

*Please note that this is a translation for information purposes only – in case of any discrepancies between this version and the Swedish version, the Swedish version shall prevail.*

## **SUMMONS TO THE ANNUAL GENERAL MEETING OF NETENT AB (PUBL)**

The shareholders of NetEnt AB (publ) (the “Company”) are summoned to the Annual General Meeting (the “AGM”) on Friday 21 April 2017, at 3:00 p.m. at Kammarsalen Berns, Näckströmsgatan 8, Stockholm, Sweden. Registration opens at 2:00 p.m.

### **Registration etc.**

Shareholders who wish to participate in the AGM must:

- be entered into the share register kept by Euroclear Sweden AB no later than Thursday 13 April 2017, and
- notify their intention to participate in the AGM no later than by Thursday 13 April 2017.

The notification of participation in the AGM must be made in writing to the Company at NetEnt AB (publ), AGM, Vasagatan 16, 111 20 Stockholm, Sweden. The notification may also be made on the Company’s website [www.netent.com/agm](http://www.netent.com/agm) or by email: [agm@netent.com](mailto:agm@netent.com). Upon notification, the shareholder is requested to state their name and personal/corporate identity number and preferably also address, telephone number and ownership of shares. If a shareholder is represented by proxy, the proxy and other authorization documents should be brought to the AGM and should also be submitted in connection with the notification of participation. If a shareholder plans to bring one or two advisors to the meeting, their participation should also be indicated in the notification. A proxy form for shareholders who wish to participate in the meeting by means of a proxy is available on the Company’s website [www.netent.com/agm](http://www.netent.com/agm) and is sent to shareholders upon request.

In order to participate in the meeting, a shareholder whose shares are registered in the name of a bank or other nominee must temporarily register the shares in his own name at Euroclear Sweden AB. Shareholders who desire such a re-registration must inform the nominee well in advance of Thursday 13 April 2017.

### **Proposed agenda**

1. Opening of the meeting
2. Election of chairman of the meeting
3. Establishment and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons to certify the minutes
6. Resolution as to whether the meeting has been duly convened
7. Presentation of the annual report and auditor’s report along with the consolidated financial statement and group audit report
8. Presentation by the CEO

9. Resolution on the adoption of the income statement and the balance sheet, along with the group income statement and the group balance sheet
10. Resolution on the allocation of the Company's profits in accordance with the adopted balance sheet
11. Resolution on discharge from liability for the members of the Board of Directors and the CEO
12. Determination of the number of members of the Board of Directors
13. Determination of remuneration for the members of the Board of Directors and the auditors
14. Election of members and chairman of the Board of Directors
15. Election of auditors
16. Resolution on the nominating committee for the AGM 2018
17. Resolution on guidelines for remuneration to senior executives
18. Share split and automatic redemption procedures including
  - a) resolution on carrying out share split,
  - b) resolution on the reduction of share capital by automatic redemption of shares, and
  - c) resolution on an increase of share capital by means of bonus issue
19. Resolution regarding incentive program comprising of issuance of warrants to employees
20. Resolution on authorisation for the Board to
  - a) resolve on acquisition of own shares, and
  - b) transfer of own shares
21. Closing of the meeting

## **Proposals for resolutions**

### *Election of chairman of the meeting (agenda item 2)*

The nominating committee, consisting of John Wattin (appointed by the Hamberg family), chairman, Christoffer Lundström (appointed by the Lundström family), Fredrik Carlsson (appointed by the Knutsson family), and Vigo Carlund, chairman of the Board of Directors, proposes Vigo Carlund as chairman of the meeting.

### *Resolution on the allocation of the Company's profits in accordance with the adopted balance sheet (agenda item 10)*

The Board of Directors proposes that no dividends shall be resolved for the financial year 2016. The Board of Directors has proposed a redemption procedure in accordance with the contents of agenda item 18.

*Election of the Board of Directors etc. (agenda item 12 - 15)*

The nominating committee proposes

- that the Board of Directors consists of eight members and no deputy members,
- that the remuneration for the Board of Directors amounts to SEK 700,000 (previously SEK 630,000) for the chairman and SEK 300,000 (previously SEK 275,000) for each of the members of the Board of Directors elected by the AGM who are not employees of the Company,
- that, in addition thereto, remuneration to the chairman of the audit committee shall be SEK 110,000 (previously SEK 95,000) and to each of the other members of the audit committee SEK 30,000 (previously SEK 20,000),
- that in certain cases, members of the Board of Directors shall be entitled to remuneration for services rendered within their respective area of expertise that is not board work. The remuneration for such services shall be on market terms and shall be approved by the Board of Directors,
- that the remuneration for the auditor be paid in accordance with the approved invoice,
- re-election of the regular members of the Board of Directors Vigo Carlund, Fredrik Erbing, Peter Hamberg, Pontus Lindwall, Michael Knutsson, Maria Redin and Jenny Rosberg and new election of Maria Hedengren for the period up to the end of the next AGM. Mikael Gottschlich has declined re-election,
- Vigo Carlund is proposed to be appointed chairman of the Board of Directors. If Vigo Carlund's assignment should end ahead of time, the Board of Directors will elect a new chairman internally, and
- re-election of Deloitte AB, with Erik Olin being chief auditor, as auditors for the period up to the end the AGM 2018.

The nominating committee's statement regarding its proposition on the Board of Directors and information regarding the proposed members can be found on the Company's website.

*Resolution on the nominating committee for the AGM 2018 (agenda item 16)*

The nominating committee proposes that the AGM resolves on the following order for the preparation of election of members of the Board of Directors and auditors.

The work to prepare a proposal for the Board of Directors, auditors, and their remuneration, and a proposal for chairman for the AGM 2018 shall be performed by a nominating committee. The nominating committee shall, after consulting the three largest shareholders by voting power as of 31 August 2017, form during October 2017 for a term commencing on the date of the public release of the Company's interim report for the third quarter 2017 until the formation of the next nominating committee.

The chairman of the Board of Directors shall be a member of the nominating committee and be responsible for the summoning of the nominating committee. In addition, the nominating committee shall constitute of three more members. The majority of the nominating committee members shall not be members of the Board of Directors or be

employed by the Company. At least one member of the nominating committee shall be independent in relation to the Company's largest shareholder by voting power or group of shareholders that collaborate concerning the affairs of the Company. If a member of the nominating committee resigns prior to the end of the term, a replacement can be appointed after consulting with the largest shareholders of the Company. Unless special circumstances so requires, no changes should be made to the composition of the nominating committee if only marginal changes to the number of votes has occurred or if changes occur less than three months prior to the AGM.

The nominating committee shall appoint a chairman at the first meeting of the term. The nominating committee shall have the right to obtain resources from the Company such as for example secretarial assistance, or use of executive search consultants if deemed necessary at the expense of the Company.

#### *Resolution on guidelines for remuneration to senior executives (agenda item 17)*

The Board of Directors proposes that the AGM resolves on the following general guidelines for remuneration to senior executives. The proposal corresponds to the current guidelines without any changes.

The Board of Directors proposes that the maximum pension premium for the CEO and other senior executives shall remain at 35 per cent of the pension based salary. The Board of Directors also proposes that the cap of variable remuneration shall remain at 65 per cent of the fixed remuneration for the CEO and at 60 per cent of the fixed remuneration for other senior executives.

Remuneration and other conditions of employment for senior executives shall, from both a short-term and long-term perspective, be competitive and create good prerequisites for retaining and motivating competent employees and attracting new employees when needed. In order to achieve this, the Company shall have fair and internally balanced conditions which are also competitive in the market.

The conditions of employment for senior executives should contain a well-balanced combination of fixed and variable remuneration, share-based incentive programs, pension benefits, and conditions for giving notice and severance pay. Compensation should be based on performance, and should therefore consist of a combination of fixed and variable remuneration, where adjustable compensation constitutes a relatively large part of total compensation. The Board of Directors shall be able to deviate from the guidelines provided that there are special grounds in a specific case.

#### *Share split and automatic redemption procedures (agenda item 18)*

The Board of Directors proposes that the AGM resolves on an automatic procedure for redemption in accordance with the contents of agenda items 18a – 18c below. It is proposed that all resolutions are conditional upon each other and made jointly as one resolution. The approval of shareholders by at least two thirds of both the votes given and the shares that are represented at the meeting are required for a valid resolution.

#### *Resolution on implementation of share split (agenda item 18a)*

The Board of Directors proposes that the AGM resolves to carry out a division of the company's shares, a so-called share split, whereby one existing share in the company, of both series A and series B, is divided into two shares. One of these shares will be a so-

called redemption share. The Board of Directors proposes that the Board of Directors be authorized to determine the record day for the share split, which, at the time of this summons is planned to be 5 May 2017.

*Resolution on the reduction of the share capital by automatic redemption of shares (agenda item 18b)*

The Board of Directors proposes that the AGM resolves that the share capital should be decreased by SEK 602,728.4586 by redemption of 33,660,000 series A shares and 206,470,860 series B shares for repayment to shareholders. The shares to be redeemed are constituted of the shares that are called redemption shares after the share split has been carried out in accordance with the above. Payment for each redemption share will be SEK 2.25, of which approximately SEK 2.24498 exceed the quotient value. Any redeemed redemption shares of series A or series B that are held by the Company will be redeemed without repayment and such amount will be allocated as unrestricted equity to be used by the AGM. The total redemption settlement amounts to SEK 540,294,435. The Board of Directors proposes that trading in series B redemption shares should occur during the period from and including 10 May 2017 up to and including 23 May 2017. The Board of Directors proposes that the Board of Directors is authorized to determine the record day for the redemption of redemption shares, which at the time of this summons is planned to be 26 May 2017. Payment is scheduled to be made through Euroclear Sweden AB on 31 May 2017.

*Resolution on an increase of share capital by means of a bonus issue (agenda item 18c)*

In order to enable a timely redemption procedure without the requirement of approval from the Swedish Companies Registration Office or a general court, the Board of Directors proposes that the AGM resolves to restore the company's share capital to its original level by increasing the company's share capital by 602,728.4586 through a bonus issue by transfer from the company's unrestricted equity to the company's share capital. No new shares will be issued in connection with the increase in the share capital.

*Resolution regarding an incentive program comprising of issuance of warrants to employees (agenda item 19)*

The Board of Directors finds it appropriate and in the interest of all shareholders that senior executives, as well as other employees in the group, are offered long-term ownership interest. The Board of Directors therefore proposes that the AGM resolves on a long-term incentive program for employees including the issuance of warrants, substantially in accordance with the below. This also constitutes cause for deviation from the preferential rights of shareholders upon issuance.

Employees who are not senior executives (category 3 below) shall be offered to subscribe to warrants based on their own notified interest within the limits below where no allocation connected to responsibilities, length of employment or the similar will apply.

The maximum dilution effect is calculated to a maximum of approximately 0.33 per cent of the total number of shares, and approximately 0.15 per cent of the total number of votes in the Company, provided full subscription and full exercise of all warrants. With regard to outstanding warrants in accordance with previous warrant programs, the total dilution is approximately 1.33 percent of the total number of shares and approximately 0.59 percent of the total votes in the Company, provided full subscription and full exercise of all warrants.

The AGM is informed that the Board of Directors considers encouraging the employees to participate in the incentive program by paying out a cash remuneration one month prior to the expiry of the warrants. The remuneration will be paid only with the provision that the participant is still employed by the group and that certain other provisions are fulfilled. The net cash remuneration may amount to maximum 70 per cent of the premium paid for the warrants.

A prerequisite for participation in the incentive program by the employees is that they each prior to subscription, enter into an agreement with the Company governing the ownership of the warrants. The agreement contains, *inter alia*, conditions stating that anyone who wishes to sell their warrants or terminate the employment with the Company prior to exercising the rights is obliged to offer the Company to buy back the warrants at market price. If the shareholders of the Company declare their intention to accept an offer from a third party to sell half or more of the total number of shares in the Company, the participants of the incentive program are obliged to sell their warrants at the same terms and conditions as the shareholders. The holders of warrants are also obliged to participate through sale or substitution of their warrants in any restructuring that may be deemed necessary before a sale of the Company, assuming they retain the equivalent rights upon such a sale or substitution as prior to the transaction.

The proposal under this item is based on the number of shares after the proposed share split and automatic redemption procedures. No recalculation according to the warrant provisions shall be made for the proposed share split and automatic redemption procedures according to item 18 above.

#### *Issue of warrants to employees*

The Board of Directors proposes that the AGM decides that the Company, with deviation from the preferential right of shareholders, issues a maximum of 800,000 warrants with the associated right of subscription of 800,000 shares of series B in the Company on substantially the following conditions.

The right to subscribe to the warrants will, with deviation from the preferential right of shareholders, accrue, to the extent possible, to all employees in the group who have notified their interest in accordance with principles set out below. Subscription of the warrants will occur during the period 22 May 2017 to 5 June 2017, and payment will occur at the latest on 16 June 2017.

The premium for a warrant will be determined after the closing of Nasdaq Stockholm 19 May 2017 and shall equal the market value of the warrant pursuant to an external independent valuation using an established valuation method (Black & Scholes).

Employees will be offered the opportunity to subscribe to warrants according to the following:

- Category 1 (CEO) will be offered the opportunity to subscribe to a maximum of 40,000 warrants.
- Category 2 (other senior executives – approx. 7 persons) will be offered the opportunity to subscribe to a maximum of 125,000 warrants, of which 40,000 is the maximum number that can be offered to a single individual.
- Category 3 (other employees that have notified interest – approx. 85 persons) will be offered the opportunity to subscribe to a maximum of 635,000 warrants, of which 20,000 is the maximum number that can be offered to a single individual.

The total number of warrants that can be offered to employees in the categories 1-3 above shall however amount to a maximum of 800,000 warrants. Full allocation to all individuals in category 1-3 of the maximum number of warrants per individual can thus not take place. Allocation shall occur in accordance with the pre-notified interest, which is within the limit of the maximum number of warrants per category as well as the number of warrants per individual.

The Board of Directors shall be authorized to resolve on the allocation within the above limits.

An offer of subscription to warrants for employees outside of Sweden requires that there are no legal or tax impediments, and that the Board of Directors believes that such offer can occur with reasonable administrative and/or financial resources.

The holder of a warrant has the right, during the time from and including 1 August 2020, up to and including 1 October 2020, for one (1) warrant, to subscribe to one (1) new share of series B in the Company at a subscription price corresponding to 130 per cent of the B share's average last buying price on Nasdaq Stockholm during the period from and including 8 May 2017, up to and including 19 May 2017, however at the lowest at a subscription price corresponding to the quota value of the B share.

In case of full subscription and full exercise of the proposed warrants, the Company's share capital may increase by 4,016 by the issuance of a maximum of 800,000 shares, each with a quota value of SEK 0.00502, subject to any increases that may follow from recalculation in accordance with the conditions of the warrants as a result of share issuances etc. These new shares constitute, if fully exercised, approximately 0.33 per cent of the total number of shares and approximately 0.15 per cent of the total number of votes in the Company.

The approval of shareholders by at least nine tenths of both the votes given and the shares that are represented at the meeting are required for a valid resolution under this item 19.

*Resolutions on authorisation for the Board to resolve on acquisition of own shares and transfer of own shares (agenda item 20)*

*Authorisation for the Board to resolve on acquisition of own shares (agenda item 20a)*

The Board proposes that the AGM authorises the Board to resolve on acquisition of the Company's own shares of series B, where the following conditions shall apply:

- Acquisition of shares shall take place on Nasdaq Stockholm in accordance with the rules regarding acquisition of own shares in the Nasdaq Stockholm's Rule book for Issuers.
- The acquisition of own shares may be made at one or several occasions up until the next Annual General Meeting.
- The Company's holding may not exceed 10 per cent of all the shares in the Company at any time.
- Acquisition of shares on Nasdaq Stockholm may be made at a price per share within the recorded interval, i.e. the interval between the highest buying price and the lowest selling price.
- Payment shall be made in cash.

### *Authorisation for the Board to resolve on acquisition of own shares (agenda item 20b)*

The Board proposes that the AGM authorises the Board to resolve on transfer of the Company's own shares of series B where the following conditions shall apply:

- The transfer of own shares may be made at one or several occasions up until the next Annual General Meeting.
- The shares may be transferred with deviation from the shareholders' preferential rights.
- Transfer of shares may be made on Nasdaq Stockholm at a price per share within the recorded interval, i.e. the interval between the highest buying price and the lowest selling price.
- Transfer of shares may also be made outside Nasdaq Stockholm. Such transfer may be made at a minimum price per share corresponding to an amount in close connection with the price of the company's shares on Nasdaq Stockholm at the time of the decision on the transfer.
- Payment for the transferred share may be made in cash, by contributions in kind or by set-off of company debt.
- The number of shares which may be transferred is limited by the Company's holding at the time of the Board's decision on the transfer.

The purpose of the authorisation to acquire and sell own shares is to continuously adapt the Company's capital structure and thereby contribute to an increase in value for shareholders and also to enable the assurance of costs and delivery in connection with potential future long-term incentive programs. This also constitutes cause for deviation from the preferential rights of the shareholders.

The approval of shareholders by at least two thirds of both the votes given and the shares that are represented at the meeting are required for a valid resolution under this item 20.

### **Information at the Annual General Meeting**

The Board of Directors and the CEO shall, if a shareholder so requests and the Board of Directors believes that it can be done without material harm to the Company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the Company's or subsidiaries' financial situation and the Company's relationship to other group companies.

### **Other**

Copies of financial statements, the auditor's report and other documents with complete proposals, including a special information brochure concerning the proposed redemption of shares, and other documents in accordance with the Companies Act will be made available to shareholders at the Company from and including 31 March 2017 at the latest, and on the Company's website, and will be sent free of charge to shareholders who request it and provide their postal address.

On 16 March 2017 there were a total of 240,130,860 shares in the Company, of which 33,660,000 shares of series A and 206,470,860 shares of series B, corresponding to a total of 543,070,860 votes. The Company held no treasury shares at the time of the summons.



Stockholm, in March 2017  
**NetEnt AB (publ)**  
The Board of Directors