

# Remuneration Policy of Fortuna Entertainment Group N.V.

## Introduction

Please find below the Remuneration Policy of Fortuna Entertainment Group N.V. (the "**Company**"), applicable to members of Company's board of managing directors (the "**Management Board**"), as adopted at the general meeting of the Company held on 1 December 2017 upon the proposal of Company's board of supervisory directors (the "**Supervisory Board**") pursuant to Article 17 of the Company's Articles of Association.

## The remuneration policy in general

The objective of the Remuneration Policy for members of the Management Board is to focus them on improving the performance of the Company and enhancing the long-term value of the Fortuna group, to motivate and retain them, and to be able to attract other highly qualified executives to enter into the Company' service, when required.

The Remuneration Policy in particular determines the form, structure and method of determining the remuneration of the Management Board members. In determining the Remuneration Policy, the Supervisory Board ensures that it is closely tied to Company's strategy, its short-and long-term goals, long-term interests and results, taking into account solutions necessary to avoid discrimination on whatever grounds.

In determining the compensation of the Management Board members, the Supervisory Board will take into account the impact of the overall remuneration of the Management Board on the pay differential within the Company.

Deviations from this Remuneration Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be disclosed in the annual report of the Company or, in case of an appointment, in good time prior to the appointment of the individual.

The remuneration of the members of the Management Board can consist of a fixed base salary and a variable component (bonus) determined by the Supervisory Board, with due observance of this Remuneration Policy and the Company's Articles of Association.

With regard to their membership in the governing bodies of individual Fortuna group companies other than the Company, the Management Board members also receive a remuneration which may include a fixed component and/or two variable components (consisting of an annual incentive bonus and a long-term incentive plan). This remuneration, including the variable components, is determined and payable by the individual Fortuna group companies and is shown in the annual reports of the Company.

For the sake of completeness and avoidance of any doubt, the Management Board members are not granted any pensions, retirement or similar benefits by the Company. Also, the Company has not adopted any stock option plan for the members of the Management Board and does not provide any loans or advances to them. Nor does the Company issue any guarantees to the benefit of members of the Management Board.

## **Base salary**

Base salary levels and any adjustments made by the Supervisory Board are based on factors including the scope of tasks delegated to individuals, taking into account any additional functions, and performance and experience of the individual member. The Management Board remuneration is reviewed annually, and the individual salary levels are shown in the annual report of the Company. Adjustments of the base salary are at the discretion of the Supervisory Board.

## **Annual Incentive (bonus)**

Each year, a variable Annual Incentive can be earned based on the achievement of specific targets as determined by the Supervisory Board. These targets are set at challenging levels and are partly linked to the results of the Company, to the contribution of the individual member or team and to non-financial targets that are linked to strategic objectives.

The Annual Incentive targets will be determined annually at the beginning of the year by the Supervisory Board which will consist of: i) two to four key financial indicators of the Company (e.g. revenue growth, EBITDA, net income (to shareholders), operating income (OPI), operating cash flow (OCF), return on investment (ROI), EBIT, etc); ii) individual and/or team targets based on area of responsibility; and iii) non-financial targets linked to strategic objectives (e.g. sustainability, compliance, governance/reorganization, etc).

The Annual Incentive pay-out in any year relates to the achievements of the preceding financial year versus agreed targets. Metrics will be disclosed ex-ante in the annual report of the Company. There will be no retroactive changes to the selection of metrics used in any given year once approved by the Supervisory Board and disclosed.

For each target the Supervisory Board sets out performance ranges each year. These performance ranges determine for each target and relevant part of the Annual Incentive: i) the performance level below which no payouts are made; and ii) the performance related to the key financial indicators level at which the maximum payout of 150 percent is made, iii) the performance related to non-financial indicators level at which maximum payout level of 200 percent is made.

The long term incentive plan (ltip) will be paid out over three to five years period depending on the fulfillment of defined targets.

## **Additional arrangements**

In addition to the main conditions of the service contracts, the members of the Management Board shall receive reimbursement of their general expenses including travel expenses incurred in relation to the performance of their office. The Management Board members also benefit from coverage under the Company's Directors and Officers (D&O) insurance policies.

## **Services agreements**

The members of the Management Board are engaged by means of a services agreement (*overeenkomst van opdracht*), as Dutch legislation prohibits a member of the Management Board to be employed by means of a contract of employment.

The maximum term of appointment for all Management Board members is four years. If the Company terminates the service agreement of any member of the Management Board, there will in principle

not be any severance payment (apart from the sums paid out during the relevant notice period). The service agreement may be terminated by the Company with a notice period of 1 month and by the Management Board member with a notice period of 3 months.