

CORPORATE GOVERNANCE

About corporate governance

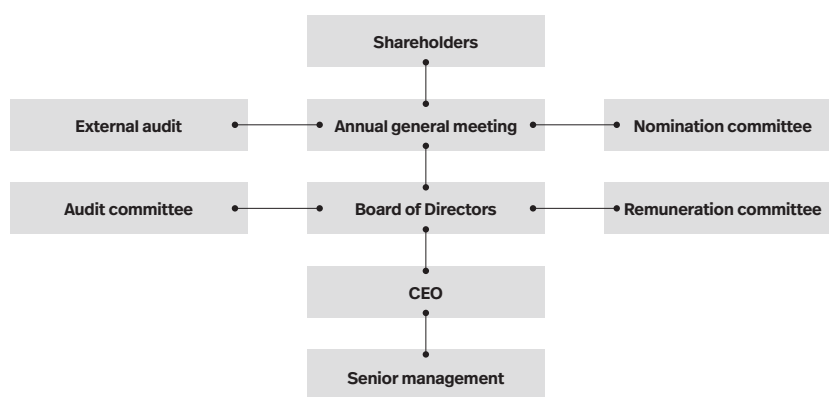
Starbreeze is a Swedish limited company and is listed on Nasdaq Stockholm. Corporate governance at Starbreeze is guided by Nasdaq's rules for issuers, the Swedish Corporate Governance Code ("the Code"), the Swedish Companies Act, generally accepted practices in the Swedish stock market, the company's Articles of Association, internal policy documents and other applicable laws, regulations and recommendations.

The main internal policy documents are the board charter, the CEO instruction, financial reporting guidelines and the authorization and financial policy manual. Starbreeze also has a number of policy documents and manuals that contain rules and recommendations, which contain principles and provide guidance in the company's operations and for its employees.

Annual General Meeting

The shareholders exercise their influence over the company at the annual general meeting (AGM), which is the company's highest decision-making body. All shareholders registered in the register of shareholders kept by Euroclear Sweden AB on the record date and entered in a book-entry system or CSD account have the right to participate in person or represented by proxy. The AGM is empowered to decide on any matter that concerns the company and which is not expressly under the exclusive competence of another corporate body pursuant to the Swedish Companies Act or the Articles of Association. The AGM may, for example, resolve to increase or decrease share capital, amend the Articles of Association, or that the company should be wound up. As regards the new issue of shares, convertible instruments or warrants, the AGM may decide on these matters itself or elect to authorize the board of directors to decide whether to carry out the issue. Each shareholder, regardless of the size of the holding, has the right to have a specified item on the agenda of the AGM. Shareholders wishing to exercise this right must submit a written request to the company's board of directors. Such requests

The corporate governance structure at Starbreeze



Companies that apply the Code are not required to comply with all rules set out in the Code at all times. The company is free to choose an alternative solution if it determines such is better suited to the company's particular circumstances, as long as the company openly reports

the deviation, describes the alternative solution it has chosen and explains its reasons for doing so (under the principle of "comply or explain"). Starbreeze began applying the Code on 2 November 2017 when the company was listed on Nasdaq Stockholm.

shall normally be received by the board of directors in sufficient time for the item to be included in the notice of meeting.

The AGM is held annually within six months of the end of the financial year. The ambition is for the chairman of the board, as many directors as required for a quorum and the chief executive officer shall attend the general meeting. The chairman of the meeting shall be nominated by the nomination committee and elected by the meeting. The tasks of the general meeting include electing the company's board of directors and auditors, adopting the company's balance sheet and income statement, deciding on appropriation of profits or losses in accordance with the adopted balance sheet, and deciding on discharge of liability for the directors and the chief executive officer. The meeting also decides the fees to be paid to directors and the company's auditors.

The board of directors may call an extraordinary general meeting when it deems there is reason to hold a meeting before the next AGM. The board is also required to call an extraordinary general meeting if the statutory auditor or a shareholder minority representing at least

ten percent of the company's shares so requests in order to address a specific matter.

Notices of general meetings must be made through advertisement in Post- och Inrikes Tidningar and on the company's website. On the date notice is made, information that notice has been issued must be advertised in Dagens Industri. Notices of ordinary general meetings and extraordinary general meetings at which amendments to the Articles of Association will be addressed must be issued no earlier than six (6) weeks and no later than four (4) weeks before the general meeting. Notices of other extraordinary general meetings must be issued no earlier than six (6) weeks before and no later than three (3) weeks before the general meeting. The minutes of the meeting must be available on the company's website no later than two weeks after the meeting.

The AGM was held during the 2017 financial year on 11 May 2017. One extraordinary general meeting has been held thus far in the 2018 financial year. The next AGM is planned for 9 May 2018.

Nomination committee

The AGM held 11 May 2017 resolved to adopt a procedure for appointment of the nomination committee leading up to the 2018 AGM.

According to this procedure, the nomination committee will be composed of the chairman of the board and no more than four members, who must represent the largest shareholders or shareholder groups in terms of voting rights. The four largest shareholders in terms of voting rights will be contacted on the basis of the list of registered shareholders in the company provided by Euroclear, as of the last banking day in August. A shareholder who is not registered with Euroclear and wishes to be represented on the nomination committee must notify the chairman of the board thereto by 1 September and must be able to prove the ownership status. In connection with determining which shareholders are the four largest in terms of voting rights, a group of shareholders will be regarded as constituting one owner if they (i) have been organized as a group in the Euroclear system, or (ii) publicly announced and notified the company in writing that they have reached written

agreement to take a long-term, unified position in matters of management of the company through coordinated exercise of voting rights. As soon as practicable after the end of August, the chairman of the board is to invite the four largest shareholders in the company in terms of voting rights to form a nomination committee. If any of the four largest shareholders in terms of voting rights waives their right to appoint a member of the nomination committee, the next-largest shareholder will be offered the opportunity to appoint a member, but no more than ten shareholders must be queried. Unless the members agree otherwise, the chairman of the nomination committee is to be the member who represents the largest shareholder. The names of the committee members and the names of the shareholders who appointed them, as well as contact details for the nomination committee, must be published as soon as the nomination committee has been appointed, which must occur no later than six months before the AGM.

The nomination committee's term of service is to extend until a new nomination

committee has been appointed. Fees will not be paid to the members of the nomination committee. The company will, however, pay reasonable costs associated with the nomination committee's performance of its remit.

The nomination committee's remit shall be to present a proposal before the AGM or, where applicable, extraordinary general meeting, on the number of directors to be elected by the meeting, directors' fees, composition of the board of directors, chairman of the board, chairman of the AGM, election of statutory auditors and auditors' fees and how the nomination committee should be appointed.

The members of the nomination committee must be publicly announced on the company's website no later than six months before the AGM.

The members of the company's nomination committee prior to the 2018 AGM and until a new nomination committee has been appointed are: Åsa Nisell (Swedbank Robur Fonder), Olof Jonasson (Första AP-fonden) and Michael Hjorth (Indian Nation and chairman of the board).

Board of Directors

The tasks of the board of directors

The board of directors has ultimate responsibility for the company's organization and managing the company's affairs in the interests of the company and all shareholders. The principal tasks of the board of directors include managing strategic issues related to operations,

financing, business establishments, growth, financial performance and position, and regularly reviewing the company's financial situation. The board must also ensure that there are appropriate systems for follow-up and control of the company's operations and ensure that the company's external communications are

characterized by openness and that they are accurate, reliable and relevant.

Size and composition of the board

According to Starbreeze's Articles of Association, the board must be composed of no fewer than four and no more than eight directors and no more than

Size and composition of the board

Name	Audit committee and remuneration committee	Has held position since	Independent of the company/ shareholders	Attendance board meetings	Attendance remuneration committee	Attendance
Michael Hjorth	Audit committee and remuneration committee	2007, chairman since 2013	Yes/Yes	20/20	7/7	3/3
Matias Myllyrinne	-	2013	Yes/Yes	19/20	-	-
Eva Redhe	Audit committee (chair) and remuneration committee	2014	Yes/Yes	20/20	7/7	3/3
Bo Andersson Kliint	-	2012	No/No	19/20	-	-
Ulrika Hagdahl	Audit committee and remuneration committee (chair)	2017	Yes/Yes	15/15	4/4	3/3
Harold Kim	-	2016	No/No	19/20	-	-

two alternate directors. The directors are normally elected at the AGM for a term of service ending at the close of the next AGM, but additional directors may be elected during the year at an extraordinary general meeting.

The board is composed of six regular directors: Michael Hjorth (chairman), Bo Andersson Klint, Harold Kim, Ulrika Hagdahl, Matias Myllyrinne and Eva Redhe. The current term of office for all directors expires at the close of the next AGM, which will be held 9 May 2018. However, all directors have the right to resign from the assignment at any time. Prior to the 2018 AGM, the Starbreeze nomination committee has proposed re-election of directors Michael Hjorth, Bo Andersson Klint, Harold Kim and Matias Myllyrinne and the first-time election of Kristofer Arwin and Åsa Wirén. The nomination committee has proposed re-election of Michael Hjorth as chairman of the board. Director Eva Redhe has declined re-election.

According to the Code, a majority of directors are to be independent of the company and its management. At least two of the directors who are independent of the company and management should also be independent in relation to major shareholders in the company. In addition, no more than one director may be a member of senior management of the company or a subsidiary of the company. The table on page 51 shows the service of directors on various board committees, when the directors' service began and the board's assessment of each director's independence.

The board has assessed Michael Hjorth, Matias Myllyrinne, Eva Redhe and Ulrika Hagdahl as independent in relation to the company, its management and major shareholders. The composition of the board thus meets the Code's independence requirement.

The directors and auditors of the company are presented in greater detail in the "Board of directors and auditors" section on pages 56–57.

Chairman of the board

The tasks of the chairman of the board include organizing and leading the work of the board and ensuring that it is conducted efficiently and that the board fulfills its obligations. Through interaction with the chief executive officer, the chairman must be provided the information necessary to monitor the company's position, financial planning and performance. The

chairman must also consult with the chief executive officer concerning strategic matters and verify that the board's decisions are implemented in an effective manner.

The chairman is responsible for contacts with shareholders regarding ownership issues and communicating shareholders' views to the board. The chairman of the board is elected by the AGM.

Board procedures

The board complies with a written charter that must be reviewed annually and adopted at the first board meeting held after the AGM. The board charter governs matters including the board's rules of procedure, tasks, decision-making procedures within the company, the board of directors' meeting procedures, the tasks of the chairman of the board and the division of responsibilities between the board and the chief executive officer. A Financial Reporting Instruction and an Instruction to the Chief Executive Officer are also adopted in conjunction with the first meeting of the board after the AGM.

The board of directors held 20 minutes meetings during the 2017 financial year. Attendance was 97.5 percent. Issues of a significant nature addressed at board meetings include fundamental business planning, market positioning and financing. The chief executive officer reports to the board concerning strategic issues and the Group's chief financial officer reports to the board concerning financial issues. The board met with the statutory auditor once during the financial year to be informed of the auditor's ongoing reporting.

Board committees

The board of directors of Starbreeze has established two committees: the audit committee and the remuneration committee. The board has adopted rules of procedure for both committees.

Audit committee

The audit committee's remit is to prepare the board of directors' work to assure the quality of the company's financial reporting. The audit committee is also to establish guidelines for the services other than audit services that the company may procure from the company's statutory auditors. The committee is also tasked with delivering its evaluation of the audit process to the nominating committee in connection with drafting the nominat-

ing committee's proposals to the AGM regarding the appointment of auditors and the amount of audit fees. During the 2017 financial year, the activities of the audit committee included consulting with the company's auditors concerning accounting estimates. The audit committee has also proposed measures regarding its ongoing internal control in response to the Group's expanding operations, and submitted recommendations to the board in preparation for upgrading internal control within the framework of the planned listing switch.

Since the first board meeting after the 2017 AGM, the members of the audit committee are: Eva Redhe (chair), Michael Hjorth and Ulrika Hagdahl. The AGM held 11 May 2017 decided on fees to the members of the audit committee of SEK 400,000 in total, of which SEK 200,000 to the chair and SEK 100,000 to each of the other members.

The audit committee met seven times during the 2017 financial year. Attendance was 100 percent.

Remuneration committee

The main tasks of the remuneration committee are to prepare issues concerning remuneration and other terms of employment for the CEO and other senior management personnel. The remuneration committee is also to monitor and evaluate programs for variable remuneration to senior management personnel and to monitor and evaluate application of guidelines for remuneration to senior management personnel adopted by the AGM.

During the 2017 financial year, the remuneration committee submitted recommendations to the board of directors concerning the remuneration structure for the chief executive officer and the company's possible need for incentive programs for employees including senior management. The remuneration has also prepared matters for board decision in relation to bonus systems and stock option programs for the company's employees.

Since the first board meeting after the 2017 AGM, the members of the remuneration committee are: Ulrika Hagdahl (chair), Michael Hjorth and Eva Redhe. The AGM held 11 May 2017 decided on fees to the members of the remuneration committee of SEK 200,000 in total, of which SEK 100,000 to the chair and SEK 50,000 to each of the other members.

The remuneration committee met three times during the 2017 financial year. Attendance was 100 percent.

Remuneration to directors

Remuneration to directors elected by a general meeting is decided by the general meeting. The AGM held 11 May 2017 approved directors' fees of SEK 700,000 to the chairman of the board and SEK 200,000 to each of the other non-executive directors.

In addition to the specified remuneration for committee service set out above, the AGM held 11 May 2017 decided that additional fees of no more than SEK

300,000 may be paid for committee service.

Consequently, total fees paid to the board of directors (including fees for committee service) may not exceed SEK 2,400,000.

The remuneration paid to directors in 2017 is specified on the table below.

Evaluation of board performance

Board performance is evaluated annually in order to further develop board procedures and efficiency. The chairman of the board is responsible for the evaluation and for presenting it to the nomination committee. The evaluation is intended

to gain an understanding of directors' opinions on how the work of the board is pursued and the measures that can be taken to improve the efficiency of board work and to determine whether the board is well-balanced in terms of skills and expertise. The evaluation is key input for the nomination committee in preparation for the AGM.

The chairman of the board conducted a written survey of all directors in 2017. The nomination committee also held private discussions with all directors, at which the chairman was not present. The results of the evaluation have been reported and discussed by the nomination committee.

CEO and other senior management

Tasks of the CEO and other senior management

The chief executive officer is appointed by the board of directors and manages the day-to-day operations of the Group in accordance with board guidelines and instructions. The CEO is responsible for keeping the board informed about the company's development and reporting any material departures from adopted business plans and any events that have major impact on the company's performance and operations, and for preparing relevant decision input for the board with regard to matters including business establishments, investments and other strategic issues. The senior management team, which is led by the company's CEO, consists of individuals who are responsible

for significant areas of operation within Starbreeze.

Remuneration to the CEO and senior management personnel

Total remuneration, including salaries, variable pay and other benefits was paid in 2017 year to senior management personnel, including the CEO, in the amount of SEK 23,052 thousand (16,073). Share-based payments amounted to SEK 241 thousand (351). Defined contributions to pension plans were paid for senior management personnel corresponding to costs under the ITP plan.

Costs for stock options granted to employees were charged against profit and loss for 2017 in the amount of SEK 2,867 thousand (9,701).

Guidelines for remuneration to senior management

The Swedish Companies act requires the general meeting to decide on guidelines for remuneration to the CEO and other senior management. The AGM held 11 May 2017 adopted such guidelines with the following main content.

Senior management refers to the chief executive officer and other senior management personnel in the company.

Starbreeze is to offer market-based terms that make it possible to recruit and retain skilled personnel. Remuneration to senior management is to consist of fixed pay, pension benefits and other customary benefits. In addition, the board is to evaluate on an annual basis whether share-based or share price-based incen-

Board and senior management, 2017	Base pay/ director's fee, SEKk	Variable pay, SEKk	Other benefits, SEKk	Pension expense, SEKk	Share- related pay, SEKk	Allocated employee and director stock options	Remaining employee and director stock options	Allotted warrants	Remaining warrants	
Michael Hjorth, director/ chairman	970	-	-	-	-	970	-	-	-	
Matias Myllyrinne, direc- tor	200	-	-	-	-	200	267,000	-	-	
Christoffer Saidac, director	109	-	-	-	-	109	-	-	-	
Eva Redhe, director	496	-	-	-	-	496	267,000	267,000	-	
Ulrika Hagdahl, director	355	-	-	-	-	355	-	-	-	
Harold Kim	200	-	-	-	-	200	-	-	-	
Bo Andersson Klint, CEO/director	4,907	1,750 ¹⁾	282	208	57	7,204	400,000	133,334	1,091,766	150,100
Mikael Nermark, deputy CEO	2,457	-	166	218	14	2,855	-	-	-	-
Other senior manage- ment	10,947	139	74	969	170	12,299	705,000	331,669	1,135,512	890,000
	20,641	1,889	522	1,395	241	24,688	1,639,000	465,002	2,494,278	1,040,100

¹⁾Refers to the 2016 financial year.

tive programs should be proposed to the AGM.

As a main rule, fixed pay is reviewed annually and the review is to take the individual's qualitative performance into account. Remuneration to the chief executive officer and other senior management personnel must be market-based. The board of directors is furthermore empowered to decide on variable remuneration in the form of a cash bonus in an amount that does not, on an annual basis, exceed

fifty percent of the fixed yearly salary for the senior manager in question.

Defined contributions to pension plans are paid for the chief executive officer and senior management corresponding to costs under the customary ITP plan.

The chief executive officer is required to give six months' notice of resignation and the company is required to give nine months' notice of termination. Notice periods for other senior management personnel range from three to nine months.

There are no agreements on severance pay.

The board of directors is empowered to depart from the guidelines above if it finds special circumstances exist to justify such a departure.

The proposed guidelines for remuneration to the company's senior management submitted by the board of directors to the 2018 AGM are identical to the present guidelines, as above.

Auditing and control

External auditor

The company's statutory auditor is appointed by the general meeting. The auditor is to audit the company's annual report and accounting records and the management of the company by the board of directors and chief executive officer. In addition to the auditor's report, the auditor normally also provides review reports on interim financial information (quarterly reports).

The AGM held 11 May 2017 reappointed auditing firm Öhrlings Pricewaterhouse-Coopers AB, (Torsgatan 21, 113 21, Stockholm, Sweden) as the company's statutory auditor for the period until the end of the 2018 AGM. Öhrlings Pricewaterhouse-Coopers AB was also the company's statutory auditor for 2015, 2016 and the period prior to the 2017 AGM. Authorized public accountant Nicklas Kullberg is the auditor in charge. Nicklas Kullberg is a member of FAR, the institute for the accountancy profession in Sweden. The auditor's report is signed by Nicklas Kullberg.

Remuneration to the auditor

Remuneration to the auditor is decided by the AGM according to the nomination committee's proposal. The AGM held 11 May 2017 decided that fees to the auditor would be paid in accordance with approved invoice.

Internal auditing and control

The board of directors' responsibility for internal control is regulated by the Swedish Companies Act and the Swedish Annual Accounts Act, which require Starbreeze to provide information in the corporate governance statement about the key elements of its system for internal control and risk management in conjunction with annual financial reporting. The board of

directors' responsibility for internal control is also regulated in the Code. Accordingly, the board's duties include ensuring that Starbreeze maintains good internal control and formalized procedures that ensure compliance with established principles of reporting and internal control and ensuring that appropriate systems exist for monitoring and control of the company's operations and the risks associated with its operations.

The overarching purpose of internal control is to obtain reasonable assurance that the company's operational strategies and objectives are followed up and shareholders' investments protected. Internal control should also determine, with reasonable assurance, that external financial reporting is reliable and prepared in accordance with generally accepted accounting practices, compliance with applicable laws and regulations and compliance with rules applicable to listed companies.

Control environment

Internal control at Starbreeze is based on a control environment that encompasses the organization, decision paths, duties and powers. The board of directors has a written charter that clarifies the board's responsibilities and regulates the division of work among the directors. The board charter also specifies the issues that must be submitted to the board for decision. The division of roles between the board of directors and the chief executive officer is communicated in the board charter and in its Instruction to the CEO. In addition, the chief executive officer manages operations based on the Swedish Companies Act, other laws and ordinances, regulations applicable to listed companies, the Swedish Corporate Governance Code, etc. The board of directors monitors

compliance with established principles of financial reporting and internal control and maintains appropriate relations with the company's statutory auditor. Senior management is responsible for the internal control system required to manage material risks in ongoing operations. The audit committee also prepares matters for decision by the board in order to maintain a good control environment.

Risk assessment and control activities

A clear organization and decision-making procedures are intended to generate high risk awareness among employees and carefully considered risk-taking. Embedded internal control points are also intended to minimize the risk of misstatements in the accounts. Likewise, there are documented procedures for the management of the company's finance and consolidation system. Ongoing monitoring and follow-up are applied to maintain good internal control and thus prevent and detect risks.

Risk management

Material risks that affect internal control of financial reporting and operational controls are identified and managed at the Group, business area and subsidiary levels. The board audit committee is responsible for ensuring that material financial risks and risks of misstatements in financial reporting are identified and prepared for board decision, where applicable, on corrective measures to ensure accurate financial reporting. Special priority is awarded to identifying processes where the risk of material misstatement is relatively higher due to the complexity of the process or in contexts that involve high monetary values.

The board of directors tasks senior management with analyzing operations

and identifying and quantifying the risks to which the Group is exposed. After the risks have been identified, they are ranked according to their probability and consequences. Based on this analysis, the company has designed a large number of controls in the areas of Finance, Management, IT, HR, Game Development and Publishing, Marketing and PR, and IR. A planned self-assessment process is conducted according to an established plan and the outcome is reported to the audit committee and the board of directors, who verify that the controls have been performed. The results, analysis and measures in connection with this process are reported directly to the audit committee and board of directors as outlined below.

Monitoring and follow-up

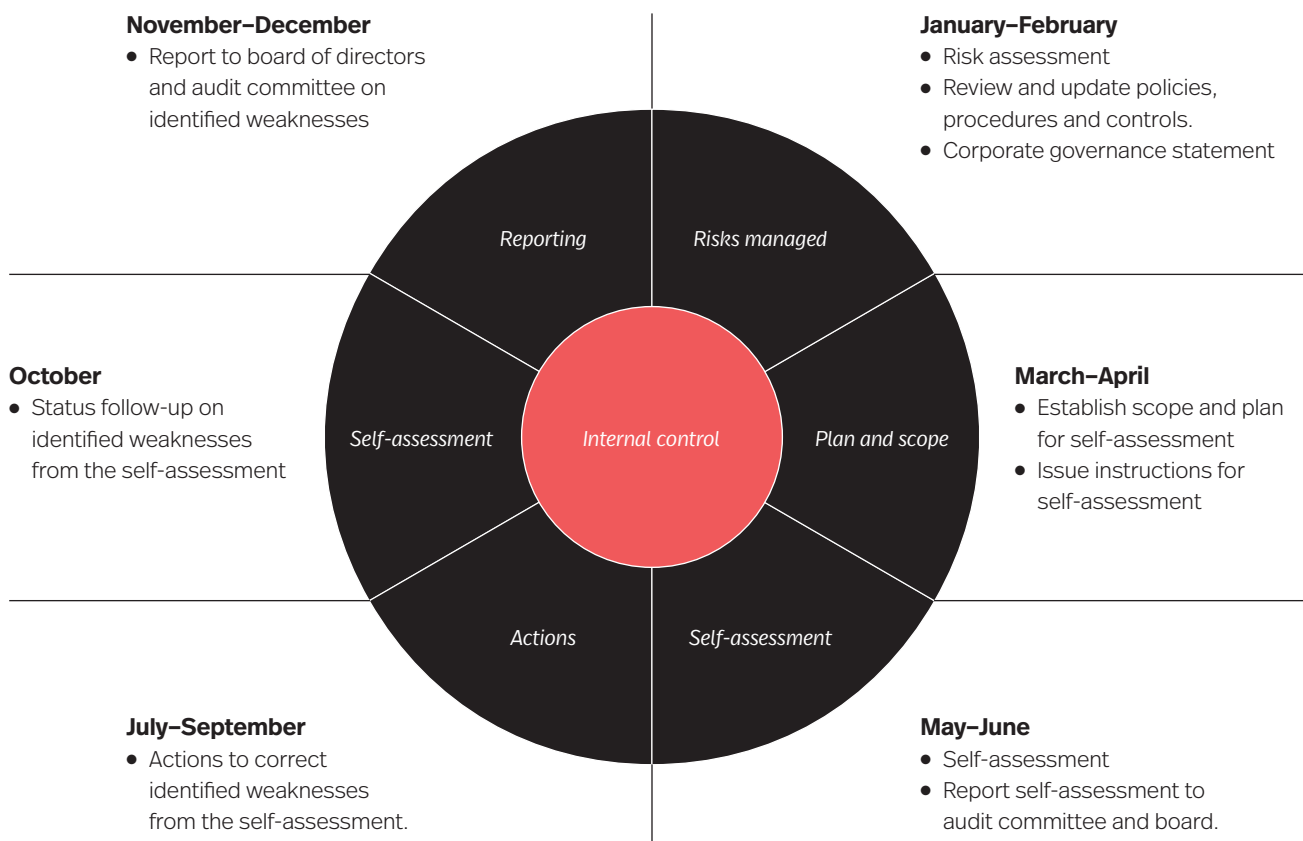
The board of directors continuously evaluates the information provided by senior management and the audit committee. The work of the board of directors also includes ensuring that measures are taken regarding any deficiencies, as well as measures recommended in connection with external audit and internal follow-up of internal control implemented by the company. After the board has received the initial analysis of internal control, the audit committee prepares a proposal for decision by the board of directors on measures to rectify the identified deficiencies and weaknesses.

Towards the end of the year, the audit committee receives a final report on the outcomes and status of internal control.

Based on that report, the audit committee prepares a proposal on improvement measures for submission to the board. This is a continuous process according to the annual cycle for auditing and control, as below.

The board is also provided regular reports on the Group's financial position and development. The Group's financial situation is reviewed at the end of each quarter and senior management analyses the profit and loss trend at the detailed level on a monthly basis and thereafter provides a summarized report to the board. At each meetings, the audit committee follows up on financial reporting and receives a special report from the auditors once a year concerning their observations.

Starbreeze annual cycle for auditing and control



Board of directors and auditors



Michael Hjorth

Chairman of the board since 2013 (director since 2007)

Born: 1963.

Education: Bachelor of Liberal Arts, Bard College, New York

Principal occupation: CEO of the wholly owned investment firm Indian Nation AB and an Executive Producer in film and television.

Other assignments: Chairman of the board of Mäklarappen AB, director of Ftrack AB and MAG Interactive AB, director and CEO of Indian Nation AB and alternate directors of AVZEL.LIFE AB.

Holdings in the company: Directly or indirectly owns 1,500,550 Class A shares and 869,149 Class B shares.

Michael Hjorth is independent in relation to the company, its management and major shareholders.



Ulrika Hagdahl

Director since 2017

Born: 1962

Education: MSc in Engineering Physics, KTH Royal Institute of Technology, Stockholm.

Principal occupation: Board service

Other assignments: Director of HiQ International AB, Sectra AB, Beijer Electronics Group AB, Westermo Teleindustri Aktiebolag, Image Systems AB and AB Idre Golf Ski & Spa, as well as chief executive officer and director of Montech Invest AB, Cancale Förvaltnings Aktiebolag and Lannion AB. Alternate director of Albanello AB and manager of Lannion SARL.

Holdings in the company: -

Ulrika Hagdahl is independent in relation to the company, its management and major shareholders.



Hyung Nam Kim (Harold Kim)

Director since 2016

Born: 1977

Education: Bachelor of Science, University of Southern California Marshall School of Business

Principal occupation: Vice President of Business Development for Smilegate Holdings Inc. and Acting Director of SG Interactive Inc.

Other assignments: Acting Director of SG Interactive Inc. and Vice President of Business Development for Smilegate Holdings Inc.

Holdings in the company: -

Harold Kim is not independent in relation to the company, its management and major shareholders.



Bo Andersson Klint

Director since 2012

Born: 1976

Education: Studies in strategy and organization, Linköping University.

Principal occupation: Chief Executive Officer of Starbreeze.

Other assignments: Director of Enterspace AB and director and chief executive officer of Varvtre AB, Fifi Holding AB and DigiStrat AB. Chairman of the board of StarVR Corporation.

Holdings in the company: Directly or indirectly owns 18,718,667 Class A shares and 5,377,886 Class B shares, 133,334 employee stock options and 150,100 warrants.

Bo Andersson Klint is not independent in relation to the company, its management and major shareholders.



Matias Myllyrinne

Director since 2013

Born: 1974

Education: Master of Business Administration (MBA), Hanken School of Economics, Helsinki.

Principal occupation: In charge of game and technology initiatives at Wargaming Ltd. As Head of Development, Myllyrinne is responsible for more than 1,800 employees in the regions of North America, Europe, Russia and Australia.

Other assignments: Head of Development at Wargaming Ltd.

Holdings in the company: -

Matias Myllyrinne is independent in relation to the company, its management and major shareholders.



Eva Redhe

Director since 2014

Born: 1962

Education: Master of Science in Economics and Business Administration, Stockholm School of Economics, Stockholm

Principal occupation: Investor, company director and adviser.

Other assignments: Chair of the boards of Spago Nanomedical AB, Ftrack AB, Redhe Financial Communications AB, R-dental AB and DiagnoCit AB. Redhe is also a director of Första AP-fonden and Axel Christiersson AB.

Holdings in the company: Directly or indirectly owns 350,000 Class B shares.

Eva Redhe is independent in relation to the company, its management and major shareholders.

Auditors

The authorized auditing firm Öhrlings PricewaterhouseCoopers AB is the company's elected auditor.

Nicklas Kullberg

Auditor in charge

Auditor of Starbreeze AB (publ) since 2015.

Born: 1970

Authorized Public Accountant.

Senior management



Bo Andersson Klint

CEO of Starbreeze

See the preceding "Board of Directors" presentation for information about Bo Andersson Klint.



Sebastian Ahlskog

CFO since 2015

Born: 1970

Education: Business Administration, Stockholm University

Background: CFO at Videoplaza, eBay Sweden and Silva Sweden AB. Prior to that, auditor and manager at EY.

Holdings in the company: Directly or indirectly owns 278,734 Class A shares and 136,000 Class B shares, 200,000 employee stock options and 200,000 warrants.



Saül Gascon Barba

Global Development Director since 2015

Born: 1981

Education: Master in Videogame Creation, Universitat Pompeu Fabra, and Bachelor in Multimedia Engineering, Universitat Politècnica de Catalunya

Background: Worked in the video games industry for 13 years.

Holdings in the company: Directly or indirectly owns 26,499 Class B shares, 300,000 warrants and 83,334 employee stock options.



Almir Listo

Global Brand Director & Producer since 2015

Born: 1986

Education: Project Management within the Entertainment Industry, advanced professional training

Background: Project manager for 10 years.

Holdings in the company: Directly or indirectly owns 155,001 Class B shares and 90,000 warrants.



Emmanuel Marquez

CTO since 2014

Born: 1971

Education: BAC E, Lycee Louis Armand, DUT, IUT de Haute Alsace and MSc in Computer Science, EPITA (Graduate School for Computer Science).

Background: More than 18 years' experience in senior positions in the games industry and technology-driven companies.

Holdings in the company: Directly or indirectly owns 1,387,500 Class A shares and 2,290,000 Class B shares and 90,000 warrants.



Mikael Nermark

Deputy CEO since 2009 (CEO 2011–2013)

Born: 1970

Education: Business, Stockholm University

Background: Executive and expert in the games industry for 20 years.

Holdings in the company: Directly or indirectly owns 615,384 Class B shares, 66,668 employee stock options and 90,000 warrants.



Maeva Sponbergs

EVP of Communications since 2017 (prior to that, EVP of Communications and Head of Investor Relations since 2015 and Head of Operations since 2014)

Born: 1980

Education: IT Project Management, IHM Business School

Background: Eighteen years' industry experience and many years of experience in communications and investor relations.

Holdings in the company: Directly or indirectly owns 35,661 Class B shares, 23,333 warrants and 72,498 employee stock options.



Ann Charlotte Svensson

Head of Investor Relations and Corporate Communications since 2017

Born: 1973

Education: Master of Economics, Stockholm University

Background: Twenty years' experience in communications for listed companies as a consultant and in the role of head of communications and IR, including experience in the games and entertainment industry.

Holdings in the company: –



Johanna Wikland

Global Human Resources Director since 2016

Born: 1977

Education: Master of Science in Business Administration and Economics, Lund University

Background: Experience in HR matters, recruiting, organizational development and communications in senior roles at firms including Klarna.

Holdings in the company: Directly or indirectly owns 10,000 Class B shares and 40,000 warrants.

Stockholm, 12 April 2018

Michael Hjorth

Chairman of the Board

DIRECTORS:

Ulrika Hagdahl

Hyung Nam Kim

(Harold Kim)

Matias Myllyrinne

Eva Redhe

Bo Andersson Klint

CEO

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

To the annual meeting of the shareholders in Starbreeze AB (publ), corporate registration number 556551-8932.

Assignment and division of responsibility

The Board of Directors is responsible for that the corporate governance statement on pages 50–60 has been prepared in accordance with the Annual Accounts Act.

Scope and direction of the examination

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided me (us) with sufficient basis for my our opinions.

Opinion

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, 12 April 2018

Öhrlings PricewaterhouseCoopers AB

Nicklas Kullberg

Authorized Public Accountant