

## Evaluation of LeoVegas AB (publ) remuneration to the CEO and other senior executives in accordance with the Swedish Corporate Governance Code, 9.1 and 10.3

The remuneration committee of LeoVegas AB (publ), (the “**Company**”), has since the inaugural meeting with the board of directors on 26 May 2016 comprised of the board members Mårten Forste (chairman), Anna Frick and Barbara Canales. The remuneration committee has held 3 meetings since it was appointed. The remuneration committee has discussed issues such as guidelines regarding remuneration to the senior executives, resolution regarding remuneration to the managing director and proposal to the board of directors regarding introduction of a new incentive program for senior executives, employees and key-persons within the company group (“**Incentive Program 2017/2020**”).

In accordance with the Swedish Corporate Governance Code, the remuneration committee shall monitor and evaluate programs for variable remuneration (both ongoing and those that have ended during the year), how the guidelines for remuneration to the senior executives adopted at the annual general meeting have been applied, as well as the current remuneration structure and levels of remuneration in the Company.

The following is the board of directors’ report of the results of the evaluation carried out by the remuneration committee.

### **General information with respect to the remuneration to senior executives**

The Company strives for to offer a total remuneration that enables the Company to attract and retain qualified senior executives.

In accordance with the guidelines for remuneration to the senior executives adopted at the 2016 annual general meeting, the remuneration to the executive management may during 2016 consist of fixed salary, possible variable salary, other customary benefits and pension payments. The variable remuneration may be paid in cash and/or shares/warrants/convertibles and is to be based on the outcome of pre determined targets and should be designed with the aim of achieving greater community of interest between the participating senior executive and the Company’s shareholders. The variable remuneration may amount to a maximum of 50 per cent of the fixed salary (calculated at the date for vesting or, as regards, shares/warrants the date of allotment). These components will create a balanced remuneration that reflects individual achievements and offers a competitive remuneration with respect to the terms on the market. For additional information regarding the proposed guidelines please refer to the Company’s website [www.leovegasgroup.com](http://www.leovegasgroup.com) or the annual report for the financial year 2016.

### **Short term and long term incentive programs**

At the annual general meeting on 28 May 2015, it was resolved to issue a maximum of 500,000 warrants which, adjusted for the resolution on a 1:4 share split, resolved at the extra general meeting on 4 February 2016, entitles each holder of a warrant to subscribe for four new shares (“**Incentive Program 2015/2018**”). All of the warrants were subscribed for by the subsidiary and have been transferred from the subsidiary

to employees of the Company and within the group in at a price per unit of EUR 0.27, which corresponds to a market valuation in accordance with the Black & Scholes valuation model. Each warrant entitles the holder to subscribe for one new share in the Company at a subscription price of EUR 1.75 during the period between 1 May 2018 and 31 May 2018. If the warrants are fully exercised it will lead to a dilution of 1.96% of the outstanding shares in the Company.

### **Guidelines for salary and other remuneration**

The remuneration committee continuously evaluates the remuneration to the managing director and other senior executives based on the criteria defined in the guidelines and the expected outcome has been reported to the board of directors and discussed at board meetings. The basis for the decisions is obtained from the managing director and the CFO. In order to assess whether salaries and remuneration are competitive, comparison is made with relevant companies, industries and markets. Furthermore, the board of directors has in accordance with the above, upon recommendation from the remuneration committee, proposed that the annual general meeting shall resolve to adopt guidelines for remuneration to the senior executives. Prior to the annual general meeting 2017 the remuneration committee has initiated an evaluation of Incentive Program 2015/2018. The evaluation was made from a number of perspectives; the employees' motivation and alignment of interest with shareholders, shareholder value and simplification. The evaluation resulted in the fact that the board of directors, upon recommendation from the remuneration committee and in accordance with the guidelines adopted by the annual general meeting 2016, now proposes that the annual general meeting 2016 resolves to introduce Incentive Program 2017/2020. For further information please see the notice and the full proposal available at the Company's website [www.leovegasgroup.com](http://www.leovegasgroup.com).

### **The remuneration committee's evaluation**

The remuneration committee's evaluation, and the review carried out by the auditor has resulted in the conclusion that the guidelines for remuneration for senior executives established at the 2016 annual general meeting have been correctly applied to such remuneration in the Company during the year.

The Remuneration Committee's has through its evaluation made the assessment that the current remuneration structure and levels of remuneration in the Company enables conditions for a total remuneration that is reasonable and competitive, whereby the Company may attract and retain qualified senior executives. In addition, the remuneration committee believes that the proposed guidelines for remuneration to senior executives will strengthen the Company's remuneration structure and levels of remuneration and to greater alignment of the senior executives' incentive with the shareholders' interest.

Further information regarding the current remuneration is found in the annual report 2016.

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Stockholm, 12 April 2017  
**LeoVegas AB (publ)**