

STOCKHOLM, 30 MARS 2020

## **NOTICE OF ANNUAL GENERAL MEETING IN LEOVEGAS AB (PUBL)**

*The shareholders of LeoVegas AB (publ), reg. no. 556830-4033, (the "Company"), are hereby convened to an annual general meeting to be held on Friday 8 May 2020, at 12.30 p.m. at the cinema Grand's premises on Sveavägen 45 in Stockholm. The doors to the meeting will open at 12.00. Due to the development of covid-19 the goal is that the Annual General Meeting shall be swift and effective to minimize spread of disease. As part of this no food will be served in connection with the meeting. Shareholders who are sick, recently travelled in a risk zone or are part of a risk group should not participate but can vote via proxy.*

### **RIGHT TO ATTEND THE ANNUAL GENERAL MEETING AND NOTICE**

Shareholders wishing to attend the Annual General Meeting must:

- i. on the record date, which is Saturday 2 May 2020, be registered in the share register maintained by Euroclear Sweden AB (since the record day occurs on a Saturday a shareholder must be registered in the share register maintained by Euroclear no later than on 30 April 2020). Shareholders, whose shares are registered in the name of a nominee, must temporarily register the shares in their own name at Euroclear Sweden AB. Shareholders whose shares are registered in the name of a nominee must, no later than on Thursday 30 April 2020, via their nominee, temporarily register the shares in their own name in order to be entitled to participate at the general meeting;
- ii. notify the participation at the general meeting no later than Monday 4 May 2020. Notice of participation at the general meeting may be given by regular mail to Annual General Meeting, LeoVegas AB (publ), c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, by telephone +46 8 402 90 97 or at the company's website [www.leovegasgroup.com](http://www.leovegasgroup.com). Upon notification, the shareholder should state their full name, personal identification number or corporate registration number, address and telephone number, and, where applicable, details of representatives, proxy holders and advisors. A shareholder who wishes to be represented by proxy shall issue a written and dated proxy to the proxy holder. If the proxy is issued by a legal entity, a certified copy of the registration certificate or corresponding document ("**Registration Certificate**") shall be enclosed. The proxy must not be more than one year old, however, the proxy may be older if it is stated that it is valid for a longer term, maximum five years. The proxy in original and the Registration Certificate, if any, must be available at the general meeting and a copy should well before the meeting be sent to the Company by regular mail to Annual General Meeting, LeoVegas AB (publ), c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, and should, in order to facilitate the entrance to the general meeting, be at the Company's disposal no later than on Monday 4 May 2020. A form proxy will be available for downloading on the Company's website [www.leovegasgroup.com](http://www.leovegasgroup.com).

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**PROPOSED AGENDA:**

- 1 Opening of the meeting and election of the chairman of the general meeting
- 2 Preparation and approval of voting list
- 3 Election of one or two person to certify the minutes
- 4 Determination of whether the general meeting has been duly convened
- 5 Approval of the agenda
- 6 Presentation of the group operations
- 7 Presentation of the work of the board of directors and nomination committee
- 8 Presentation of the annual report and audit report and the group annual report and group audit report
- 9 Resolutions regarding:
  - a) adoption of income statement and balance sheet and group income statement and group balance sheet;
  - b) appropriation of the Company's profit or loss in accordance with the adopted balance sheet; and
  - c) discharge of liability for the directors and the managing director
- 10 Determination of remuneration to the board of directors and the auditors
- 11 Election of the board of directors and the auditors
- 12 Election of the chairman of board of directors
- 13 Resolution regarding adoption of principles for the nomination committee
- 14 Resolution regarding guidelines for the determination of remuneration to senior executives
- 15 Resolution regarding warrant program and issue of warrants 2020/2023
  - a) Issue of warrants to the Subsidiary 2020/2023
  - b) Approval of transfer of warrants
  - c) Further information regarding the warrant program
- 16 Resolution regarding authorising the board of directors to decide on repurchase and transfer of own shares
- 17 Resolution regarding authorising the board of directors to decide on new issue of shares
- 18 Closing of the meeting

**PROPOSALS FOR RESOLUTIONS:**

**ITEM 1: OPENING OF THE MEETING AND ELECTION OF CHAIRMAN OF THE GENERAL MEETING**

The nomination committee proposes that Carl Svernlöv, attorney at law, Baker & McKenzie Advokatbyrå, is appointed as chairman of the general meeting.

**ITEM 9B): APPROPRIATION OF THE COMPANY'S PROFIT OR LOSS IN ACCORDANCE WITH THE ADOPTED BALANCE SHEET**

The board of directors proposes that SEK 1.40 per share is distributed to the shareholders as dividend, in total SEK 142,314,158. This corresponds to a yield of 5.3 percent, based on the closing price on Friday the 27 March 2020. The dividend is proposed to be distributed semi-annually with SEK 0.70 per share. The record date for the first semi-annual dividend is proposed to be 12 May 2020. If the annual general meeting resolves

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in accordance with the board of directors' proposal, the first dividend will be paid out to the shareholders on 15 May 2020.

The record date for the second semi-annual dividend is proposed to be 12 November 2020. If the annual general meeting resolves in accordance with the board of directors' proposal, the second dividend will be paid out to the shareholders on 17 November 2020.

**ITEMS 10-12: DETERMINATION OF REMUNERATION TO THE BOARD OF DIRECTORS AND THE AUDITORS, ELECTION OF THE BOARD OF DIRECTORS AND THE AUDITORS AND ELECTION OF THE CHAIRMAN OF BOARD OF DIRECTORS**

The nomination committee proposes that the board shall consist of seven directors. The nomination committee further proposes that the number of auditors shall be one registered accounting firm.

The nomination committee proposes that the remuneration is to be not more than SEK 2,800,000 in total, including remuneration for committee work (SEK 1,900,000 previous year), and shall be paid to the board of directors and the members of the established committees in the following amounts:

- SEK 300,000 for each of the non-employed directors and SEK 600,000 to the chairman provided that the chair is not an employee;
- SEK 50,000 for each of the non-employed members of the remuneration committee and SEK 100,000 to the chairman of the committee who is not also an employee; and
- SEK 50,000) for each of the non-employed members of the audit committee and SEK 100,000 to the chairman of the committee who is not also an employee.

The nomination committee proposes that the auditor shall be entitled to a fee in accordance with approved invoice.

The nomination committee proposes the re-election of the current directors Robin Ramm-Ericson, Anna Frick and Fredrik Rūden. It is also proposed to elect Mathias Hallberg, Carl Larsson, Per Norman and Torsten Söderberg as new directors. It is also proposed to elect Per Norman as new chairman of the board. Mårten Forste and Tuva Palm have declined re-election.

The nomination committee further proposes the re-election of the registered audit firm PricewaterhouseCoopers AB as the company's auditor for a period up until the end of the next annual general meeting. PricewaterhouseCoopers AB has announced its appointment of Aleksander Lyckow as main responsible auditor.

Independence in accordance with the Swedish Corporate Governance Code

After an assessment of the proposed directors' independence the nomination committee has found that their proposal for the composition of the board of directors of the company fulfills the requirements stipulated in

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the Swedish Corporate Governance Code. All proposed directors are considered independent to the company, the management of the company and the company's major shareholders.

Further information regarding the new proposed director and also proposed Chairman of the Board

**Per Norman**

**Education and background:** Per holds a M.Sc. from the Royal Institute of Technology (KTH) Stockholm, Mechanical Engineering and an Executive MBA Uppsala University, International Business. Per has previously held many executive positions such as CEO for Mr Green & Co AB (Publ.), CEO for Boxer TV Access AB, Deputy CEO for Modern Times Group MTG AB as well as board assignments in several companies such as Mr Green & Co AB (Publ.).

**Current Assignments:** Senior Advisor and chairman of the board of Red Jade AB and chairman of Gamingzone Entertainment AB and also a board member of Green Jade Games Ltd and Sverige Television Aktiebolag (SVT).

**Year of birth:** 1964

**Nationality:** Swedish

**Direct or related person ownership in the Company:** 4,600

Further information regarding the other directors proposed for new election

**Mathias Hallberg**

**Education and background:** Mathias har en fil. mag. biologi och kemi från Lunds Universitet. Han blev Farmacie doktor 2005 och docent i farmakologi 2007 vid Uppsala Universitet. Studierektor 2005 och universitetslektor från 2010. Mathias researches in the field of addiction and in 2016 appointed to Professor in Molecular research on drug dependence at Uppsala University, Department of pharmaceutical biosciences.

**Current Assignments:** Professor at Uppsala University.

**Year of birth:** 1971

**Nationality:** Swedish

**Direct or related person ownership in the Company:** 0

**Carl Larsson**

**Education and background:** Carl holds a BA from Stockholm University in Computer and System Science and an Executive MBA Stockholm School of Economics, General Management. Carl has great experience within the finance business where he has worked with large development projects for IT-systems for banks. Carl is also the co-founder of DigitalRoute. Carl has also been active as a self-employed within IT, which he currently still is.

**Current Assignments:** Board member of Strukturinvest Fondkommission (FK) AB.

**Year of birth:** 1974

**Nationality:** Swedish

**Direct or related person ownership in the Company:** 0

**Torsten Söderberg**

**Education and background:** Torsten holds a bachelor in economics, DIHR. Torsten's main occupation is board assignments. Torsten has previous experience as self-employed within several industries and as

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chairman of the board in Cherryföretagen and Stingbet.

**Current Assignments:** Board member of Feelgood Svenska AB, Tastsinn AB with subsidiaries, 4evergreen AB, Impulse Radar AB, Buir AB, Dox Sweden AB, AB Syoto with subsidiaries.

**Year of birth:** 1949

**Nationality:** Swedish

**Direct or related person ownership in the Company:** 4 507 253

Further information regarding the directors proposed for re-election is available at the company's website [www.leovegasgroup.com](http://www.leovegasgroup.com).

#### ITEM 13: RESOLUTION REGARDING ADOPTION OF PRINCIPLES FOR THE NOMINATION COMMITTEE

The nomination committee proposes that the following principles for the nomination committee are adopted.

##### **Role of the nomination committee**

The Company shall have a nomination committee with the task of preparing and proposing decisions to the shareholders' meetings on electoral and remuneration issues and, where applicable, procedural issues for the appointment of the subsequent nomination committee. The nomination committee is to propose:

- the chairman of the annual general meeting;
- candidates for the post of chairman and other directors of the board;
- fees and other remuneration for board work to each director;
- fees to members of committees within the board;
- election and remuneration of the Company auditor; and
- principles for the nomination committee.

The nomination committee shall in its assessment of the evaluation of the board and in its proposal in particular take into consideration the requirement of diversity and breadth on the board and strive for equal gender distribution. Regardless of how they have been appointed, the members of the nomination committee are to promote the interests of all shareholders of the Company.

##### **Members of the nomination committee**

The nomination committee, which is to be appointed for the time until a new nomination committee has been appointed, shall consist of five members, of whom four shall be nominated by the Company's four largest shareholders with respect to voting power and the fifth shall be the chairman of the board. The chairman of the board shall as soon as reasonably practicable after the end of the third quarter, in an adequate manner, contact the four owner-registered largest shareholders, with respect to voting powers, according to the share register kept by Euroclear Sweden AB at that time and request that they, taken into consideration the circumstances, within a reasonable time which cannot exceed 30 days, in writing to the nomination committee nominate the person whom the shareholder wishes to appoint as member of the nomination committee. If any of the four largest shareholders does not choose to exercise their right to appoint a member of the nomination committee, the next shareholder in consecutive order shall be entitled to appoint a member of the nomination committee. In the case that several shareholders abstain their right

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to appoint a member of the nomination committee, the chairman of the board shall not be required to contact more than eight shareholders, unless it is necessary in order to obtain a nomination committee consisting of a minimum of four members.

Unless otherwise agreed between the members, the chairman of the nomination committee shall be nominated by the largest shareholder. A member of the board shall never be the chairman of the nomination committee.

If a shareholder who has appointed a member of the nomination committee during the year ceases to be one of the Company's four largest shareholders, the member appointed of such shareholder shall resign from the nomination committee. Instead, a new shareholder among the four largest shareholders shall be entitled to independently and in its sole discretion appoint a member of the nomination committee. However, no marginal changes in shareholding and no changes in shareholding which occur later than two months prior to the annual general meeting shall lead to a change in the composition of the nomination committee, unless there are exceptional reasons.

If a member of the nomination committee resigns before the nomination committee has completed its assignment, for reasons other than set out in the paragraph above, the shareholder who has appointed by such member shall be entitled to independently and in its sole discretion appoint a replacement member. If the chairman of the board resigns from the board, his/her successor shall replace the chairman of the board also on the nomination committee.

A change in the composition of the nomination committee shall be published immediately.

#### **Announcement of the nomination committee members**

The chairman of the board shall ensure that the names of the members of the nomination committee, together with the names of the shareholders they have been nominated by, are published on the Company's website no later than six months before the annual general meeting.

If a member leaves the nomination committee during the year, or if a new member is appointed, the nomination committee shall ensure that such information, including the corresponding information about the new nomination committee member, is published on the website.

#### **Shareholders' rights to submit proposals to the nomination committee**

Shareholders shall be entitled to propose board members for consideration by the nomination committee. The nomination committee shall provide the Company with information on how shareholders may submit recommendations to the nomination committee. Such information shall be announced on the Company's website.

The chairman of the board of directors shall, as part of the work of the nomination committee, keep the nomination committee informed about the work of the board of directors, the need for particular qualifications and competences, etc., which may be of importance for the work of the nomination committee.

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### **The nomination committee's proposals, work and fees**

When preparing its proposals, the nomination committee shall take into account that the board of directors is to have a composition appropriate to the Company's operations, phase of development and other relevant circumstances. The directors shall collectively exhibit diversity and breadth of qualifications, experience and background. The nomination committee shall further strive for equal gender distribution.

The nomination committee shall provide the Company with its proposals for board members in such time that the Company can present the proposals in the notice of the shareholders' meeting where an election is to take place.

When the notice of the shareholders' meeting is issued, the nomination committee shall issue a statement on the Company's website explaining its proposals regarding the composition of the board of directors. The nomination committee shall in particular explain its proposal against the background of the requirement to strive for an equal gender distribution. The statement is also to include an account of how the nomination committee has conducted its work and a description of the diversity policy applied by the nomination committee in its work. In case a resigning managing director is nominated for the position of chairman of the board of directors, the nomination committee shall specifically explain the reasons for such proposal.

The nomination committee shall ensure that the following information on candidates nominated for election or re-election to the board of directors is posted on the Company's website at the latest when the notice to the shareholders' meeting is issued:

- year of birth, principal education and work experience;
- any work performed for the Company and other significant professional commitments;
- any holdings of shares and other financial instruments in the Company owned by the candidate or the candidate's related natural or legal persons;
- whether the nomination committee deems the candidate to be independent from the Company and its executive management, as well as of the major shareholders in the Company. If the committee considers a candidate independent regardless of the existence of such circumstances which, according to the criteria of the Swedish Code of Corporate Governance, may give cause to consider the candidate not independent, the nomination committee shall explain its proposal; and
- in the case of re-election, the year that the person was first elected to the board.

When appointing a new auditor the nomination committee is also to present proposals on the election and remuneration of the statutory auditor. The nomination committee's proposal to the shareholders' meeting on the election of the auditor is to include the audit committee's recommendation (or that of the board of directors if it does not have an audit committee). If the proposal differs from the alternative preferred by the audit committee, the reasons for not following the committee's recommendation are to be stated in the proposal. The auditor or auditors proposed by the nomination committee must have participated in the audit committee's selection process if the company is obliged to have such a procedure.

### **Account of the work of the nomination committee**

All members of the nomination committee, where possible, and as a minimum one of the members, shall be present at the annual general meeting.

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The nomination committee shall at the annual general meeting, or other shareholders' meetings where an election is to be held, give an account of how it has conducted its work and explain its proposals against the background of what is provided about the composition of the board in accordance with the above. The nomination committee shall in particular explain its proposal against the background of the requirement in accordance with above to strive for an equal gender distribution.

#### **Fees and Costs**

The Company shall bear all reasonable costs associated with the work of the nomination committee. Where necessary, the nomination committee may engage external consultants to assist in finding candidates with the relevant experience, and the Company shall bear the costs for such consultants. The Company shall also provide the nomination committee with the human resources needed to support the nomination committee's work.

#### **ITEM 14: RESOLUTION REGARDING GUIDELINES FOR DETERMINATION OF REMUNERATION TO SENIOR EXECUTIVES**

Upon recommendation of the remuneration committee, the board of directors of the Company proposes that the annual general meeting resolves to adopt the following guidelines for remuneration to senior executives.

#### **General**

The guidelines shall apply to remuneration that has been agreed upon or to changes in already agreed remunerations after the guidelines have been adopted by the annual general meeting. The guidelines do not apply to remunerations that has been resolved by the general meeting and any remuneration through shares, warrants, convertibles or other share-related instruments such as synthetic options or employ stock options shall therefore be resolved by the general meeting.

These guidelines apply to the CEO and other senior executives in the company group and all other remuneration to members of the board except fees to the board of directors.

Regarding employment conditions that are governed by rules other than Swedish, appropriate adjustments may be made in order to comply with such mandatory rules or established local practice, whereby the general objectives of these guidelines shall, to the extent possible, be met.

The guidelines promotion of the Company's business strategy, long-term interest and sustainability. For more information regarding the Company's business strategy, please see [www.leovegasgroup.com/](http://www.leovegasgroup.com/).

The guidelines shall contribute to the possibility to create conditions for the Company to retain and recruit competent and committed employees in order to successfully implement the Company's business strategy and meet the Company's long-term interests, including sustainability. The guidelines shall further stimulate an increased interest in the business and earnings development as a whole, and to increase the motivation for the senior executives and increase positive cohesion in the Company. The Guidelines shall also contribute to good ethics and corporate culture.

In order to achieve the Company's business strategy, the total annual remuneration must be market-based and competitive in the employment market in which the senior executive is situated and taking into account

the individual's qualifications and experience and that exceptional performance must be reflected in the total remuneration.

The Company has three active long-term incentive programs consisting of warrants. These incentive programs have been approved by the general meeting and therefore the guidelines do not apply to these incentive programs. The guidelines will not apply to the long-term share-related incentive program, proposed by the board of directors for the annual general meeting in accordance with item **Error! Reference source not found.**, as it is to be adopted by the annual general meeting 2020. The proposed incentive program corresponds in all essence to existing programs.

The purpose of the existing programs is to create condition for retaining and increasing the motivation of senior executives and other employees as well as other key personnel within the Company and the group. The board of directors finds it that it is in all shareholders interests that senior executives and other employees and other key personnel have a long-term interest in a positive value development in the Company's share. A long-term ownership commitment is expected to stimulate an increased interest in the business and the development of earnings as a whole, and to increase the motivation for the participants and aims to achieve an increased community interest between the participant and the Company's shareholders.

Summary of existing programs	Program 1	Program 2	Program 3
Exercise period	1 June –15 June 2020	1 June –15 June 2021	1 September – 30 September 2022
Subscription price	114 SEK per share	115,77 SEK per share	50 SEK per share
Number of outstanding warrants	376,100	633,766	788,150
Relation	1 warrant = 1 share	1 warrant = 1 share	1 warrant = 1 share

Variable cash payments covered by these guidelines are intended to promote the Company's business strategy and long-term interests, including its sustainability.

#### **The forms of remuneration etc.**

Remuneration may consist of fixed cash salary, possible variable cash compensation, other customary benefits and pension. The total annual cash remuneration, including pension benefits, must be market-based and competitive in the employment market and in the work area in which the employee is situated, taking into account the individual's qualifications and experience and that outstanding achievements are to be reflected in the total remuneration. Fixed cash salary and variable cash remuneration shall be related to the executive's responsibility and authority. The fixed cash salary shall be revised annually.

The fulfillment of criteria for payment of variable cash compensation shall be measurable over a period of one year. The variable cash payment may amount to a maximum of 50 percent of the total fixed cash salary during the measurement period for such criteria.

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Additional variable cash compensation may be payable in exceptional circumstances, provided that such arrangements are time-limited and made only at the individual level. The purpose of such arrangements must be to recruit or retain executives, or as compensation for extraordinary work in addition to the person's ordinary duties. Such compensation shall not exceed an amount corresponding to 25 percent of the fixed annual cash salary and shall not be paid more than once per year and per individual. A decision on such remuneration shall be made by the board of directors on proposal from the remuneration committee.

Pension benefits, including health insurance, must be defined in contribution schemes with respect to the CEO. Variable cash payments shall not entitle to pension. Pension premiums for defined contribution schemes shall amount to a maximum of 45 percent of the fixed annual cash salary.

For other senior executives, pension benefits, including health insurance, must be defined in contribution schemes unless the employee is covered by defined-benefit pensions under compulsory collective agreement provisions. Variable cash compensation must be pension-based insofar as it is compelled by compulsory collective agreement provisions applicable to the senior executive. Pension premiums for defined contribution schemes shall amount to a maximum of 45 percent of the fixed annual cash salary.

Employees also have the right to salary exchange (i.e., instead of salary, the employee chooses to receive the wages as pension provision - the salary exchange must be cost-neutral for the employer).

Other benefits may include: life insurance, health insurance and car benefit. Such benefits may amount to a maximum of 10 percent of the fixed annual cash salary.

For executives who are stationed in a country other than their home country, additional remuneration and other benefits may be paid to a reasonable extent, taking into account the particular circumstances associated with such expatriation, whereby the overall purpose of these guidelines is to be met as far as possible. Such benefits may amount to a maximum of 15 percent of the fixed annual cash salary.

If a member of the board of directors performs work on behalf of the Company, in addition to the work of the board, consultancy fees and other remuneration for such work may be payable after special resolution by the board of directors, after preparation of the remuneration committee. Such compensation shall be constructed in accordance with these guidelines.

### **Termination of employment**

Upon termination of employment, the notice period may not exceed six months. Fixed cash salary during the notice period and severance pay may not, in total, exceed an amount corresponding to the fixed cash salary for one year. In the event of termination by the senior executive, the period of notice may not exceed six months.

### **Criteria for payment of variable cash compensation etc.**

The variable cash remuneration shall be based on and be related to the outcome in relation to predetermined and measurable concrete defined objectives based on the Company's business strategy and the long-term business plan approved by the board of directors. The objectives may include financial objectives, either at the group or unit level, operational objectives as well as objectives for sustainability and social responsibility,

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employee engagement or customer satisfaction, as well as individualized quantitative or qualitative goals. These objectives must be established and documented annually in order to promote the long-term development of executives. The Company has established financial targets and KPI's based on strategic and business-critical initiatives and projects that ensure fulfillment in accordance with the business plan and business strategy for a sustainable continued business and safeguarding the Company's long-term interests.

Conditions for variable cash compensation should be designed so that the board of directors, if particularly difficult economic conditions occur, has the option of limiting or neglecting to issue variable remuneration if such a resolution is deemed unreasonable and incompatible with the Company's responsibility vis-à-vis the shareholders. For annual bonuses, there should be the option of limiting or neglecting to pay variable remuneration, if the board of directors deems it justified for other reasons. The Company must be able to recover, in full or in part, variable cash compensation according to law or agreement subject to any restrictions that may follow.

When the measurable period for fulfillment of the criteria for payment of variable cash compensation has ended, the extent to which the criteria have been met shall be determined. The board of directors, after preparation from the remuneration committee, is responsible for the assessment of variable cash remuneration to the CEO and the CEO is responsible for the assessment of variable cash remuneration to other executives. With respect to financial targets the evaluation shall be based on the Company's latest publicly available financial information.

#### **Salary and terms of employment for employees**

In preparing the board of directors' proposal for these guidelines, salary and terms of employment for the Company's employees have been taken into account, with respect to information on the employees' total remuneration, the components of the remuneration and the rate of increase and increase over time, when the remuneration committees and the boards of directors have decided on the evaluation of the reasonableness of these guidelines and the limitations that follows from the guidelines.

The board of directors of the Company shall work to ensure that all subsidiaries in the group apply these principles.

#### **Preparation, decision-making etc.**

Questions regarding cash salary and variable cash remuneration to the CEO and other senior executives are prepared by the remuneration committee and resolved by the board of directors and, where applicable, the CEO.

The remuneration committee shall also prepare the board of directors' resolution on matters regarding remuneration principles for senior executives, including guidelines for remuneration to senior executives. The remuneration committee shall also monitor and evaluate ongoing and completed programs for variable remuneration for senior executives during the year, and follow and evaluate the application of these guidelines for remuneration to senior executives as well as current remuneration structures and remuneration levels in the Company. At the board of directors preparations of and resolutions on remuneration-related matters, the CEO or other members of the executive management are not present, insofar as they are affected by the resolutions.

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The board of directors shall prepare proposals for new guidelines at least every four years and submit the proposal for resolution at the annual general meeting. The guidelines shall apply until new guidelines have been adopted by the annual general meeting.

The board of directors considers that the guidelines on remuneration to senior executives are proportionate in relation to salary levels, remuneration levels and conditions for other employees in the group.

#### **Deviations from the guidelines**

The board of directors shall have the right to deviate from the above guidelines if the board of directors considers that, in a particular case, there are special reasons which justify it and an exception is necessary to meet the Company's long-term interests and sustainability or to ensure the Company's financial viability. Such deviation shall also be approved by the remuneration committee. An agreement that deviates from the guidelines may be renewed, but any such agreement should be limited in time and not exceed 24 months or an amount that is twice as high as the compensation that the person concerned would have received without any agreement.

The senior executives will be offered to participate in the incentive program 2020/2023, whereby senior executives have the right to participate in accordance with the proposal for resolution on the establishment of incentive program 2020/2023, in accordance with item **Error! Reference source not found.**

No deviations has occurred from the remuneration guidelines adopted by the annual general meeting for 2019.

#### **Information regarding remuneration**

For information on remuneration please refer to the annual reports, which is available on the Company's website [www.leovegasgroup.com](http://www.leovegasgroup.com).

#### **ITEM 15: RESOLUTION REGARDING WARRANT PROGRAMME THROUGH ISSUANCE OF WARRANTS 2020/2023**

The board of directors of the Company proposes that the annual general meeting resolves to implement an incentive program through issuance of warrants in accordance with below.

#### **Background and purpose**

The purpose of the proposal, as of previous incentive programs, is to establish conditions to recruit and maintain qualified personnel in the company group and increase the motivation of the participants. The board of directors finds that it is in all shareholders' interest that current and future senior executives, other employees and other key persons have a long term interest in developing a high value of the Company's share. A long term ownership engagement is expected to stimulate an increased interest for the business and result in a whole as well as to increase the motivation for the participants and to create a common interest for the Company's shareholders and the participant.

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#### A. Issue of warrants 2020/2023

The Board of Directors proposes that the AGM resolves to issue of a maximum of 1,000,000 warrants, entailing an increase in the share capital upon full exercise by a maximum of EUR 12,000.01. The following terms shall apply to the issuance:

1. The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, be given to the indirectly wholly owned subsidiary Gears of Leo AB, reg. no. 556939-6459 (the "Subsidiary"), with the right and obligation to transfer the warrants to employees within the group as per below.
2. Oversubscription may not take place.
3. The purpose for deviation from the shareholders' preferential right is to implement an incentive programme whereby employees, through a personal investment, will participate and contribute in a positive development in the value of the Company's shares during the period that the proposed programme covers, and to help the group to maintain and recruit qualified and engaged employees.
4. The warrants shall be issued without any consideration.
5. Subscription of the warrants shall take place not later than the day after the AGM.
6. The board of directors has the right to extend the subscription period.
7. Each warrant entitles to subscription of one new share in the Company. Subscription of new shares shall take place during the period commencing on 1 June 2023 up to and including 30 June 2023, or the earlier or later date as set out by the terms of the warrants in item 11 below.

The subscription price per share shall correspond to 130 percent of the volume-weighted average price according to the Nasdaq Stockholm official price list for the share for the 5-day trading period immediately after the record date for the first half-year dividends decided at the AGM in 2020 (approx. SEK 33.44 based on a preliminary calculation). The record date is proposed to be on 12 May 2020, which means that said period of 5 trading days immediately after the record date will be 13 May 2020 up to and including 19 May 2020. However, the subscription price per share shall be at least SEK 32.

The shares subscribed for by exercise of the warrants shall carry entitlement to participate in dividends for the first time on the next record date for dividends which occurs after subscription is effected.

Warrants held by the Subsidiary that are not transferred as per below or that are repurchased from participants shall be cancelled after a decision by the Company's board of directors. Cancellation shall be reported to the Swedish Companies Registration Office for registration.

The other terms for the warrants will be published on the Company's website no later than three weeks prior to the meeting.

#### B: Approval of transfers of warrants

The board of directors proposes that the AGM resolves to approve that the Subsidiary transfers the warrants in accordance with the following terms.

The right to acquire warrants from the Subsidiary shall be given to a maximum of 50 persons from the group

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management, senior executives and key employees selected by the board of directors of the Company (the “Participants”).

The board of directors of the Company will not participate in the programme.

- Initially, each Participant will be offered to acquire warrants in accordance with the table set out below. For cases where one or more Participant do not acquire their full allotment, the Subsidiary has the opportunity to offer other Participants to acquire the remaining warrants. Such right shall primarily be given to Participants in Category A, secondarily to Participants in Category B, and thirdly to Participants in Category C.

Category	Number of Participants	Number of warrants per Participant	Total number of warrants
Group Management (“Category A”)	Maximum 10	40,000-100,000	400,000-1,000,000
Senior executives (“Category B”)	Maximum 30	15,000-30,000	300,000-800,000
Other key persons (“Category C”)	Maximum 30	5,000-15,000	125,000-400,000

- The warrants shall be transferred on market terms at a price (premium) that is set based on an estimated market value of the warrants that has been calculated by an independent valuation institute using the Black & Scholes valuation model. The value has preliminarily been calculated at approximately SEK 2.93 per warrant based on a share price of SEK 26.60 and a subscription price of SEK 33.44.
- In other respects, the warrants shall be subject to market terms including a right for the Company and the Subsidiary to repurchase warrants if a Participant’s employment with the Company ends.
- Transfers to Participants require that the acquisition of warrants can be lawfully made and that this can be done with what the board of directors deems to be a reasonable administrative and economic effort.
- Application to acquire warrants shall be made by 21 May 2020 at the latest. However, the Company’s board of directors shall have the right to extend the application period for acquisitions.

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### C: More detailed information about the warrant programme

#### 1. Dilution

Assuming full subscription and exercise of all warrants offered, 1,000,000 new shares can be issued, corresponding to dilution of approximately 1.0% of the total number of existing shares and votes in the Company, but with reservation for the recalculation of the number of shares that each warrant entitles to subscribe for that may take place as a result of certain issues, etc.

#### 2. Costs and effects on key figures, etc.

The Company's earnings per share will not be affected by the issue, since the warrants' strike price exceeds the current market value of the shares at the time of the issue. The Company's future earnings per share may be affected by the potential dilutive effect of the warrants in the event the Company reports a positive result and the strike price is lower than the market value. The warrants will be transferred at market value, which means that no taxable benefit value will arise and thus no social fees for the Company. The warrant programme will give rise to certain, limited costs in the form of external consulting fees and administration of the warrant programme.

#### 3. Calculation of market value

The independent valuation institute/accounting firm Deloitte AB is calculating the market value of the warrants using the Black & Scholes valuation model.

#### 4. Drafting and preparations for the warrant programme

The warrant programme has been prepared by the board of directors and members of the group management and external advisors and in accordance with guidelines for remuneration to senior executives adopted by the AGM 2019 as well in accordance with guidelines from the remuneration committee, and in consultations with major shareholders. The board of directors has thereafter decided to submit this proposal to the AGM. Apart from the executives who have participated in the drafting of this matter as per instructions from the Board of Directors, no employee who may be included in the programme has participated in the drafting of the terms.

#### 5. Other share-based incentive programmes, etc.

For a description of the Company's other share-based incentive programmes, please refer to the 2018 Annual Report and the Annual Report for 2019 which will be published prior to the annual general meeting, and the Company's website. No other share-based incentive programmes are in effect.

#### 6. Authorisations and decision-making rules

The AGM assigns the board of directors to execute the decision according to point B above.

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The board of directors, or the party designated by the board of directors, is authorised to make such minor adjustments that are necessary for the decision's registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

The AGM's resolution in accordance with Item 15 A and 15 B shall be considered as one decision. The AGM's resolution on this point is valid only if approved by shareholders with at least nine-tenths (9/10) of the votes and shares represented at the AGM.

The resolution on the transfer of the warrants shall also be approved by a general meeting of the Subsidiary.

**ITEM 16: RESOLUTION REGARDING AUTHORISING THE BOARD OF DIRECTORS TO DECIDE ON REPURCHASE AND TRANSFER OF OWN SHARES**

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors to decide on purchases of the company's own shares in accordance with the following, main terms:

- 1) Share repurchases may be made only on Nasdaq Stockholm or any other regulated market.
- 2) The authorisation may be exercised on one or more occasions before the 2021 Annual General Meeting.
- 3) The maximum number of own shares that may be repurchased so that the company's holding of shares at any given time does not exceed 10% of the total number of shares in the company.
- 4) Repurchases of the company's own shares on Nasdaq Stockholm may only be made at a price within the range of the highest purchase price and lowest selling price at any given time.
- 5) Payment for the shares shall be made in cash.

In addition, the Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors to decide on transfers of own shares, with or without deviation from the shareholders' preferential rights, in accordance with the following, main terms:

1. Transfers may be made on (i) Nasdaq Stockholm or (ii) outside of Nasdaq Stockholm in connection with acquisitions of companies, operations or assets.
2. The authorisation may be exercised on one or more occasions before the 2021 Annual General Meeting.
3. The maximum number of shares that may be transferred corresponds to the number of shares held by the company at the point in time of the Board of Directors' decision on the transfer.
4. Transfers of shares on Nasdaq Stockholm may only be made at a price within the range of the highest purchase price and lowest selling price at any given time. For transfers outside of Nasdaq Stockholm, the price shall be set so that the transfer is made at market terms.
5. Payment for transferred shares may be made in cash, through in-kind payment, or through set-off against claims with the company.

The purpose of the authorisations is to give the Board of Directors greater scope to act and the opportunity to adapt and improve the company's capital structure and thereby create further shareholder value, and take advantage of any attractive acquisition opportunities.

The Board of Directors shall have the right to decide on other terms for repurchases and transfers of own shares in accordance with its authorisation. The Board of Directors also has the right to authorise the

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Chairman of the Board, the Group CEO, or the person designated by the Board to make such minor adjustments that may be necessary in connection with the execution of the Board's decision to repurchase and transfer shares.

A valid resolution in favour of the Board's proposal requires the approval of shareholders with at least two-thirds of the votes and shares represented at the Annual General Meeting.

**ITEM 17: RESOLUTION REGARDING AUTHORISING THE BOARD OF DIRECTORS TO DECIDE ON NEW ISSUE OF SHARES**

The Board of Directors of the Company proposes that the Annual General Meeting authorises the Board of Directors, on one or more occasions, during the time up until the next Annual General Meeting, to decide to increase the company's share capital through a new issue of shares to such extent that it corresponds to a dilution of a maximum of 10% of the number of shares outstanding at the time of the Annual General Meeting calculated after full exercise of the issue authorisation now proposed.

A new issue of shares may be carried out with or without deviation from the shareholders' preferential rights. Shares issued with deviation from the shareholders' preferential rights shall be issued at market terms. The Board of Directors shall have the right to decide on other terms for the issue. Payment may be made against cash payment, in-kind payment for through set-off against claims with the company. If the Board of Directors finds it suitable in order to enable delivery of shares in connection with a share issuance as set out above it may be made at a subscription price corresponding to the shares quota value.

The purpose of the authorisation is to give the Board of Directors greater scope to act and the opportunity to adapt and improve the company's capital structure and thereby create further shareholder value, and take advantage of any attractive acquisition opportunities.

The Chairman of the Board, the Group CEO or the person designated by the Board of Directors shall have the right to make such minor adjustments in the decision that may be necessary for registration of the decision with the Swedish Companies Registration Office.

A valid resolution in favour of the Board's proposal above requires the approval of shareholders with at least two-thirds of the votes and shares represented at the Annual General Meeting.

Number of shares and votes

The total number of shares in the Company as of the date hereof amounts to 101,652,970 shares, with a corresponding number of votes. The Company holds no own shares.

Further information

Copies of accounts, audit report, auditor statement regarding guidelines for remuneration to the senior executives, proxy form, complete proposals and other documents that shall be available in accordance with the Swedish Companies Act are available at the Company at Luntmakargatan 18 in Stockholm and at the Company's website [www.leovegasgroup.com](http://www.leovegasgroup.com), at least three weeks in advance of the annual general meeting and will be sent to shareholders who request it and provide their e-mail or postal address. A statement on the nomination committee's proposal regarding the board of directors is available on the Company's web site

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www.leovegasgroup.com as from today and will be sent to shareholders who request this report and provide their e-mail or postal address.

The shareholders hereby notified regarding the right to, at the annual general meeting, request information from the board of directors and managing director according to Ch. 7 § 32 of the Swedish Companies Act.

Processing of personal data

For information on how personal data is processed in relation the meeting, see the Privacy notice available on Euroclear Sweden AB's website: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammorengelska.pdf>.

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Stockholm in March 2020

**LeoVegas AB (publ)**

The board of directors

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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*LeoVegas vision and position is "King of Casino". The global group LeoVegas offers games on Casino, Live Casino and Sport. The parent company LeoVegas AB (publ.) is located in Sweden and its operations are mainly located in Malta. The company's shares are listed on Nasdaq Stockholm. [www.leovegasgroup.com](http://www.leovegasgroup.com)*