

## **Report on the work of the Nomination Committee, proposals and the motivated opinion to the Annual General Meeting of Fractal Gaming Group AB on 19 May 2022**

### *Description of the Nomination Committee's work prior to the Annual General Meeting*

At the Annual General Meeting on 29 January 2021, it was resolved that the Nomination Committee of Fractal Gaming Group AB (hereinafter the “**Company**” or “**Fractal**”) shall consist of representatives of the three largest shareholders as of 30 September 2021, as well as the Chairman of the Board of Directors, who shall also convene the Nomination Committee for its first meeting. On 3 November 2021, it was announced that the Nomination Committee for the Annual General Meeting on 19 May 2022 had been appointed. The Nomination Committee of Fractal consists of:

- Carl Armfelt appointed by TIN Ny Teknik,
- Lars Verneholt appointed by Litorina IV L.P,
- Daniel Johnsson appointed by Långholmen Holding AB, and
- Magnus Yngen, Chairman of the Board of Directors.

The Nomination Committee has been assigned the task of preparing proposals on the following matters to be presented at Fractal's Annual General Meeting on 19 May 2022:

- the number of members of the Board of Directors to be elected by the general meeting,
- election of the Chairman and other members of the Board of Directors,
- remuneration to the members of the Board of Directors and any remuneration for committee work,
- election of auditors (if applicable) and auditor's remuneration,
- election of Chairman at the Annual General Meeting, and
- proposed rules for the appointment of the Nomination Committee for the annual general meeting 2023.

The Nomination Committee has had three meetings as well as regular contact/further meetings to conduct interviews in between. The Nomination Committee has applied section 4.1 of the Swedish Corporate Governance Code as its diversity policy in preparing its proposal. Accordingly, the Nomination Committee has based its decision on the composition of the Board of Directors being appropriate in view of Fractal's operations, stage of development and other circumstances. The Nomination Committee has also considered that the composition of the members of the Board of Directors elected at the Annual General Meeting shall be characterized by diversity and breadth in terms of skills, experience and background.

The Nomination Committee also finds it important that the members of the Board of Directors can devote the time and care required to fulfil their duties as members of the Board of Directors in Fractal and the Nomination Committee has therefore assessed the members of the Board of Directors' assignments outside Fractal and the time these assignments require.

The Nomination Committee has received a report from the Chairman of the Board of Directors on the evaluation of the Board of Director's work carried out and how the Board of Directors' work has been conducted. The Nomination Committee has interviewed members of the Board of Directors' and the overall evaluation of the Board of Directors' work shows that the Board of Directors is well functioning.

The Nomination Committee has discussed the size and composition of the Board of Directors in the light of the company's situation and opportunities for development. In general, the Nomination Committee considers that the competence of the Board of Directors is good. In order to maintain the diversity and breadth of the Board of Directors, the Nomination Committee recommend that the Board of Directors is increased by one member.

When preparing the Nomination Committee's proposal for the election of the auditor and the resolution on the auditor's remuneration, the Nomination Committee has been in contact with the Chairman of the Board of Directors to understand the Board of Directors' assessment of the quality and efficiency of the auditor's work. The Nomination Committee's proposal for the election of the auditor and the resolution on the auditor's remuneration is in line with the Board of Directors' recommendation.

#### *The Nomination Committee's assessment of the proposed composition of the Board of Directors*

The Nomination Committee is of the opinion that the proposed Board of Directors represents a well-balanced composition of persons in terms of skills, experience and breadth of qualifications, which together complement each other. Furthermore, the Nomination Committee considers that the proposed members of the Board of Directors have sufficient time to carry out their duties as members of the Board of Directors of Fractal.

#### *The Nomination Committee's assessment of the independence of the proposed members of the Board of Directors*

Considering the applicable Swedish rules of independence, the Nomination Committee has made the following assessments of the proposed members of the Board of Directors' independence in relation to Fractal and its management and Fractal's major shareholders:

- The Nomination Committee considers that all but one, Hannes Wallin, of the proposed members of the Board of Directors are independent of Fractal and its management.
- The Nomination Committee considers that all but two, Hannes Wallin and Gustav Thott, of the proposed members of the Board of Directors are independent of Fractal's major shareholders.

#### *The Nomination Committee's assessment of the proposed board remuneration*

The Nomination Committee considers it important that board remuneration (including any remuneration for committee work) is kept at a level that enables the recruitment and retention of high quality and internationally competitive expertise in Fractal's Board of Directors. The Nomination Committee has compared the remuneration paid to Fractal's Board of Directors with the remuneration paid by other comparable companies on the Nasdaq First North Premier Growth Market. Given this, the Nomination Committee has concluded that in comparison with remunerations paid to the Board of Directors of companies of similar size and complexity, the proposed remunerations for the Board of Directors' work are in line with market practice and reasonable. The Nomination Committee therefore proposes to adjust the remunerations by the expected salary inflation for officials, just over 2 per cent.

#### *The Nomination Committee's proposal to the Annual General Meeting on 19 May 2022*

The Nomination Committee proposes that the Board of Directors shall consist of seven members with no deputy board members.

For the period until the end of the next Annual General Meeting, the Nomination Committee proposes re-election of Magnus Yngen, Pernilla Ekman, Ola Nilsson, Hannes Wallin, Gustav Thott and Patrick Söderlund and new election of Erik Stenberg as members of the Board of Directors. It is also proposed to re-elect Magnus Yngen as Chairman of the Board of Directors.

Information on the members of the Board of Directors proposed for re-election is available in the Company's Annual Report and on the Company's website, <https://group.fractal-design.com/>. Information on the member proposed for new-election can be found in [Appendix 1](#).

#### *Remuneration of the Chairman and other members of the Board of Directors*

The Nomination Committee proposes that a remuneration of a maximum amount of SEK 1,231,000 shall be paid to the Board of Directors for the period until the end of the next Annual General Meeting,

to be distributed as follows (last year's figures in brackets): SEK 307,000 (300,000) to the Chairman of the Board of Directors and SEK 154,000 (150,000) to each of the other members of the Board of Directors.

As the Board of Directors has decided not to establish any committees, no remuneration is paid for committee work.

#### *Election of, and remuneration to, the auditor*

The Nomination Committee proposes the appointment of an authorised public accounting firm as auditor, with no deputy auditors.

The Nomination Committee has received the Board of Director's evaluation of KPMG AB's audit work as well as the Board of Director's recommendation and proposal on auditor and the remuneration of the auditor. The Nomination Committee proposes, in accordance with the Board of Director's recommendation, that the Annual General Meeting re-elect KPMG AB as auditor for the period until the end of the next Annual General Meeting and that remuneration to the auditor shall be paid in accordance with the approved current account. Subject to the Annual General Meeting's approval of the Nomination Committee's proposal, KPMG has informed the Nomination Committee and the Company that the authorised public accountant Mathias Arvidsson will be appointed as auditor in charge.

#### *Nomination Committee's proposal for Chairman of the Annual General Meeting*

The Nomination Committee proposes that Rikard Lindahl, member of the Swedish Bar Association, or the person proposed by the Nomination Committee if he has an impediment to attend, is elected chairman of the Annual General Meeting.

#### *Election of members of the Nomination Committee*

Fractal's major shareholders have informed the Nomination Committee that they intend to propose that the Annual General Meeting appoints Daniel Johnson, (nominated by Långholmen Holding AB), Lars Verneholt (nominated by Litorina IV L.P.) and Carl Armfelt (nominated by TIN Ny Teknik) with Daniel Johnson as Chairman. In addition, the Chairman of the Board of Directors, Magnus Yngen, is a member of the Nomination Committee. The owners who have nominated members to the Nomination Committee hold, as of 30 September 2021, approximately 50.6 per cent of the shares and votes in Fractal.

#### *Instructions for the Nomination Committee*

The Nomination Committee proposes that the Annual General Meeting resolves on the principles for the appointment of the Nomination Committee for the Annual General Meeting 2023 as follows.

The Nomination Committee shall consist of representatives from the three largest shareholders listed in the share register maintained by Euroclear Sweden as of 30 September 2022 and the Chairman of the Board of Directors who will also convene the first meeting of the Nomination Committee. The member representing the largest shareholder shall be appointed as Chairman of the Nomination Committee unless the Nomination Committee unanimously appoints someone else. If one or several of the shareholders having appointed the representatives to the Nomination Committee earlier than three months prior to the Annual General Meeting no longer is among the three largest shareholders, representatives appointed by these shareholders shall resign, and the shareholder or shareholders who are subsequently among the three largest shareholders may appoint their representatives. If a representative resigns from the Nomination Committee before the work of the Nomination Committee is completed and the Nomination Committee considers it necessary to replace him or her, such replacement representative shall represent the same shareholder or, if the shareholder is no longer one of the largest shareholders, the largest shareholder in turn. A shareholder who has appointed a representative as member of the Nomination Committee has the right to dismiss such member and

appoint a new representative as member of the committee. Changes in the composition of the nomination committee must be announced immediately.

The composition of the Nomination Committee for annual shareholders' meetings must be disclosed no later than six months prior to the meeting. Remuneration shall not to be paid to the members of the Nomination Committee. The company shall pay any necessary expenses that the Nomination Committee may incur in its work. The term of office for the Nomination Committee ends when a new Nomination Committee has been disclosed.

The Nomination Committee of Fractal Gaming Group AB (publ)

April 2022

**Erik Stenberg**

*Proposed new member of the Board of Directors*

Born: 1963

Education: M. Sc. in International Business Administration from Karlstad University.

Current position and other significant assignments: Member of the Board of Directors of Embracer Group (where he also serves as Deputy CEO), Sting Bioeconomy AB, Richter Life Science Development AB, Coffee Stain Holding AB, Experiment 101 AB, Saber Interactive Inc, Koch Media Holding GmbH and Xagonus AB.

Previous positions: –

Holdings in Fractal\*: –

\* includes related persons or company holdings as of 13 April 2022.