

# CORPORATE GOVERNANCE STATEMENT

**Unibet Group plc is the Parent Company of the Unibet Group, incorporated and registered in Malta and listed on Nasdaq Stockholm through Swedish Depositary Receipts, SDRs, issued by Skandinaviska Enskilda Banken AB (publ).**

Foreign companies whose shares or depositary receipts are admitted to trading on a regulated market in Sweden are required to apply either the Swedish Code, or the corporate governance code in force in the country where the Company has its registered office, or the code of the country in which its shares have their primary listing.

If the Group (including the Company) does not apply the Swedish Code, it must include a statement describing in which important aspects the Group's conduct deviates from the Swedish Code.

The Unibet Group's Board of Directors decided from the first listing date at the Nasdaq Stockholm, as far as practical, to apply the principles of the Swedish Code.

The following statement on pages 36 to 39 has not been audited.

## **The Board of Directors**

The Board of Directors and the management of the Unibet Group are structured in accordance with the European two-tier system with a Chief Executive Officer (CEO), who is subordinate to the Board of Directors, who is in turn elected at the Annual General Meeting (AGM).

The following Directors elected at the AGM on 12 May 2015 served during the year and subsequently, unless otherwise stated:

**Anders Ström**  
Chairman

**Nigel Cooper**  
Non-executive Deputy Chairman

**Kristofer Arwin**  
Non-executive

**Sophia Bendz**  
Non-executive

**Peter Boggs**  
Non-executive

**Peter Friis**  
Non-executive

**Therese Hillman**  
Non-executive

**Stefan Lundborg**  
Non-executive

All Directors will seek re-election at the forthcoming AGM. The emoluments and interests of the Directors are shown on page 43.

The Unibet Group's Board of Directors is collectively responsible for the success of the Group and for its corporate governance and aims to provide entrepreneurial leadership of the Group within a framework of prudent and effective financial controls that enable risk to be assessed and managed.

As outlined on page 34 the Board comprises the Chairman and seven Directors. The Swedish Code identifies the fundamental importance of independent Non-executive Directors in ensuring the objective balance of a Board, and sets out criteria to be considered in determining the independence of Non-executive Directors. In accordance with Provision 4.4 of the Code, the Board considers Kristofer Arwin, Sophia Bendz, Peter Boggs, Nigel Cooper, Peter Friis, Therese Hillman and Stefan Lundborg to be independent Non-executive Directors. Anders Ström is Chairman of the Board and is also a member of the Board of Kambi Group plc. Anders Ström also receives remuneration for advice and other services to the Unibet Group which is disclosed in the Remuneration Committee report on page 43.

Brief resumés of the Board and Chief Executive Officer can be found on page 35.

To ensure effectiveness, the Board's composition brings together a balance of skills and experience appropriate to the requirements of the business. The composition of the Board and recommendations for the appointment of Directors are

dealt with by the Nomination Committee and its activities are set out on page 38.

The Board is responsible to the shareholders for the Group's overall strategy and direction.

The Board has written Rules of Procedure for its ways of working. A formal schedule sets out those matters specifically reserved for the Board and its Committees. Those matters include decisions on Group strategy and direction, acquisitions, disposals and joint ventures, capital structure, material contracts, corporate governance and Group policies.

In view of the contractual relationship between the Group and Kambi Group plc and that some Directors may be sitting on the Board of the Company and on the Board of Kambi Group plc, a Director who is also a Director of Kambi Group plc shall not receive any documents, nor shall he/she attend any discussion or vote in respect of any contract or arrangement or any other proposal whatsoever involving Kambi Group plc or the Group's relationship with it unless all the other Directors request the Director to attend such meeting and to receive such documents.

The Board and its Committees usually meet every second month throughout the year. The number of Board and Committee meetings attended by each of the Directors during the year can be seen in the table on the top of this page.

The Board has a standard agenda, including receiving and considering reports from the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) and from the Audit, Nomination and Remuneration Committees. Where appropriate, matters are delegated to the Audit and Remuneration Committees, and reports on their activities are included within this corporate governance statement.

### **The working procedures of the Board of Directors**

The Board of Directors has adopted written instructions for the CEO. The roles of the Chairman and the CEO have been established in writing to ensure the clear division of responsibilities and this has been agreed by the Board. At least once a year the Board of Directors will review the strategy and visit the Group's different office locations. The Board has a short meeting without the CEO or CFO at each Board meeting.

The Chairman, supported by the Deputy Chairman, is responsible for: the leadership of the Board; setting its agenda and taking full account of the issues and concerns of all Board members; ensuring effective communication with shareholders; taking the lead on Director induction and development; encouraging active engagement by all Directors; and ensuring that the performance of individuals and of the Board as a whole, and its Committees, is evaluated regularly and usually once a year.

The Chairman ensures that the Board is supplied with accurate, timely and clear information. Directors are encouraged to update their knowledge and familiarity with the Group through meetings with Senior Management. There is an induction process for new Directors.

The Company Secretary together with the Head of Investor Relations is also responsible for advising the Board, through the Chairman, on all corporate governance matters. Directors are encouraged to seek independent or specialist advice or training at the Group's expense where this will add to their understanding of the Group in the furtherance of their duties.

### **Sustainability perspective**

The Board of Directors has established relevant guidelines for the Group's sustainability, with the aim of ensuring its long-term capacity for value creation. Sustainability for the Unibet Group has a number of different aspects:

- Responsible gaming and player safety, as part of a customer-centric strategy.
- Compliance with laws and regulations, as a major player in a highly regulated industry.
- Best practice in corporate governance, as fits a high value publicly-listed company.
- Environmental impact, addressed both through disclosure and decision-making.
- Employee engagement, as part of the commitment to play in the communities.

Corporate policies in each area have been approved by the Board.

In the Executive Committee, the CFO has executive responsibility for sustainability. Sustainability is a regular agenda item for the Audit Committee, allowing both for potential changes in policy or relevant regulation to be reviewed along with specific projects and initiatives.

The Board receives regular updates through the Audit Committee reports to the Board, together with an annual review of policies.

For more information about how the Unibet Group considers sustainability please refer to pages 20 to 23.

### **Evaluation of the Board of Directors**

In accordance with Provision 8.1 of the Code, the Board has a process to formally evaluate its own performance and that of its Committees. The performance of the Board and its Committees has been the subject of Board discussion, led by the Chairman, to consider effectiveness against performance criteria and potential risks to performance.

In 2015 an independent Board evaluation consultancy was used by the Nomination Committee to evaluate the Board as

input for the review. The performance evaluations of the Board have been structured in such a way to ensure a balanced and objective review of Directors' performance. Following this performance review, the Chairman is responsible for ensuring that the appropriate actions are taken, such as training.

The evaluation has also helped the Nomination Committee in identifying Board performance, competence, industry and international experience, diversity and expertise.

The Board monitors potential conflicts of interest very closely and has implemented controls and policies to avoid conflicts involving any of the Group's Directors. These controls ensure that any Director with a potential conflict of interest does not participate or vote in key decisions impacting the Group.

#### **Remuneration and Directors' and Officers' Liability insurance**

The Annual General Meeting establishes the principles and the maximum amount of the Directors' fees. A Director can, during a short period of time, supply consultancy services, but only if this is more cost-effective and better than any external alternative. Any such consultancy fee is disclosed in the Remuneration Committee report on page 43. None of the Directors hold share options issued by the Group. The Unibet Group has taken out Directors' and Officers' liability insurance for the full year covering the risk of personal liability for their services to the Group. Cover is in place for an indemnity level of GBP 2 million in aggregate.

#### **Communication with investors**

In the interests of developing a mutual understanding of objectives, the Head of Investor Relations has met regularly with owners and institutional investors to discuss the publicly disclosed performance of the Group and its future strategy. Institutional investors have also been able to meet the CEO, the CFO, line managers and other key persons of the Group.

The Board is kept informed of shareholder views and correspondence. Corporate and financial presentations are regularly made to fund managers, stockbrokers and the media, particularly at the announcement of interim and year end results. Links to webcast presentations are published on the Group's website. All shareholders are invited to attend the AGM, where they have the opportunity to put questions to the Directors, including the Chairmen of Board Committees.

At the AGM, separate resolutions are proposed for each substantially different issue to enable all of them to receive proper and due consideration. Each proposed Director is voted individually and the Unibet Group has a proxy voting system enabling shareholders who are unable to attend the AGM in person to use their voting power. Notice of the AGM and related papers are posted on the Group's website between four and six weeks in advance of the meeting. Further information on the activities of the Group and other shareholder information is available via the Unibet Group's corporate website, [www.unibetgroupplc.com](http://www.unibetgroupplc.com).

### **The Board of Directors' report on internal control over financial reporting for the financial year 2015.**

#### **Introduction**

According to the Maltese Companies Act and the Swedish Code of Corporate Governance, the Board is responsible for internal control. This report has been prepared according to the Swedish Code of Corporate Governance Provisions 7.4 and is accordingly limited to internal control over financial reporting. This report, which has not been reviewed by the auditors, is not part of the formal financial statements.

#### **Description**

##### **a. Control environment**

The Directors have ultimate responsibility for the system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate the risk of failure to achieve business objectives. In pursuing these objectives, internal control can only provide reasonable, and not absolute, assurance against material misstatement or loss.

##### **b. Risk assessment**

The Executive Committee is responsible for reviewing risks, and for identifying, evaluating and managing the significant risks applicable to their respective areas of business. Risks are reviewed and assessed on a regular basis by the CEO, the CFO, the General Counsel, the Group Risk Officer, the Head of Internal Audit, the Audit Committee and the Board. The effectiveness of controls is considered in conjunction with the range of risks and their significance to the operating circumstances of individual areas of the business.

##### **c. Control activities**

The Board is responsible for all aspects of the Group's control activities.

The Audit Committee assists the Board in its review of the effectiveness of internal controls and is responsible for setting the strategy for the internal control review. In doing so, it takes account of the organisational framework and reporting mechanisms embedded within the Group, and the work of the General Counsel, the Group Risk Officer and the Head of Internal Audit.

Working throughout the Group, the role of the General Counsel, the Group Risk Officer and the Head of Internal Audit is to identify, monitor, and report to the Board on the significant financial and operating risks faced by the Group to provide assurance that it meets the highest standards of corporate governance expected by its stakeholders.

**d. Information and communication**

The Board receives regular formal reports from the Executive Committee concerning the performance of the business, including explanations for material variations from expected performance and assessments of changes in the risk profile of the business that have implications for the system of internal control. In particular the Board receives direct periodic reports from the General Counsel, the Group Risk Officer and the Head of Internal Audit.

The Board also takes account of the advice of the Audit Committee, reports received from the external auditors, and any other related factors which come to its attention.

**e. Monitoring**

Further information concerning the activities of the Audit Committee in relation to the monitoring of the Unibet Group's internal controls, including the review of the financial reports published quarterly and reports from the internal audit function, is contained in the Audit Committee report on page 38.

On behalf of the Board

Malta, 11 March 2016

**Anders Ström**  
Chairman and Director

**Nigel Cooper**  
Director

**Statement of Compliance with the Swedish Code of Corporate Governance**

No separate auditors' report on the corporate governance is required under the Maltese regulations since the Corporate Governance statement is being prepared in line with principles of the Swedish Code.

With the exception of the matters noted above, the Directors confirm that they are in compliance with the Swedish Code of Corporate Governance.