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## The board of director's proposal regarding guidelines for remuneration to senior executives – item 14

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Upon recommendation of the remuneration committee, the board of directors of LeoVegas AB (publ), reg. no. 556830-4033, (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, 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.

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, 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.

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.

#### **Information on deviations from the remuneration guidelines adopted by the annual general meeting for 2019**

No deviations has occurred.

#### **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).

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Stockholm in March 2020

**LeoVegas AB (publ)**

The Board of Directors