



G5 ENTERTAINMENT AB

The nomination committee's reasoned opinion for the proposals for election of board directors and auditor in G5 Entertainment AB (publ)

Background

The nomination committee of G5 Entertainment AB (publ), reg. no 556680-8878 (the “**Company**”) comprises representatives of the five (5) largest shareholders in the Company as of August 31, 2020. The nomination committee shall perform the tasks ensuing from the Swedish Code of Corporate Governance.

The nomination committee has been assigned in accordance with the resolved order by the Annual General Meeting and currently comprises of Markus Lindqvist (chairman of the nomination committee and appointed by the shareholder Aktia Fund Management Company Ltd.), Jeffrey Rose (director of the board in the Company and appointed by the shareholder Wide Development Limited), Petter Nylander (chairman of the board in the Company and appointed by the shareholder Purple Wolf Limited), Sergey Shults (appointed by the shareholder Proxima Limited), and Tommy Svensk (appointed by the shareholder Tommy Svensk). The composition of the nomination committee was announced by a press release by the Company on September 24, 2020.

Tasks of the nomination committee

The nomination committee's assignment before the 2021 Annual General Meeting has been to prepare proposals of appointment of auditor, appointment of chairman of the board and other board directors, appointment of chairman of the Annual General Meeting, matters regarding remuneration and thereto related matters.

The nomination committee has held four minuted meetings and regular discussions over the phone. These meetings and discussions have mainly been devoted to the evaluation of the work carried out by the current board of directors, discussions about the number of members of the board of directors, the need for new recruitment, discussions about potential new Board members and discussions regarding remuneration to the board of directors. The work for the year has been impacted by uncertainty with regards to the accusations of insider trading by one of the Board members.

To assess the requirements that are placed on the board of directors with regard to the Company's current situation and future direction, the nomination committee has discussed the composition of the board of directors, for example, in terms of industry experience and expertise as well as other competencies that could strengthen the Board. As a new member was added to the Board of Directors in 2020 and the fact that physical meetings have been restricted due to the pandemic, the nomination committee planned to make no changes to the Board for this year.

During the process of evaluating the composition of the Board, uncertainty about the continuation of Stefan Lundborg on the Board of Directors surfaced. The nomination committee has discussed profiles that would be suitable as a complement or replacement. Stefan Lundborg resigned from the board in

March 2021. After his resignation the nomination committee intensified its work on looking for a replacement, work that is ongoing and will be ongoing until a new candidate is identified.

The nomination committee is paying attention to Section 4.1 of the Swedish Corporate Governance Code, the Company's policy of diversity, in preparing proposals for board of directors and seeks an appropriate composition, characterized by diversity and breadth in the elected board directors' qualifications, experience and background.

As the basis for its proposal, the nomination committee has assessed the board, reviewed the results of the annual evaluation of the board of directors and its work as well as individually met the directors of the board.

The nomination committee deems the now proposed composition of the board to be adequately diversified in respect of the directors' competence, experience and background regarding the Company's strategic development, its operations, governance, and control. The nomination committee has identified the need for a better gender balance of the board but has not identified suitable candidates to improve the situation. The nomination committee is committed to working on the gender issue going forward.

The nomination committee's proposals and reasoned opinion

Proposals of the board of directors

The nomination committee proposes that the board, for the period until the end of the next Annual General Meeting shall consist of five (5) directors and no deputies.

As described under "the tasks of the nomination committee" the resignation of Stefan Lundborg occurred late in the work of the nomination committee. The nomination committee's opinion is that the Board would benefit by adding an additional member, a work that is ongoing, but that the following suggestion fulfills the needs of the company. The nomination committee therefore proposes re-election of Petter Nylander, Jeffrey W. Rose, Vladislav Suglobov (also CEO), Marcus Segal and Johanna Fagrell Köhler. Petter Nylander is proposed as the chairman of the board.

The nomination committee deems the composition of the proposed board to be adequate regarding the Company's stage of development and otherwise. In particular, the Company's strategic development, governance and control as well as the requirements that these factors place on the board's competence and composition has been considered. The nomination committee also believes that among the proposed board directors there is a diversity and breadth in terms of educational background, experience and competence that benefits the board's work. However, the nomination committee also emphasizes the importance of each board director's individual qualifications and suitability for achieving a well-functioning board. The proposed board directors are deemed to be well suited for the assignment, both individually and as a group, and the nomination committee considers that they have good opportunities to carry out the work of the board with the care and commitment that the assignment requires.

Below is the nomination committee's opinion of each director's respective independence in relation to the Company, its senior executives and major shareholders in accordance with the Swedish Corporate Governance Code.

Petter Nylander	Chairman since 2013 Director since 2013	Independent in relation to the Company and senior executives. Independent in relation to the Company's major shareholders.
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Vlad Suglobov	Director since 2006	Dependent in relation to the Company and senior executives. Dependent in relation to the Company's major shareholders.
Johanna Fagrell Köhler	Director since 2017	Independent in relation to the Company and senior executives. Independent in relation to the Company's major shareholders.
Marcus Segal	Proposed new board of director before the 2020 Annual General Meeting	Independent in relation to the Company and senior executives. Independent in relation to the Company's major shareholders.
Jeffrey W. Rose	Director since 2011	Dependent in relation to the Company and senior executives. Independent in relation to the Company's major shareholders.

The nomination committee's proposal for election of board directors in the Company thus fulfills the requirements according to the Swedish Code of Corporate Governance.

Proposal regarding the board remuneration

The nomination committee's proposal is to increase the remuneration for the Chairman of the board to SEK 500 000 (450 000). The nomination committee further proposes to increase the remuneration for the Members of the Board to SEK 275 000 (250 000) and the remuneration for the Chairman of the Audit Committee to SEK 100 000 (80 000).

Proposal of auditor

The nomination committee proposes that the Annual General Meeting re-appoints PricewaterhouseCoopers AB ("**PwC**") as the Company's auditor and Aleksander Lyckow as auditor-in-charge.

Together with the chairman of the audit committee, the nomination committee is of the opinion that the accounting firm has fulfilled the Company's standards on work of quality and that the accounting firm possess the required level of experience and competence in order to continue to carry out the auditing of the Company.