance to Evolution, such as industry expertise, financial and operational expertise, corporate governance and capital market matters. Furthermore, the Nomination Committee has also taken into account the number of board assignments in other companies of each board member.

Five out of the board's six board members have been board members in the company since Evolution's listing on Nasdaq First North Premier. Accordingly, the board of directors has the necessary continuity as well as experience of Evolution as a listed company. The board of directors has also been further strengthened by Cecilia Lager, who was elected as a new board member on an extraordinary general meeting of shareholders on 24 January 2017. Cecilia Lager brings her extensive experience from the boards of directors of listed companies, including several companies listed on Nasdaq Stockholm, to the board of directors. In addition, Cecilia Lager strengthens the board of directors with additional competence and experience in areas such as digital products and services as well as business and financial management.

The Nomination Committee considers the question of gender diversity to be important and this matter will be given special consideration also in the future. The Nomination Committee's ambition is that the proportion of female board members in the coming years shall be increased to the level expressed by the Swedish Corporate Governance Board.

Three out of the six proposed board members are independent both in relation to the company and its major shareholders and, out of the three remaining board members, one board member is independent in relation to the company but not in relation to major shareholders. The two final board members (Jens von Bahr and Fredrik Österberg, both of whom are co-founders of the company and major shareholders) are not independent in relation to the company or its major shareholders.

The Nomination Committee further notes that the proposed composition of the board of directors constitutes a deviation from the Code (section 4.3) since the two board members Jens von Bahr and Fredrik Österberg were recently part of the company's management team and thus shall be assessed as such when evaluating section 4.3 of the Code.

Both Jens von Bahr and Fredrik Österberg are, in addition to being board members, employed by the company, Jens von Bahr as so called executive chairman and Fredrik Österberg as Group Chief Strategy Officer but none of them are part of the management team of the company. Jens von Bahr shall in his employment, i.e. in addition to and separate from his duties as chairman, focus on strategic issues and to establish and execute the Evolution Group's future growth in collaboration with the Evolution Group's management team, customers and shareholders. Fredrik Österberg shall in his employment,

i.e. in addition to and separate from his duties as board member, assist the management team in developing, executing, and sustaining strategic initiatives.

In this context and in the context of the remark made by Swedbank Robur Fonder AB at the extraordinary general meeting of the company 24 January 2017, the Nomination Committee has considered that the co-founders since 1 November 2016 are no longer part of the management team of the company. As co-founders of the Evolution Group both Jens von Bahr and Fredrik Österberg have invaluable insights into the Evolution Group, the live casino industry and the markets on which the Evolution Group is or might become active. Further, they have long standing valuable relationships with customers and business partners. In order for Jens von Bahr and Fredrik Österberg to be engaged in the company on a full-time basis they are employed by the company. The Nomination Committee notes, in particular, that the employments are separate from, and in addition to, their respective positions as board members. Both the executive chairman and the Group Chief Strategy Officer have tasks related to future strategy and growth where the experiences and skills of Jens von Bahr and Fredrik Österberg are particularly useful. Their continued employment is thus beneficial both for the company and its shareholders. As employees, the executive chairman and the Group Chief Strategy Officer report to the company's CEO. The Nomination Committee concludes that the work between the CEO and the executive chairman and the Group Chief Strategy Officer, respectively, is well regulated in the Rules of procedure for the board and the instructions for the CEO and that the cooperation between them works in a satisfactory manner.

In addition to the skills, experiences and relationships described above, which are essential both for the company's operations and for the board of directors, Jens von Bahr and Fredrik Österberg – as co-founders of the Evolution Group – bring essential insights into the governance and management structure of the Evolution Group to the board. It is also noted that both Jens von Bahr and Fredrik Österberg are significant shareholders in the company. Thus, the Nomination Committee has concluded that it is beneficial for Evolution and its shareholders that Jens von Bahr and Fredrik Österberg remain as board members as well, notwithstanding that they are also employees of the company. The Nomination Committee has also proposed that any board member employed by the company, i.e. Jens von Bahr and Fredrik Österberg, do not receive remuneration for their service as board members. Finally, the Nomination Committee notes that the remunerations to Jens von Bahr and Fredrik Österberg under their respective employment agreements were approved at an extraordinary general meeting of shareholders on 24 January 2017.