



Notice of Annual General Meeting in Starbreeze AB (publ)

STOCKHOLM, SWEDEN – The shareholders in Starbreeze AB (publ), reg.no. 556551-8932, (the “Company”) are hereby convened to the Annual General Meeting (the “Meeting”) on Tuesday 4 June 2019, at 15.00 at Biograf Skandia, Drottninggatan 82, Stockholm.

Notice

Shareholders who wish to participate at the Annual General Meeting shall

- be registered – under the shareholder's own name in the share register kept by Euroclear Sweden AB on Tuesday 28 May 2019, and
- notify the Company no later than Tuesday 28 May 2019, preferably before 16.00, to address Starbreeze AB, “Årsstämma”, Box 7731, 103 95 Stockholm or by email: bolagsstamma@starbreeze.com.

Such notification shall include name, personal identification number or corporate registration number, address, telephone number and number of shares. If the shareholder intends to be represented by a representative, appropriate documentation of authorization – e.g. proxies and certificate of registration – must be presented at the Meeting. Such documentation of authorization should also be included in the notification. For those who wish to participate by proxy, the Company provides a form of proxy available on the Company’s website, www.starbreeze.com.

To be entitled to participate in the Meeting, shareholders whose shares are registered in the name of a nominee must temporarily re-register their shares in their own names. Shareholders who wish to realise such re-registration must advise their nominees well in advance of Tuesday 28 May 2019, at which time such re-registration shall be executed.

Proposed agenda

1. Opening of the Meeting
2. Election of Chairman of the Meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Determination as to whether the Meeting has been duly convened
6. Election of one or two persons to verify the minutes
7. Presentation of the annual accounts and the auditor’s report as well as the consolidated accounts and the auditor’s report on the consolidated accounts for the financial year 2018, and in connection therewith, a presentation by the CEO
8. Resolution on
 - a. adoption of the income statement and balance sheet and the consolidated income statement and consolidated balance sheet;

- b. the disposition regarding the Company's profit pursuant to the established balance sheet;
 - c. discharge from liability of the Board members and the CEO
9. Determination of the number of Board members and deputy Board members to be elected by the Meeting
10. Determination of the remuneration to the Board members and the auditor
11. Election of Board members and Chairman of the Board
12. Election of auditor
13. Resolution on authorising the Board of directors to resolve upon new issue of shares
14. Resolution to amend the articles of association
15. Resolution regarding appointment of nomination committee
16. Resolution regarding remuneration guidelines for senior executives
17. Closing of the Meeting

The Board's proposal regarding disposition of the Company's profit (item 8 a)

The Board proposes that no dividend is paid for the financial year 2018 and that the retained earnings of SEK 523 010 620, consisting of an accumulated profit of SEK 9 006 907, fair value reserve of SEK 1 577 400 939 and the profit for the year SEK - 1 063 394 026, is carried forward.

The nomination committee's proposal regarding Chairman of the Meeting, number of Board members and deputy Board members, remuneration to the Board members and the auditor, election of Board members and Chairman of the Board, and election of auditor (item 2, 9-12)

The nomination committee proposes Björn Kristiansson to be the Chairman of the Meeting.

The nomination committee proposes that the Board shall consist of five ordinary Board members.

The nomination committee proposes re-election of Jan Benjaminson, Torgny Hellström, Harold Kim and Kerstin Sundberg and new election of Tobias Sjögren as ordinary Board members for the time until the end of the annual general meeting 2020. Matias Myllyrinne has declined re-election. Re-election of Torgny Hellström as Chairman of the Board is proposed.

Tobias Sjögren, born 1975

Since 1996, Tobias has been active in the computer game industry in production, business development, sales and management. Most recently, Tobias was CEO of the company White Wolf Entertainment and has previously worked at Paradox Interactive, Stardoll and the international agent company DDM Agents. Tobias was the head of DICE Stockholm's studio while the first Battlefield game was launched 17 years ago.

Information on the nominees is available on the Company's website, www.starbreeze.com.

It is proposed that for the period until the end of the annual general meeting 2020, SEK 950,000 shall be paid to the Chairman and SEK 280,000 to each of the other board members elected by the annual general meeting. Remuneration of SEK 400,000 is proposed to the Chairman of the audit committee and to other members of the committee a remuneration of SEK 175,000 each is proposed. To the Chairman and to other members of the remuneration committee a remuneration of SEK 75,000 is proposed to each member. The proposal means that the total remuneration to the board, including remuneration for committee work, amounts to SEK 2,970,000 (SEK 2,350,000).

It is proposed to re-elect Öhrlings PricewaterhouseCoopers AB as auditor. The nomination committee's proposal corresponds to the audit committee's recommendation. Öhrlings PricewaterhouseCoopers AB has informed the Company that the authorised auditor Nicklas Kullberg will continue as auditor in charge. The auditor's fee is proposed to be paid as per approved invoice.

The Board's proposal for authorization of the Board to resolve on new issue (item 13)

The Board proposes that the Meeting authorizes the Board to, on one or several occasions, until the end of the next annual general meeting, with or without deviation of the shareholders' preferential rights, resolve to issue new shares, both shares of class A and of class B, or convertible bonds or warrants entitling to shares of class A and/or class B corresponding to (at considered exercise of such convertible bonds or warrants, as applicable) no more than ten (10) per cent of the number of outstanding shares at each relevant time, against payment in cash, through set off or payment in kind. The purpose of the authorization and reason for any deviation from the shareholders' preferential rights is that the Company shall be able to issue shares or other instruments in connection with acquisition of companies or businesses as well as to be able to execute issues with deviation from the shareholders' preferential rights for the purpose of raising funds to the Company, for example in connection with financing of game production. The issue price may not be lower than a fair market price. Other terms and conditions shall be made on fair market terms.

A resolution in accordance with the above requires, for its validity, that it is supported by shareholders representing at least 2/3 of the votes cast and the shares represented at the Meeting.

The Board's proposal for amending the articles of association (item 14)

The board of directors proposes that the Meeting resolves to amend § 6 of the articles of association, entailing that the Board shall consist of three (3) to eight (8) board members without deputy board members.

The proposed new wording of § 6:

The board of directors shall consist of three (3) to eight (8) members without deputies.

A resolution in accordance with item 14 above requires that shareholders representing no less than two thirds of the votes cast as well as the shares represented at the AGM approve the resolution.

The nomination committee's proposal regarding appointment of the nomination committee (item 15)

The nomination committee proposes that the procedure for appointing the nomination committee for future annual general meetings shall be carried out in accordance with the following.

In accordance with the Swedish Code of Corporate Governance, Starbreeze shall have a nomination committee consisting of maximum four members, who shall represent, by votes, the largest shareholders or shareholder groups, and the Chairman of the Board if he or she is not one of the members appointed by the largest shareholders. The nomination committee will be convened by the Chairman of the Board, by contacting four, by votes, largest owners based on the Company's list¹, provided by Euroclear, of registered shareholders as of the final bank day in August. Before a person is nominated as a member of the nomination committee, careful consideration shall be given to whether there is an unreasonable conflict of interest. If this is the case, the person shall not be nominated. A shareholder not registered with Euroclear and who wish to be represented in the nomination committee shall submit an application to the Chairman of the Board no later than September 1 and provide evidence of shareholding. When determining who the four, with regards to votes, largest shareholders are, a group of shareholders shall be considered as one shareholder if they (i) considered an owner group by Euroclear, or (ii) has made public and notified the Company in writing that they have agreed, in writing, to through coordinated performance of voting right take a long-term joint standpoint with regards to the Company's management.

If any of the four by votes largest shareholders abstain from their right to elect a member to the

¹ The ownership statistics to be used must be sorted by voting power (grouped by owners) and contain the largest shareholders registered in Sweden, i.e. shareholders with an account with Euroclear Sweden AB in their own name or shareholders who holds a custody account with a trustee who has stated the shareholder's identity to Euroclear Sweden AB.

nomination committee, the next shareholder in order of magnitude shall be given the opportunity to appoint a member, however, no more than ten shareholders need to be contacted if the nomination committee consists of at least three members appointed by larger shareholders. The Chairman of the nomination committee shall, unless he or she is also the Chairman of the Board and unless the members agree otherwise, be the member representing the largest shareholder. The names of the members and the names of the shareholders who have elected them, as well as how the nomination committee can be contacted shall be made public as soon as the nomination committee has been appointed, which shall take place at least six months before the annual general meeting. The Nomination Committee's term of office extends until a new Nomination Committee has been appointed. Remuneration shall not be paid to the members of the nomination committee. The Company shall, however, reimburse appropriate costs referable to the nomination committee's fulfilment of the assignment.

The nomination committee's assignment shall be to, before the annual general meeting and, when applicable, an extraordinary general meeting, present proposals regarding the number of board members to be elected by the general meeting, remuneration to the board including remuneration for committee work, the board's composition, Chairman of the Board, Chairman of the annual general meeting, election of auditors and auditors' remuneration and, if applicable, amendments of this instruction on how the nomination committee is to be appointed, and otherwise in accordance with what is stated, for time to time, in the Swedish Code of Corporate Governance. A shareholder who has appointed a member of the nomination committee has the right to dismiss such member and appoint a new member to the nomination committee. In case of a material change in the ownership of the Company, the nomination committee's composition shall change in accordance therewith. If the change takes place later than two months before the annual general meeting, the nomination committee can instead decide to adjourn a member appointed by the new larger owner. Changes to the nomination committee's composition shall be made public as soon as they are made.

The Board's proposal regarding adoption of guidelines for remuneration to senior executives (item 16)

The Board proposes that the Meeting approves the Board's proposal regarding the adoption of guidelines for compensating the Company's senior executives as set forth below. Company management refers to the CEO and other senior executives in the Company.

The Company shall offer fair market value terms as necessary to enable the Company to recruit and retain competent personnel. Compensation to the Company management shall consist of fixed salary, pension, and other customary benefits. In addition thereto, the Board shall evaluate, on an annual basis, whether share related or share-price related incentive schemes shall be proposed to the annual general meeting.

As a general rule, the fixed salary shall be evaluated once per year and shall take into consideration the individual's qualitative performance. Compensation pertaining to the CEO and other senior executives shall be at a fair-market-value level.

The Board shall further be entitled to resolve on a variable compensation in the form of a cash bonus to the Company's senior executives. The variable compensation is not to exceed, on an annual basis, 75 percent of the fixed annual salary for the CEO and 50 percent of the fixed annual salary for other senior executives.

Regarding the CEO and senior executives, pension premiums shall be paid as required under the corresponding, standard ITP-plan.

Upon termination by the CEO, a six (6) month termination notice shall apply and in the event of termination by the Company, a nine (9) month termination notice period shall apply. Other senior executives shall have a termination notice period between three and nine months. There are no

agreements for severance pay.

The Board shall have the right to deviate from the aforementioned guidelines if the Board determines, on a case-by-case basis, special circumstances justify such deviation.

Number of shares and votes

At the time of the issue of the notice there are a total of 329,367,849 shares in the Company, whereof 53,397,677 shares of class A and 275,970,172 shares of class B, and in total 809,946,942 votes. The Company holds no own shares.

Right to information

Shareholders present at the Meeting have the right to request information regarding matters on the agenda or the Company's financial situation in accordance with Chapter 7 clause 32 of the Swedish Companies Act (2005:551).

Documents

The annual accounts and the auditor's report together with a proxy form and the Board's and the nomination committee's complete proposals for resolutions will no later than Tuesday 14 May 2019 be available on the Company's website, www.starbreeze.com and on the Company's office at Regeringsgatan 38, Stockholm. The documents will further be sent free of charge to shareholders who request it and who states its address.

Stockholm in May 2019
Starbreeze AB (publ)
The Board of Directors

###

For more information, please contact:

Torgny Hellström, Chairman of the Board
torgny.hellstrom@starbreeze.com

Pia Rosin, Interim Head of Investor Relations
Phone number: +46(0)8-209 208, email: ir@starbreeze.com

The information was submitted for publication, through the agency of the contact person set out above, at 15:00 CET on 3 May 2019.

About Starbreeze

Starbreeze is an independent developer, creator, publisher and distributor of PC and console targeting the global market, with studios in Stockholm, Barcelona, Paris, Bangalore and Dehradun. Housing the smash hit IP PAYDAY, Starbreeze develops games based on proprietary and third-party rights, both in-house and in partnership with external game developers. Starbreeze shares are listed on Nasdaq Stockholm under the tickers STAR A and STAR B with the ISIN-codes SE0007158928 (A share) and SE0005992831 (B share). Starbreeze announced via a press release on December 3, 2018 that the company, including certain subsidiaries, entered into reconstruction. For more information, please visit starbreeze.com