



## Motivated opinion Kindred Group plc

The Annual General Meeting of Kindred Group plc 2017 will be held on Tuesday 16 May 2017 in Stockholm.

### About the Nomination Committee

At the AGM on 17 May 2016, it was decided that the Nomination Committee for the AGM 2017 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 2016 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 28.9 per cent of votes and capital, consists of **Evert Carlsson, Swedbank Robur Fonder, chairman of the Committee, Jonas Eixmann, Andra AP-fonden, Olof Jonasson, Första AP-fonden, Yvonne Sörberg, Handelsbanken Fonder and Anders Ström, chairman of the Board of Kindred Group plc,**

### 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. In addition thereto, there were separate interviews with the Board members. 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. The Nomination Committee has also visited Kindred Group's Corporate Office in Wimbledon where presentation from Senior management was given and conducted interviews with the Board members and with the CEO Henrik Tjärnström.

In its assessment of the Board it has given particular consideration to the requirements regarding breadth and versatility of the Board, as well as the requirement to strive for gender balance.

The view of the Nomination Committee is that the composition of the Board should reflect the different backgrounds and areas of expertise that are required for the implementation of Kindred Group's strategy **in an highly complex and legal shifting international environment with high demands on sustainability and player safety.**

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

The Committee has also noted that one Board member, Therese Hillman, resigned from the Board in October 2016 because of her new employment.

### **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

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

Following the review that is described above, the Nomination Committee proposes to re-elect as members of the Board of Directors: Kristofer Arwin, Sophia Bendz, Peter Boggs, Nigel Cooper, Peter Friis, Stefan Lundborg and Anders Ström.

The Committee has performed a search process together with a recruitment consultancy but it has been very difficult to find any candidates with the right profile. The Committee therefore decided not to change the Board. No other changes are proposed to enable a period of stability in the Board, following changes in the last years. This means that the proposed Board will comprise seven members instead of eight.

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

The Nomination Committee is of the opinion that the proposed composition of the Board of Directors reflects a good and relevant variety regarding nationality and industry experiences 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.** In addition to the aforementioned qualifications; the Nomination Committee will in the coming years continue its effort to find a composition of the board with more diversity, especially with respect to balance the gender.

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](http://www.kindredgroup.com)

### Board fees

The Chairman's engagement in the board work has been to such extent that the fee pool of GBP 140,000 for project work that has been assigned by the Board to the Chairman, and which is outside of his ordinary duties as Chairman of the Board, has been fully utilised each year. Therefore, the Nomination Committee proposes that the Chairman's ordinary remuneration will be increased from GBP 165,000 to GBP 250,000 but that the additional fee pool included in previous year's compensation will be removed. This change in the structure of fees leads to a reduction of the Chairman's total compensation from GBP 305,000 in the previous year to GBP 250,000 GBP. The project work assigned by the Board to the Chairman will thus be considered part of the ordinary duties of the Board.

The Nomination Committee also proposes that the fee pool for other Board members from previous years, available to the Board for other project work outside of normal Board work will be removed.

Other fees are proposed to be unchanged compared with the previous year.

Therefore the Nomination Committee proposes that a total fee of 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 250,000, the Deputy Chairman will receive a fee of GBP 82,000 and a fee of GBP 55,000 be paid to each other Director, and an additional GBP 22,000 be paid for Audit Committee work, GBP 12,000 for Remuneration Committee work and an additional GBP 4,000 be paid to the Chairman of the Audit Committee, and the Chairman of the Remuneration Committee.

These changes implies that the total remuneration for the Board of Directors is reduced from GBP 750,000 to GBP 695,000.

The Nomination Committee recommends that Board members acquire Kindred shares/SDRs and that these are maintained throughout their tenure as a Board member. After five years a Board member should have at least a shareholding which corresponds to the value of one year's gross fee income.

### Auditors

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 the Audit Committee concluded and recommended that when all aspects of quality, industry knowledge across all Kindred's locations and overall cost of

the proposal were taken into account that PricewaterhouseCoopers should be reappointed as auditors.

The Nomination Committee has carefully examined the summary of the project and the recommendation from the Audit Committee and proposes to reappoint PricewaterhouseCoopers as auditors of the Company and to authorise the Directors to determine their remuneration.

Malta in April 2017

Nomination Committee