



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 Wednesday 13 May 2020, at 16.00 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 Thursday 7 May 2020, and
- notify the Company no later than on Thursday 7 May 2020, to address Starbreeze AB, "Årsstämma", c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, or on the Company's website: www.starbreeze.com/arsstamma2020.

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 realize such re-registration must advise their nominees well in advance of Thursday 7 May 2020, at which time such re-registration shall be executed.

Information with regards to the corona virus

Due to the outbreak of the corona virus the shareholders with symptoms of illness or shareholders who have visited a risk area are asked not to attend in person, there is a possibility to attend and exercise their voting rights through a proxy holder. Shareholders who want to authorize a proxy holder can find relevant documents on the Company's website.

As a precautionary measure to reduce the risk of spreading the corona virus in connection with the Meeting, Starbreeze has also decided to take the following measures:

- no beverages or food will be served,
- there will be no speeches by the Chairman of the Board of Directors, the CEO, the auditor or the representative of the Nomination Committee,

- the number of non-shareholders, Board members, corporate officers and guests present will be limited, and
- The questions at the Meeting will be concentrated on matters on the agenda and other information that the participants are entitled to receive according to law. Consequently, no general question time will be held at this Annual General Meeting, and the Meeting will as far as possible be minimized in time without restricting the rights of the shareholders.

Further measures may be presented by the Board before the Meeting. Information will be announced and available on the Company's website.

Please follow the recommendations regarding the corona virus and the covid-19 disease from the Public Health Agency. For up-to-date information, see folkhalsomyndigheten.se.

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 2019
8. Resolution on
 - a. adoption of the income statement and balance sheet and the consolidated income statement and consolidated balance sheet, the disposition regarding the Company's profit pursuant to the established balance sheet
 - b. 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 authorizing 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. Shareholder Sven Eriksson's proposal for resolution to cease the re-stamping of shares of class A shares to shares of class B
18. 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 2019 and that the retained earnings of SEK 574,525,397, consisting of an accumulated profit of SEK- 1,059,812,429, fair value reserve of SEK 1,649,032,607 and the profit for the year SEK – 14,694,781, 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's proposes Björn Kristiansson to be the Chairman of the Meeting.

The Nomination Committee proposes that the Board shall consist of five ordinary Board members and

no deputies.

The Nomination Committee proposes re-election of Jan Benjaminson, Torgny Hellström, Tobias Sjögren and Kerstin Sundberg, and new election of Anna Lagerborg as ordinary Board members for the time until the end of the Annual General Meeting 2021. Torgny Hellström is proposed as the Chairman of the Board.

Anna Lagerborg, born 1966, Bachelor in systems science

Anna has a long background of leading tech organizations, including from NetEnt where she has been Development Manager and member of the Group Management, and from Hemnet where she has been CTO, Acting CEO and Deputy CEO. Anna currently works with executive search and business development at Safemind, a recruitment company specializing in tech and digitalization.

In the opinion of the Nomination Committee, all proposed Board members are independent of both the Company and the Company management as well as the major shareholders.

More information about the persons that are proposed as Board members can be found on the Company's website, www.starbreeze.com.

It is proposed that for the period until the end of the Annual General Meeting 2021, SEK 800,000 shall be paid to the Chairman and SEK 250,000 to each of the other Board members elected by the Annual General Meeting. Remuneration of SEK 350,000 is proposed to the Chairman of the Audit Committee and to other members of the committee a remuneration of SEK 150,000 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 2,600,000 (SEK 2,970,000). This corresponds to a total reduction of the fees by 12.5 per cent

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 of class B, or convertible bonds or warrants entitling to shares of 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 to amend the Articles of Association (item 14)

As there is no requirement to include information regarding the record date in the Articles of Association, since this is regulated by the Companies Act (2005: 551), and as the current wording of

paragraph 8 of the Articles of Association is not compatible with an expected change in the Companies Act which is expected to enter into force in 2020, the Board of Directors proposes that the Annual General Meeting resolves that paragraph 8 of the Articles of Association shall be amended as follows.

Notices of general meetings must be made through advertisement in Post- och Inrikes Tidningar and by posting the notice on the company's website. When notice is made, the company shall advertise in Dagens Industri that that notice to attend has been issued.

Shareholders wishing to attend the general meeting must ~~be found on a printed copy or other presentation of the register of shareholders reflecting circumstances five (5) days before the meeting and must~~ notify the Company of intent to participate no later than the day specified in the notice of meeting. ~~The last mentioned~~ This day cannot be a Sunday, other public holiday, Midsummer's Eve, Christmas Eve or New Year's Eve and cannot be earlier than five (5) weekdays before the meeting.

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 Annual General Meeting.

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 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.

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.

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 Annual General Meeting resolves to approve the following guidelines for remuneration to senior executives in the Company. Taking into account new EU rules on shareholders' rights that have been implemented through amendments to the Companies Act and the Swedish Code of Corporate Governance, the remuneration guidelines in the Board's proposal differ from the guidelines adopted by the Annual General Meeting 2019.

The Board's proposal regarding remuneration guidelines for senior executives

The senior executives in Starbreeze, which consist of those who from time to time form part of the Company's management team, fall within the provisions of these guidelines. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting. These guidelines do not apply to any remuneration decided or approved by the General Meeting.

Remuneration under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or local practice, taking into account, to the overall purpose of these guidelines.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

In short, the Company's business strategy is the following.

Starbreeze is an independent developer, creator, publisher and distributor of PC and console targeting the global market, with studios in Stockholm, Barcelona and Paris. With the successful PAYDAY brand at the center, Starbreeze develops games based on proprietary and third-party rights, both in-house and in partnership with external game developers.

Starbreeze's main business consists of its own development of video and computer games, which are wholly or partly financed by own resources. The majority of the Company's employees are mainly employed to develop the Company's products. Thereafter, the games are mainly distributed via digital platforms such as Steam, or in partnership with other physical distribution companies. The Company's end customers are the consumers who buy the game through the various gaming platforms or retailers.

For more information regarding the Company's business strategy, please see www.starbreeze.com

The Company shall offer competitive remuneration in order to be able to recruit and retain qualified personnel.

Variable cash remuneration covered by these guidelines shall aim at promoting the Company's business strategy and long-term interests, including its sustainability.

Types of remuneration, etc.

The remuneration to the senior executives may consist of fixed salary, variable remuneration, pension benefits and other customary benefits. In addition, the Board annually evaluates whether share-based or share price-related incentive programs should be proposed to the Annual General Meeting. Such share-related or share-price incentive programs are decided by the General Meeting and are therefore excluded from these guidelines.

As a general rule, the fixed salary is reviewed once a year and shall take into account the qualitative nature of the individual accomplishment. Remuneration to the CEO and other senior executives shall be on market terms.

Furthermore, the Board of Directors shall have the right to decide on variable remuneration in form of a cash bonus to the Company's senior executives. The variable remuneration must be linked to predetermined and measurable criteria. The variable remuneration on an annual basis may amount to not more than 75 per cent of the fixed annual salary for the CEO and 50 per cent of the fixed annual salary for other senior executives.

For the CEO and senior executives, defined pension premiums are paid which corresponds to the cost according to the usual ITP plan.

Other benefits may amount to not more than 10 per cent of the fixed annual salary.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or local practice, taking into account the overall purpose of these guidelines.

Termination of employment

In the event the employment is terminated by the CEO the notice period is six months, and in the event the employment is terminated by the Company the notice period is nine months. Other senior executives shall have a notice period of three to nine months. No severance pay shall occur.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall amount to not more than 60 per cent of the fixed cash salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and be paid during the time the non-compete undertaking applies, however not for more than 18 months following termination of employment.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a Remuneration Committee. The committee's tasks include

preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Transitional provisions applicable to the Annual General Meeting 2020

At the date of the Annual General Meeting on May 13, 2020, previously decided remuneration that had not been due for payment amounted to SEK 0.

Shareholder Sven Eriksson's proposal for resolution to cease the re-stamping of shares of class A shares to shares of class B (item 17)

Shareholder Sven Eriksson proposes that the Annual General Meeting resolves to cease the re-stamping of shares of class A to shares of class B. The conversion of shares of class A to shares of class B starts to become dangerous, given that a potential majority shareholder can now put other shareholders out of play with the majority of shares (votes) that the shares of class A entail.

Number of shares and votes

At the time of the issue of the notice there are a total of 362,304,633 shares in the Company, whereof 85,530,241 shares of class A and 276,774,392 shares of class B, and in total 1,132,076,802 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 Wednesday 22 April 2020 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 April
2020

Starbreeze AB (publ)

The Board of Directors

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For more information, please contact:

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The information was submitted for publication, through the agency of the contact person set out above, at 17:55 CET on 9 April 2020.

About Starbreeze

Starbreeze is an independent developer, creator, publisher and distributor of PC and console targeting the global market, with studios in Stockholm, Barcelona and Paris. 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). For more information, please visit starbreeze.com