

1. The Nomination Committee's motivated statement regarding its proposal for election of the Board.

MTG's Nomination Committee

In accordance with the procedure for the Nomination Committee resolved by the 2019 Annual General Meeting, the Chairman of the Board has convened a Nomination Committee to prepare proposals for the 2021 Annual General Meeting.

The Nomination Committee comprises Klaus Roehrig, appointed by Active Ownership Corporation, Joachim Spetz, appointed by Swedbank Robur Fonder, David Marcus, appointed by Evermore Global Advisors, LLC and David Chance, the Chairman of the Board. In line with past practice, the members of the Nomination Committee have appointed Klaus Roehrig, representing the largest shareholder in the company on the last business day of August 2020, as the Committee Chairman.

The Nomination Committee's proposal for election of the Board

The Nomination Committee proposes:

- That the Board shall consist of seven (7) members.
- The re-election of all current members of the Board, except for David Chance who has declined re-election.
- The election of Simon Leung as new member of the Board.
- The election of Simon Duffy as new Chairman of the Board.

The Nomination Committee's proposal is thus that the following persons are elected to the Board of MTG for a term of office until the end of the next Annual General Meeting:

- Chris Carvalho
- Simon Duffy
- Gerhard Florin
- Dawn Hudson
- Marjorie Lao
- Natalie Tydeman
- Simon Leung

The Nomination Committee's work

The Nomination Committee has held a number of meetings, with additional candidate interviews and Committee discussions between meetings. The Nomination Committee's work has primarily focused on an orderly succession planning and the continued long-term development of the overall Board composition. The Nomination Committee's aim has been to strengthen the mix of experiences and competencies present at Board level in order to increasingly match the challenges and opportunities faced by MTG as the company continues to take important steps to shape its business for the future.

In its assessment of the degree to which the current Board meets the requirements placed on it, the Nomination Committee has reviewed the current Board members' ability to devote the necessary time and commitment required, as well as the balance and diversity of contributions of experiences from the digital entertainment industry. The Nomination Committee also had the benefit of an internal performance review of the Board and its individual members.

The Nomination Committee's motivated statement regarding its proposals for election of the Board

Having been informed of each Director's eligibility, except for David Chance who has declined re-election, the Nomination Committee resolved to propose the re-election of all the other current Board members.

In its work, the Nomination Committee has sought to strengthen the Board with complementary international experience with a good understanding from technology and consumer focused companies. As a result of this pursuit, the Nomination Committee proposes the election of one new member to MTG's Board of Directors – Simon Leung.

Simon Leung is currently based in Hong Kong and has had extensive experience working with international companies and leading their operations in Greater China and the Asian Pacific region. He served as Microsoft's Chairman and CEO of Greater China region, 2008-2012 and was President of Motorola Asia-Pacific, 1999-2008. Simon currently serves as the Vice Chairman and Executive Director of NetDragon Websoft Holdings Limited, a publicly listed leader in building and scaling multiple internet and mobile platforms; this includes China's number one online gaming portal, 17173.com and China's most influential smartphone app store platform, 91 Wireless, which is now owned by Baidu. He also chairs Edmodo, Inc., an e-learning technology start-up; JumpStart Games, Inc., a family interactive entertainment company; and Promethean World Limited, an interactive technology company focused on the education sector. Simon Leung received his Bachelor of Arts degree and an Honorary Doctorate in laws from the University of Western Ontario, Canada in 1978 and 2005, respectively, and a Doctorate in Business Administration from Hong Kong Polytechnic University in 2007. He travels to Europe on a regular basis to visit subsidiaries of the companies in which he is active.

The Nomination Committee is of the opinion that the proposed Board composition demonstrates the right skills and commitment needed to support MTG's management in driving profitable and organic growth in vertical companies and investing in high potential esports and gaming businesses. The addition of Simon Leung brings a strong understanding and wealth of experience of doing business in the Asian Pacific region, which is likely to play an important role in MTG's future expansion. He brings specialist and relevant knowledge which compliments the existing skill sets and attributes already present in the Board.

Klaus Roehrig, Chairman of the MTG Nomination Committee, recommended to propose that the Board shall consist of eight (8) members and to also propose a representative from Active Ownership Corporation as new Board member. The decisions to propose that the Board shall consist of seven (7) members and to not include a representative from Active Ownership Corporation in the Nomination Committee's proposal were passed by majority vote of the Nomination Committee members.

In its work, the Nomination Committee applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. Accordingly, the Nomination Committee gives particular consideration to the importance of an increased diversity on the Board, including gender, age and nationality, as well as depth of experiences, professional backgrounds and business disciplines. The Nomination Committee believes the composition of the proposed Board is fit-for-purpose in respect of the various dimensions of diversity, and will continue to pursue a high degree of diversity and gender balance in its efforts to compose the most capable Board.

Finally, it is noted that the Nomination Committee has evaluated each Board member's independence in the work of preparing its proposals for the 2021 Annual General Meeting, and found that the proposed Board is in compliance with the Swedish Corporate Governance Code's requirements for independence. Some members of the Board of MTG also serve on the Boards of MTG's subsidiaries or perform services to the subsidiaries outside their ordinary Board duties, and thus receiving Board fees or other compensation. Any such remuneration is noted in the Board's remuneration report. It is the opinion of the Nomination Committee that such compensation does not affect the assessment of these members' independence of MTG.

Information about the proposed members of the Board

Information about the proposed members of the Board, including the Nomination Committee's assessment of each member's independence, may be found on MTG's website at www.mtg.com.

The Nomination Committee's comments regarding its proposals for Board remuneration

The Nomination Committee proposes that remuneration per assignment is increased by approximately 10% for ordinary Board work.

The Nomination Committee was further fully supportive of trying to develop an equity component to Directors' remuneration and considered a number of alternatives in this regard, including structures currently in use in the Swedish market. However, it was unable to find a scheme that it felt would work for both shareholders and Directors, and it would like to encourage next year's Nomination Committee to continue this work and explore in greater detail whether a suitable equity participation scheme could

be found. As a result, the Nomination Committee unanimously resolved to remunerate the Board with a cash-only arrangement for this year.

April 2021

THE NOMINATION COMMITTEE
MODERN TIMES GROUP MTG AB (PUBL)