

# Corporate Governance 2016



# LeoVegas

MOBILE GAMING GROUP

# Corporate governance report

## Corporate governance at LeoVegas

This corporate governance report has been prepared in accordance with Ch. 6 § 6 of the Swedish Annual Accounts Act and the Swedish Corporate Governance Code (“the Code”). The report is part of the Board of Directors’ report and includes disclosures pursuant to Ch. 6 § 6 of the Annual Accounts Act.

The Corporate Governance Report for the financial year has been reviewed by the company’s auditor, as described in the Auditor’s statement on the Corporate Governance Report.

LeoVegas is a Swedish, public limited liability company whose shares are listed for trading on Nasdaq First North Premier. Governance of LeoVegas is grounded in the company’s Articles of Association, the Swedish Companies Act, the First North Rulebook for Issuers, other applicable Swedish and foreign laws and regulations, and the company’s internal rules and guidelines. These internal rules and guidelines include primarily the Board’s Rules of Procedure, the CEO’s instructions, the instructions for financial reporting and control, and the financial manual. Since its stock market listing LeoVegas has focused its work on strengthening internal control and its functions. Additional expertise in financial reporting and IFRS has been recruited, and thus central knowledge exists within the Group. LeoVegas now has a dedicated person who is chiefly responsible for monitoring and evaluation of internal control.

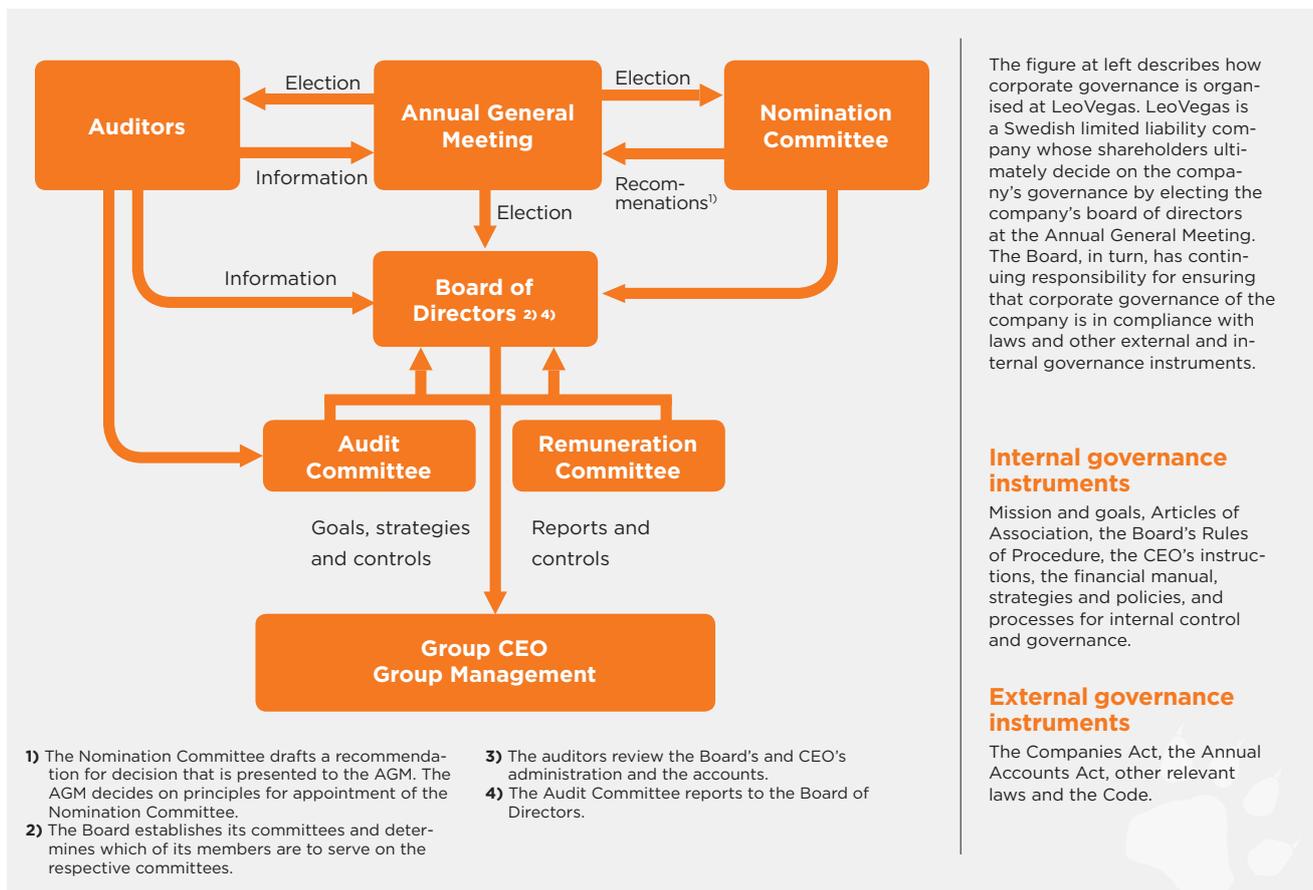
In addition, LeoVegas has a number of policy documents and manuals, including the Code of Conduct, the Corporate Governance Policy and the Information Policy, as well as

other internal rules and recommendations that include principles and provide guidance in the company’s operations and for its employees. The above-mentioned governance documents are reviewed yearly by the Board of Directors. The company’s most important documents, apart from those prescribed by law or other statute, are available on LeoVegas’ website: [www.leovegasgroup.com](http://www.leovegasgroup.com).

LeoVegas’ shares are listed for trading on Nasdaq First North Premier, which means that the company is not obligated to apply the Swedish Corporate Governance Code. The company has nevertheless opted to apply the Code in accordance with the recommendation in First North’s rules governing the Premier segment. The guidelines of the Code are available on the Swedish Corporate Governance Board’s website: [www.bolagsstyrning.se](http://www.bolagsstyrning.se). The Code is based on the “comply or explain” principle, entailing that companies that apply the Code may depart from individual rules as long as they provide an explanation for such departure. According to the Code, a company’s board shall determine each year if the company is to have an internal audit function that evaluates whether the company’s internal governance and controls have worked as intended, or if the board has gained assurance in some other way that such is the case. The Board of LeoVegas has opted at present to not appoint an internal auditor, but will instead work with internal monitoring and self assessment.

## Shareholders

As per 31 December 2016 the company had 7,514 shareholders, where Gustaf Hagman was the largest owner of Leo-



Vegas with a holding of 8,000,000 shares, corresponding to 8.0% of the share capital and votes. No other shareholder holds, directly or indirectly, more than 10% of the shares or votes in the company. As per 31 December 2016 the ten largest shareholders had ownership corresponding to 49.8% of the votes and capital.

### Share capital and voting rights

According to the Articles of Association in effect at year-end, the share capital must be a minimum of EUR 1,100,000 and a maximum of EUR 4,400,000. The company's registered share capital as per 31 December 2016 was EUR 1,196,345.642146, divided among 99,695,470 shares. The shares, which are denominated in euros (EUR), have a share quota value of EUR 0.0120. Each share carries entitlement to 1 vote. Every person entitled to vote at general meetings of shareholders may vote for the full number of shares owned and represented by him or her without restriction in voting rights.

The company's Annual General Meeting on 28 May 2015 resolved in favour of the issuance of a maximum of 500,000 warrants before the split and 2,000,000 after the split, with deviation from the shareholders' pre-emption rights. The aim of the issuance of warrants was to – within the framework of an incentive programme – offer certain key persons an opportunity for ownership in LeoVegas. For further information, see Note 20.

### General meetings of shareholders

#### Notice of general meeting

According to the current Articles of Association, notice of a general meeting shall be made through advertisement in Post- och Inrikes Tidningar ("the Official Swedish Gazette") and by posting on the company's website. An advertisement announcing that notice of the meeting has been issued shall also be published in the Swedish daily newspaper Svenska Dagbladet. A notice of an Annual General Meeting or of an Extraordinary General Meeting at which an amendment of the company's Articles of Association will be dealt with shall be issued not earlier than six weeks and not later than four weeks before the meeting in question. A notice of an Extraordinary General Meeting shall be issued not earlier than six weeks and not later than three weeks prior to the meeting.

#### Right to participate in a general meeting

Shareholders who wish to participate in a general meeting must be listed in the shareholder register maintained by Euroclear Sweden on the day that falls five weekdays prior to the meeting, and must notify the company of their intention to attend the meeting by not later than the date indicated on the notice of the meeting. Shareholders may participate in general meetings in person or via proxy, and may also be accompanied by a maximum of two assistants. Shareholders ordinarily have the opportunity to notify their attendance at a general meeting in several different ways, which are indicated in the notice. Shareholders are entitled to vote for all shares that they hold in the company.

#### Shareholder initiatives

Every shareholder has the right to have a matter taken up for consideration at a general meeting. A shareholder who wishes to have a matter taken up for consideration at a general meeting must submit a written request about such to the Board of Directors. Such a request must normally be received by the Board not later than seven weeks prior to the general meeting in question.

#### Annual General Meeting

The Annual General Meeting (AGM) for the 2015 financial year was held on 26 May 2016. Attorney Carl Svernlöv was elected to serve as AGM chairman. The AGM resolved:

- to adopt the income statement and balance sheet for LeoVegas and the consolidated income statement and consolidated balance sheet;
- that no dividend shall be paid to the shareholders, and that retained earnings, including the share premium reserve and net profit for the year, totalling EUR 16,682 thousand, be carried forward;
- to grant discharge from liability to the board members and the CEO;
- that, in accordance with the Nomination Committee's recommendation, directors' fees shall be paid to the members of the Board of Directors and members of the Board's committees in the following amounts:
  - SEK 175,000 for each non-executive director;
  - SEK 15,000 for each member of the Remuneration Committee who is a non-executive director;
  - SEK 15,000 for each member of the Audit Committee who is a non-executive director;
- payment of the auditor's fees in accordance with an approved invoice;
- that, in accordance with the Nomination Committee's recommendation, the Board of Directors shall consist of six directors and that the auditor shall be a chartered accounting firm. Per Brilioth, Barbara Canales, Anna Frick, Mårten Forste, Robin Ramm-Ericson and Patrik Rosén were re-elected as board members. Robin Ramm-Ericson was re-elected as Chairman of the Board;
- that PricewaterhouseCoopers AB be re-elected as the Company's auditor for the period until the end of the next Annual General Meeting, with Authorised Public Accountant Aleksander Lyckow as auditor-in-charge;
- to adopt the principles for appointment of the Nomination Committee in accordance with the Nomination Committee's recommendation;
- to adopt the Board's guidelines for remuneration of senior executives of LeoVegas, in accordance with the Board's recommendation.

### Nomination Committee

According to the Code, companies that adhere to the Code shall appoint a nomination committee. LeoVegas' Nomination Committee, which is made up of representatives of the largest shareholders, has been formed in accordance with the guidelines approved by the 2016 AGM. The Nomination Committee is tasked with submitting recommendations for the Chairman of the Board and other board members, directors' fees and other fees for directors' work on the Board, election of the auditor and auditor's fees, and with evaluating the Board's work. The Nomination Committee's recommendations are reported in the AGM notice. LeoVegas' Nomination Committee shall be composed of four members, of whom three shall represent the company's largest shareholders, and the fourth shall be the Chairman of the Board.

The members of the Nomination Committee are appointed in a procedure whereby the Chairman of the Board – as soon as possible after the end of the third quarter – contacts the three largest shareholders at this point in time. The Chairman of the Board shall never serve as chair of the Nomination Committee. The composition of the Nomination Committee is publicly announced through a press release as soon as the members have been appointed, but not later than six months prior to the AGM.

Based on the above, the Nomination Committee ahead of the 2017 AGM was appointed and consists of the following persons, who together represent approximately 25% of the

number of votes and shares in the company as per 30 September 2016:

- Anders Fast (chair), appointed by Gustaf Hagman
- Joachim Spetz, appointed by Swedbank Robur funds
- Christian Brunlid, appointed by Handelsbanken
- Robin Ramm-Ericson, Chairman of the Board

### Board composition and directors' independence

According to LeoVegas' Articles of Association, the Board shall be composed of three to ten members. In other respects, there are no rules in the Articles of Association regarding the appointment or dismissal of board members. The Board is currently composed of six AGM-elected directors, all of whom were elected at the AGM on 26 May 2016 for terms until the end of the 2017 AGM. Viktor Fritzn, CFO, participates in board meetings as secretary. Other LeoVegas executives participate at board meetings in a reporting role on specific matters. Five of the directors are independent in relation to the company and its management. Four of the directors are independent also in relation to the company's major shareholders. The company thereby meets the Code's requirements on directors' independence.

### Responsibilities and work of the Board

The Board's duties are regulated by the Swedish Companies Act, LeoVegas' Articles of Association, other laws and statutes, and the Code. In addition, the Board's work is regulated by the Rules of Procedure adopted by the Board. The Rules of Procedure regulate, among other things, the division of duties and responsibilities between the board members, the Chairman of the Board and the CEO, and lay out routines for financial reporting by the CEO. The Board follows an annually set schedule for its work, which is adopted at the statutory board meeting each year. The Board also adopts instructions for the Board's committees. The Board's duties include adoption of strategies, business plans, budgets, interim reports, the year-end book-closing, and policies and guidelines. The Board is also responsible for monitoring the company's financial performance, ensuring the quality of financial reporting and internal control, and evaluating the business against the objectives and guidelines established by the Board. The Chairman of the Board and CEO shall monitor the company's performance, and conduct preparatory work for and lead board meetings. The Chairman of the Board is also responsible for ensuring that the board members evaluate their work every year and that they continuously receive the information required for them to perform their work effectively. The Chairman of the Board represents LeoVegas vis-à-vis its shareholders. During the year, the Board held 12 meetings, of which five were conducted by conference call. The Board's work during the year was focused particularly on preparations for the company's IPO, strategy discussions surrounding the company's development, expansion, technology platform, launch of a sports book, and business partners.

### Committees

The Board of LeoVegas has established two committees – an audit committee and a remuneration committee.

#### *Audit Committee*

The Audit Committee is tasked with providing a special forum for the work with financial reporting, internal control, risk management and auditing. The members of the Audit Committee are Robin Ramm-Ericson, Patrik Rosén and Per Brilioth. Robin Ramm-Ericson is committee chair. The main duties of the Audit Committee, which works according to a work plan set by the Board of Directors, is to monitor the Group's financial reporting and to oversee the effectiveness of the compa-

ny's internal controls and risk management. In addition, the Audit Committee is tasked with staying informed about the audit of the annual report and consolidated accounts, reviewing and overseeing the auditor's impartiality and independence, and in this context paying particular attention to whether the auditor provides other services to LeoVegas than auditing services. The Audit Committee maintains contact with LeoVegas' auditor in order to create an ongoing exchange of information and understanding between the Board and the auditor on auditing issues. The Audit Committee held four meetings in 2016.

#### *Remuneration Committee*

The members of the Remuneration Committee are Mårten Forste, Barbara Canales and Anna Frick. Mårten Forste is committee chair. The Remuneration Committee has an advisory and a drafting function. The Remuneration Committee works according to a work plan set by the Board of Directors. Its main duties are to conduct preparatory drafting work for the Board's decisions on matters concerning remuneration principles, remuneration and other terms of employment for members of company management, monitoring and evaluating application of the guidelines for remuneration of senior executives approved by the AGM as well as applicable remuneration structures and remuneration levels in LeoVegas. The Remuneration Committee held two meetings in 2016.

#### *Evaluation of the Board's work*

The Board's work is evaluated yearly through a systematic, structured process that aims among other things to produce constructive documentation for improvements in the Board's own work. The evaluation is conducted both individually and through discussions at board meetings. The evaluation aims to give the Chairman of the Board information on how the board members perceive the Board's effectiveness and collective competence as well as on whether there are any needs for changes on the Board. The evaluation of the Chairman is conducted by the other board members. The Chairman of the Board informs the Nomination Committee about the results of the evaluations.

#### *Directors' fees*

The 2016 AGM resolved that directors' fees of SEK 175,000 shall be payable each to Per Brilioth, Barbara Canales, Mårten Forste and Patrik Rosén, based on the assumption that their assignments would continue for the entire period until the 2017 AGM. A fee for committee work shall be payable in the amount of SEK 15,000 to each of the members of the Audit and Remuneration Committees, based on a term for these assignments from the 2016 AGM until the 2015 AGM. Robin Ramm-Ericson, who receives salary from the company, is not paid any director's fee or fee for committee work.

### Internal control and risk management

Internal governance and control are generally defined as a structured process, conducted by an organisation's board, management and other staff, to provide a reasonable assurance that goals are met in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

This description has been prepared in accordance with the Annual Accounts Act and covers the most important parts of the company's system for internal control and risk management in connection with the financial reporting.

LeoVegas' control system has been designed to ensure that correct and reliable financial reporting and accounting have

been conducted in accordance with applicable laws and statutes, accounting standards and other requirements on listed companies. LeoVegas works according to an established framework for internal control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This framework covers five main areas: Control Environment, Risk Assessment, Control Activities, Monitoring Activities, and Information & Communication.

#### *Control Environment*

The control environment in LeoVegas is the foundation for the other components of internal governance and control. A good control environment entails that LeoVegas has orderly processes and structure, integrity, ethical values and the right competencies in the company. The company's leadership and the way in which management delegates responsibility and authority, and organises and develops the employees are equally important components. The control environment is maintained through LeoVegas' policies and routines, and with the assistance of the company's organisational structure, with a clear division of responsibilities and authority that is based on shared values.

LeoVegas' control environment is built upon:

-  a strong company culture with values that permeate the company,
-  documented ethical and moral guidelines,
-  a clear organisation with clearly defined roles and areas of responsibility,
-  governance documents, and
-  identified and well defined key processes.

Well structured internal control creates not only the conditions for reliability in the financial reporting, but also contributes to a sound and sustainable business with higher profitability as a result. The work on structuring internal processes and monitoring is growing increasingly important in pace with LeoVegas' growth.

LeoVegas' board of directors has overarching responsibility for maintaining an effective system of internal control. In 2016 LeoVegas hired a dedicated person with chief responsibility for internal control and governance. Area managers have general responsibility for monitoring that effective controls are in place in their respective areas of responsibility.

LeoVegas works continuously with development and improvement of internal control, in part through internal reviews and in part through proactive work with risk management. Continuous further development of internal control is of central importance for a rapidly growing company like LeoVegas. Internal governance instruments for financial reporting consist primarily of the Group's finance policy, the financial manual, and authorisation instructions. In addition to these, the company has established policies covering trading in the company's shares, IT and information security, among other things.

LeoVegas reviews the company's internal controls in accordance with a recurring life cycle every year and makes changes to them to the extent it is deemed necessary. The main responsibility for ensuring internal control rests with the Parent Company, which is where reporting to the company's board is also conducted. In addition, the Group has unit with special responsibility for compliance. By compliance is meant in this context regulations issued by the gambling authorities in the respective countries. The company's external auditor, in turn, regu-

larly reviews selected control processes within the framework of the audit process.

#### *Risk Assessment*

Every year LeoVegas performs a structured risk analysis to identify risks affecting internal control over financial reporting as well as other areas that entail risk. Every unit manager within the Group is responsible for clearly defining and evaluating the specific risks that exist in the area he or she is responsible for. Risks are to be clearly defined together with a description of how each risk is controlled and the manager's view of the effectiveness of relevant control activities. A self assessment is conducted, which is in turn reviewed and verified. Risks are analysed and updated, and where needed an implementation plan is defined and followed up. The Board addresses the outcome of the company's risk assessment and risk management process to ensure that it covers all significant areas and identifies necessary measures where needed.

LeoVegas' greatest business risks are related to the rapidly changing environment in the gaming industry, including shifts in legal systems, seasonal variations and exchange rate movements.

#### *Control Activities*

Control activities are the guidelines and routines that contribute to ensuring that the management's directives are carried out. They contribute to ensuring that necessary measures are taken to manage risks that the organisation's objectives will not be achieved.

Control activities are formulated and conducted throughout the organisation - at all levels and in all functions. They are documented at the process level and include both overarching and more detailed controls designed to prevent, discover or correct errors and deviations. They include a number of different types of activities, such as approvals, attestations, verifications, reconciliations, reviews of the results of operations, assurance of assets, performance analyses and budget follow-ups. In the annual risk assessment work all control activities are evaluated to ensure that they are designed in a suitable manner. When designing control activities, steps are taken to ensure that they are performed in the right way and at the right time. Control activities for the financial reporting cover everything from review and follow-up of earnings to specific account reconciliations. So-called general IT controls are established for the systems that support the processes that affect internal control. The design of IT processes and controls is also affected by rules issued by gaming authorities, such as the Malta Gaming Authority, and by external reviews in connection with licensing and certifications. Such reviews are conducted in part by independent review agencies for certifications according to regulatory requirements and in part by the company's external auditor.

#### *Monitoring Activities*

Internal governance and control systems need to be monitored, followed up and evaluated. This is achieved in LeoVegas through continuous monitoring activities and follow-ups. LeoVegas' most important financial information processes are reviewed at least once a year or ahead of and in connection with changes in rules and standards that could affect the company's financial reporting. Follow-up of control activities is conducted continuously to ensure that risks have been taken into account and addressed in a satisfactory manner. Follow-ups include both formal and informal routines that are conducted within the company. These routines encompass a follow-up of earnings against budgets and plans, analyses, and key ratios. The Board continuously evaluates the information provided by company management. This follow-up includes both reconciliations and

follow-up of financial reports against budgets and targets, which is also reported at board meetings. The company's policies and instructions are evaluated and updated with respect to suitability and functionality, where needed. Follow-up of LeoVegas' work with internal governance and control is documented after reviewing the company's activities and processes for ensuring good internal control and monitoring. Compilations and the status of identified measures are reported to the Board of Directors.

#### *Information & Communication*

Relevant information must be identified, captured and conveyed so that the company's employees can perform their duties. Information systems generate reports that contain information and details about compliance that make it possible to conduct and govern the company's business. These concern not only internally generated data, but also information about external events, activities and conditions that are necessary for well-grounded business decisions and external reporting. The employees must understand their own roles in the internal governance and control system, and how individual activities affect others' work. A channel must be in place to communicate important information. There is also a need for effective communication with external parties, such as customers, vendors, authorities and shareholders.

LeoVegas' communication and information channels enable information to be quickly communicated internally to pertinent employees. The company's intranet and information meetings are the primary channels. Where necessary, information in the financial manual is updated. In addition to the written communication that is conveyed in, for example, the financial manual, news, risks, outcomes of controls, etc., are communicated and discussed at regular meetings.

Significant risks and manuals for the financial reporting are updated and communicated to pertinent employees in connection with new employee orientation and, in connection with any changes, to all pertinent employees. Formal and informal information channels to and from company management and the Board are in place for important information.

For external communication, the company has an information policy that aims to ensure that the company is compliant with applicable requirements for accurate information to the market. The policy documents that the Board adopts each year include an information policy for the company which among other things stipulates guidelines for contacts with analysts and the media. In connection with new employee orientation, the employees are informed about the laws and guidelines that the company follows with respect to, for example, the handling of inside information and trading in the company's shares. In addition, prior to every quarterly report, reminders are sent to all employees.

#### *Internal audit*

LeoVegas has not established a dedicated internal audit function; rather, this function is handled by the Board of Directors. According to the Code, the Board shall decide each year if the company is to have an internal audit function that assesses whether internal governance and controls work in their intended manner, or if the Board in some other way gains assurances that such is the case. This issue is also considered yearly by the Audit Committee. The Board is of the opinion that the company's further strengthened organisation, documentation of processes, and implemented follow-up are sufficient for ensuring a satisfactory state of affairs and has therefore opted to not appoint an internal auditor. LeoVegas has opted to work with internal follow-up and self assessment, and reports the outcome of this work to the Board of Directors.

### **CEO and senior executives**

The CEO is responsible for the day-to-day administration of LeoVegas in accordance with applicable laws and regulations, and the instructions and strategies established by the Board of Directors. The CEO ensures that the Board receives the information required for the Board to be able to make well-grounded decisions, and monitors compliance with the goals, policies and strategic plans for LeoVegas that are set by the Board of Directors. The CEO is also responsible for ensuring that the Board is provided with satisfactory information about LeoVegas' development between regular board meetings. The CEO leads the work of the Group's management, which is responsible for the overarching business development. In addition to the CEO, the Group Management includes eight senior executives: the CFO, the Head of Investor Relations and Corporate Finance, the Chief Commercial Officer, the Chief Marketing Officer, the Chief Operating Officer, the Chief Experience Officer, the CEO of LeoVegas Gaming Ltd, and the CEO of Gears of Leo Sweden/ Chief Technology Officer.

#### *Remuneration of the CEO and senior executives*

Remuneration of the CEO and other senior executives consists of a base salary, other benefits, and in certain cases pension. By other senior executives is meant the eight persons who together with the CEO make up the Group Management. The CEO and the other senior executives receive monthly salary in line with the going rate in the market and customary employment benefits. No variable remuneration is paid. The Remuneration Committee has drawn up recommendations for guidelines for remuneration of senior executives to be put to the 2017 AGM for approval. See the Board of Directors' report (the Board's proposed guidelines for remuneration of senior executives). These guidelines include, among other things, principles for the relationship between fixed salary and variable remuneration, pension benefits, and limitations regarding severance pay and fixed salary during notice periods. Individual remuneration of the CEO and the individual remuneration of other senior executives are approved by the Board of Directors after approval by the Remuneration Committee. For paid remuneration, see Note 6.

### **Auditor**

According to the Articles of Association, LeoVegas shall have a maximum of two auditors with or without a maximum of two deputy auditors, or a chartered accounting firm. LeoVegas' Annual General Meeting on 26 May 2016 resolved to elect the chartered accounting firm PricewaterhouseCoopers AB as auditor of the company for a term until the end of the 2017 AGM. Authorised Public Accountant Alexander Lyckow was appointed as auditor-in-charge. Alexander Lyckow is a member of FAR.

### **External audit**

The external audit of the accounts of LeoVegas and all subsidiaries, including the Board of Directors' and Group Management's administration, is performed in accordance with International Standards on Auditing and generally accepted auditing practice in Sweden. The external auditor attends at least one board meeting each year, at which the auditor reports on its observations from the audit and its opinion on internal control. During the financial year, in addition to its audit assignment, PricewaterhouseCoopers performed services related to the company's listing on Nasdaq First North Premier and tax consulting. The auditor was paid a fee for its services in accordance with an AGM resolution.

# Board of Directors



Robin Ramm-Ericson



Per Brillioth



Barbara Canales Rivera

	Robin Ramm-Ericson	Per Brillioth	Barbara Canales Rivera
<b>Year elected and committee membership</b>	Born 1975. Chairman since 2011. Audit Committee chair.	Born 1969. Director since 2015. Member of Audit Committee.	Born 1990. Director since 2015. Member of Remuneration Committee.
<b>Education</b>	M.Sc. Business and Economics, Stockholm School of Economics; studies at Stanford University.	B.Sc. Business Administration, Stockholm University; Master's in Finance, London Business School.	International Sales and Marketing at Sälj & Marknadshögskolan.
<b>Other current assignments</b>	-	CEO and Chairman of Vostok New Ventures AB. Director of Avito AB, X5 Group AB, Vostok Emerging Finance (publ), Pomegranate Investment AB, Tethys Oil AB and Svenska Fotografiska museet AB.	Director of Brand Marketing, Away.
<b>Professional experience and previous assignments</b>	Co-founder of LeoVegas. Former CEO of Payson AB, Nordic Manager Neteller & Optimal Payments Ltd. Head of Product Development at ATG.	Head of Emerging Markets at Hagströmer & Qviberg. Long record of experience in emerging markets, growth companies and entrepreneur-driven companies. Chairman of Cortus Energy AB (publ.) and Vosvik AB. Director of Avito Holding AB.	Diverse roles in PR and Marketing at Mykita and Oscar Magnuson Spectacles. Launched Uber in Sweden. Co-founder of Bonocle.com. Former Community Manager at Uber, where she was also responsible for the launch and establishment of Uber in Sweden.
<b>Director's fee (yearly)</b>	-	175,000	175,000
<b>Fee for committee work</b>	-	15,000	15,000
<b>Independent in relation to the company and Group Management</b>	No	Yes	Yes
<b>Independent in relation to major shareholders</b>	No	Yes	Yes
<b>Shareholding as per 31 December 2016</b>	6,845,560	683,340	-
<b>Number of shares that warrants carry entitlement to as per 31 December 2016</b>	240,000	-	-
<b>Attendance at board meetings (12)</b>	12 of 12 possible	12 of 12 possible	10 of 12 possible
<b>Attendance at Audit Committee meetings (4)</b>	4 of 4 possible	4 of 4 possible	-
<b>Attendance at Remuneration Committee meetings (2)</b>	-	-	2 of 2 possible



**Mårten Forste**

**Anna Frick**

**Patrik Rosén**

Born 1971. Director since 2012. Remuneration Committee chair.	Born 1968. Director since 2015. Member of Remuneration Committee.	Born 1967. Director since 2011. Member of Audit Committee.
Master of Laws, Lund University.	M.Sc. Business and Economics, Stockholm School of Economics.	M.Sc. Business and Economics, Stockholm School of Economics.
Chief Operations Officer for European operations of Match.com.	President of Oakwood Digital Agency.  Director of Nordnet Bank, Frisq and Fortnox.	CEO, partner and director of Aggregate Media Funds.
Country Manager Sweden for the gaming company Expekt. Country Manager Nordic Region for Match.com.	Vice President, Garbergs. Head of Creative, Adamsky Agency and COO of communication agency Farfar AB.  Vice President and director, Martin Frick AB.	Director of Compricer AB and Headweb AB. MTG, Head of Publishing Fanzine Media (part of the Bonnier Group), CEO and founder of media operations at Spray.
175,000	175,000	175,000
15,000	15,000	15,000
Yes	Yes	Yes
Yes	Yes	No
387,100	10,000	3,574,720
-	-	-
11 of 12 possible	12 of 12 possible	12 of 12 possible
-	-	4 of 4 possible
2 of 2 possible	2 of 2 possible	-

# Group senior executives



	<b>Gustaf Hagman</b>	<b>Viktor Fritzen</b>	<b>Philip Doftvik</b>	<b>John Strömberg</b>
<b>Title, employed since</b>	Born 1974. CEO 2011-2013. President and CEO since 2015. Co-founder of LeoVegas 2011.	Born 1985. CFO since 2012. Employed since 2012.	Born 1985. Head of Investor Relations and Corporate Finance. Employed since 2015.	Born 1983. CEO of Gears of Leo Sverige and Group Chief Technology Officer. Employed since 2012.
<b>Education</b>	Economics studies at Stockholm University and Södertörn University.	M.Sc. Econ. with Finance emphasis, Stockholm School of Economics	M.Sc. Econ. with Finance emphasis, Stockholm University	DIHM, Business Management, IHM Business School.
<b>Other current assignments</b>	-	-	-	-
<b>Professional experience and previous assignments</b>	CEO and director of Net Gaming Europe AB.	Analyst at GP Bullhound, analyst at Goldman Sachs, London.	Equity analyst, Carnegie Investment Bank. Several positions with Betsson Group, including in operations, M&As, and investor relations.	Technical Project Manager, CTO GI Viktkoll AB, Lead System Architect GI-Boxen AB, IT consultant HiQ, System Engineer & Team Lead RebTel (HiQ Consultant), System Architect Gutro Technologies and Research AB.
<b>Own and related parties' shareholdings</b>	8,000,000	612,800	47,000	262,400
<b>Number of shares entitled for subscription under warrants as per 31 December 2016</b>	240,000	120,000	40,000	70,000



<b>Johan Styren</b>	<b>Robin Ramm-Ericson</b>	<b>Louise Nylén</b>	<b>Rikard Ljungman</b>	<b>Marcus Nylén</b>
Born 1982. CEO of LeoVegas Gaming Ltd. Employed since 2012.	Born 1975. Chief Experience Officer and Chairman of the Board of LeoVegas. Co-founder of LeoVegas 2011.	Born 1976. Chief Marketing Officer since 2015. Head of Marketing Development 2013-2015. Employed since 2013.	Born 1966. Chief Commercial Officer since 2015. Employed since 2015.	Born 1973. Chief Operating Officer since February 2016. Former Head of Expansion. Employed since 2015.
Civil Engineer, Industrial Economics, Lund University.	M.Sc. Econ., Stockholm School of Economics, studies at Stanford University.	M.Sc. Econ. with Finance emphasis, Stockholm School of Economics.	Civil Engineering, Industrial Economics/Machinery, Faculty of Engineering, Lund University.	Master of Business Administration, CERAM Sophia Antipolis.
-	-	-	Board member, Green2Fly AB.	Founder and director of Fafner Invest AB. Director of Avtal24.
Head of Business Development at TDC. Head of Acquisitions Development, Unibet.	Co-founder of LeoVegas. Former CEO of Payson AB, Nordic Manager Neteller & Optimal Payment Ltd, Head of Product Development at ATG.	Senior Director, Head of Region Europe and Americas, and Director Business Strategy and Development at OSM AB. Associate consultant at Bain & Company.	CEO Exigo AB, CEO Mind TT AB, Vice President Ogame AB, CEO Xover TV. CEO PlusOneDreams Ltd, CPO Episerver.	CEO Mr Green, CEO Fafner Invest AB, and CEO Bredbandsbolaget, as well as several CEO positions within the Tele-2 group.
1,236,000	6,845,560	382,200 <sup>1)</sup>	4,000	382,200 <sup>1)</sup>
70,000	240,000	70,000	40,000	30,000

1) Louise Nylén and Marcus Nylén jointly own 382,200 shares in LeoVegas

**LEOVEGAS' SENIOR EXECUTIVES**

Name	Company	Position	LeoVegas employee since	Shareholding as per 31 December 2016
<b>Gustaf Hagman</b>	LeoVegas AB	Group CEO	2011	8,000,000
<b>Viktor Fritzén</b>	LeoVegas AB	CFO	2012	612,800
<b>Philip Doftvik</b>	LeoVegas AB	Head of Investor Relations	2015	47,000
<b>John Strömberg</b>	Gears of Leo AB	CEO Gears of Leo Sweden and Group Chief Technology Officer	2012	262,400
<b>Johan Styren</b>	LeoVegas Gaming Ltd	CEO of LeoVegas Gaming Ltd	2012	1,236,000
<b>Robin Ramm-Ericson</b>	LeoVegas Gaming Ltd	Chief Experience Officer	2011	6,845,560
<b>Louise Nylén<sup>1)</sup></b>	LeoVegas Gaming Ltd	Chief Marketing Officer	2013	382,200 <sup>2)</sup>
<b>Rikard Ljungman</b>	LeoVegas Gaming Ltd	Chief Commercial Officer	2015	4,000
<b>Marcus Nylén<sup>1)</sup></b>	LeoVegas Gaming Ltd	Chief Operating Officer	2015	382,200 <sup>2)</sup>

1) Due to their relationship as closely related persons, Louise Nylén and Marcus Nylén jointly own 382,200 shares in LeoVegas.

**REMUNERATION OF SENIOR EXECUTIVES**

Amounts in EUR 000s	Base salary	Variable remuneration	Pensions	Other benefits	Total
<b>Gustaf Hagman, Group CEO</b>	177	-	1	0	178
Other senior executives (incl. executive director)	1,172	-	64	86	1,322
<b>Total, senior executives</b>	<b>1,349</b>	<b>-</b>	<b>65</b>	<b>86</b>	<b>1,500</b>

# Auditor's statement on the Corporate Governance Report

To the Annual General Meeting of LeoVegas (publ), corporate identity number 556830-4300

## Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2016 on pages 39–49 and that it has been prepared in accordance with the Swedish Annual Accounts Act.

## Scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 – The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit con-

ducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

## Opinions

A corporate governance statement has been prepared. Disclosures in accordance with Ch. 6 § 6 second paragraph points 2–6 of the Annual Accounts Act and Ch. 7 § 31 second paragraph of the same Act are consistent with the annual accounts and the consolidated accounts, and are in accordance with the Annual Accounts Act.

Stockholm, 11 April 2017

PricewaterhouseCoopers AB

**Aleksander Lyckow**  
*Authorised Public Accountant*  
*Auditor-in-charge*

**Magnus Brändström**  
*Authorised Public Accountant*



Telephone: +46 8 410 367 66 • Visitor's address: Sveavägen 59  
Web: [www.leovegasgroup.com](http://www.leovegasgroup.com) • Corporate identity number: 556830-4033