

Evaluation of G5 Entertainment AB's compensation for the CEO and other senior executives (Reporting according to the Swedish Code of Corporate Governance 9.1 and 10.3)

G5s remuneration committee consists of Petter Nylander (Chairman), Jeffrey Rose and Pär Sundberg.

The Remuneration Committee has, in accordance with the Swedish Code of Corporate Governance, monitored and evaluated the ongoing and completed programs for variable remuneration to the CEO and other senior executives ("Executives"), the application of the guidelines for remuneration to Executives that the annual general meeting approved and current remuneration structures and remuneration levels in the group.

In 2014, the Executive's compensation consisted of a fixed monthly salary and also, in some cases, the opportunity for performance-based bonuses and the opportunity to participate in a share-based incentive program, as well as customary benefits and pensions.

Bonus shall be calculated quarterly by 10 percent on the portion of operating income that exceeds an operating margin of 5 percent. This 5 percent margin reduction however does not apply when/while there is negative carried bonus balance due to losses in previous periods. The bonus amount will be distributed such that 40 percent shall go to the Company's CEO and the remaining 60 percent shall be allocated to other members of the executive management team. A potential operating loss in a quarter reduces the calculation basis for bonus in subsequent quarters. The CEO's and the management's overall bonus for the year may not exceed 60 percent of each person's annual salary. In 2014, no bonus was paid.

Pension plans are to be in line with normal conditions in the market and in substance the same for senior executives as for other employees. The pension premium shall be defined contribution. Similarly, other benefits for senior executives shall be competitive and in substance the same as for other employees. More information about the incentive programs is available in the annual report, note 6.

The evaluation of guidelines for remuneration to senior officers has resulted in the conclusion that in 2014 a deviation occurred because the Board in October, based on the mandate given by the AGM to make minor changes on an individual basis from the above guidelines, decided to change the limit when the bonus is paid from 10% operating margin to 5% operating margin. (This did not lead to any change in the bonus for 2014.) The Company's auditor has issued an opinion that the G5, with that exception, have followed guidelines for salary and other remuneration to senior officers established by the annual general meeting. The Board believes that the remuneration of Executives provides a good balance between motivating Executives and providing competitive compensation on a way that is in line with shareholder interests.