

# **Regulations of the Board of Directors of Funcom N.V**

## **Introduction**

0.1

These regulations (the “**Regulations**”) have been adopted by the Board of Directors on 18 May 2015 and approved by the Supervisory Board at its meeting on 18 May 2015.

0.2

These Regulations are established in accordance with the Articles of Association (the “**Articles of Association**”) of Funcom N.V. (the “**Company**”) and are complementary to the provisions applicable to the Board of Directors (the “**Board of Directors**”), the Board of Director members (the “**Board of Director Members**”) and the supervisory board of the Company (the “**Supervisory Board**”) as contained in Dutch Law, other applicable Dutch, EU or foreign regulations and the Articles of Association of the Company.

0.3

Where these rules are inconsistent with the Articles of Association the Articles of Association will prevail. Where these rules conform the Articles of Association but are inconsistent with Dutch Law, Dutch Law shall prevail. If one or more of these provisions or these rules are or become invalid, this shall not affect the validity of the remaining provisions.

0.4

These Regulations will be placed on the Company's website.

## **General**

1.1

The members of the Board of Directors are appointed by the annual general meeting (the “**AGM**”). The Supervisory Board nominates one or more candidates for appointment. The nomination (in accordance with the related conditions and restrictions set forth in the Articles of Association) is binding.

1.2

The number of members of the Board of Directors is adopted by the Supervisory Board, at the proposal of the CEO of the Board of Directors. The Supervisory Board shall appoint the CEO from among the membership of the Board of Directors.

1.3

The Board of Directors is responsible for managing the company. The Board of Directors renders account of this management to the Supervisory Board and the AGM. The responsibility for managing the company lies with the Board of Directors as a collective.

1.4

The Board of Directors ensures that the company has a tailored risk management and control system in place.

1.5

In carrying out its responsibilities, the Board of Directors is expected to operate in agreement with the interests of the company and considers the qualified interests of parties involved with the company accordingly.

## **Board meetings**

### 2.1

The Board of Directors shall hold one Board Meeting every 4 months and whenever one or more members have requested a Board Meeting. The Board Meetings shall generally be held at the office of the Company, but may also take place elsewhere. In addition, Board Meetings may be held by telephone or videoconference provided that all participants can hear each other simultaneously.

### 2.2

Either the Chairman, the Board or Director Member that requested the Board Meeting or the Company Secretary after instruction of the Board of Directors will convene the Board Meeting. The Board Meeting will be convened at least three working days before the date of the meeting excluding the day of announcing the Board Meeting and the day of the Board Meeting. The meeting will be convened in writing or by “delivered” e-mail, including the agenda of the meeting unless it concerns urgent matters to be discussed immediately.

### 2.3

The Chairman shall chair the Board Meeting. In case of his absence he will appoint one Board of Director Member to act as Chairman. In case no Company Secretary is appointed by the Board of Directors one of the Board of Director Members could be appointed for the duration of the Board Meeting to act as Company Secretary.

### 2.4

The Chairman, supported by the Company Secretary, shall determine the agenda of each Board Meeting. Other Board of Director Members may submit items to be discussed in the Board Meeting. An item to be discussed which has not been submitted on time or which is not supported by sufficient documentation shall not be placed on the agenda, unless the majority of Board of Director Members agree otherwise.

### 2.5

The Board of Director Members must attend the Board Meeting. In case a director is unable to attend the Board Meeting he may be represented by another Board of Director Member. Representation will be arranged for by written power of attorney or oral power of attorney with written confirmation afterwards. A Board of Director Member can only represent one other absent Board of Director Member.

### 2.6

Each Board of Director has one vote. The Board of Director Member representing the other absent Board of Director Member is entitled to submit two votes.

### 2.7

Preferably, resolutions of the Board of Directors shall be passed by unanimous vote. If this is not possible, the resolution shall be taken by a simple majority of votes. If there is a tie, the Chairman shall have a casting vote.

### 2.8

Resolutions may be passed outside a Board Meeting if all Board of Director Members have given their vote by email to the Company Secretary in favor of the proposal. In the next Board Meeting such agreed resolutions will be confirmed and included in the minutes of the Board Meeting.

2.9

The Company Secretary shall draw up the minutes of the Board Meeting. The minutes shall consist of a summary of the discussions in the Board Meeting, an overview of the decisions taken and an action list. The minutes shall be adopted in the next Board Meeting and signed by the Chairman and the Company Secretary. Adopted minutes shall be evidence of the proceedings.

### **Approval of the Supervisory Board**

3.1

In addition to the matters set forth in article 14 of the Articles of Association, the following matters require the advance approval of the Supervisory Board:

1. The annual budget stating the company's financial and operational objectives and other matters, as well as the strategy that is expected to lead to the fulfilment of these objectives and the related preconditions;
2. The issue of shares, rights to purchase shares, bonds or other securities.
3. Application for a public listing or withdrawal of a public listing of the securities on any stock exchange;
4. Any proposal for amending the articles of association;
5. Any proposal to dissolve or liquidate the Company;
6. Filing for bankruptcy and application for suspension of payments;
7. Termination of the employment contracts of a considerable number of employees of the Company or a dependent company;
8. Filing for bankruptcy, suspension of payments or a comparable status in a foreign jurisdiction for a subsidiary company of the Company;
9. Making investments that are not included in the approved budget and that amount to more than 10% of the investment budget;
10. Amending the type of activities that the Company conducts;
11. Entering into loan agreements or other financial expenses with a value of more than EUR 1,000,000;
12. Adopting or amending the basic principles employed for drawing up the annual accounts.

### **Financial reporting; annual accounts and annual report**

4.1

The Board of Directors is responsible for the quality and comprehensiveness of the financial reports that are made public.

4.2

The Board of Directors ensures that the external auditor is able to properly conduct the required audit activities.

4.3

The Board of Directors shall inform all parties in the financial market equally and simultaneously regarding matters that could influence the share price. If the Articles of Association allow this the Supervisory Board will (also) have the authority to inform all parties in the financial market equally and simultaneously regarding matters that could influence the share price.

4.4

The Audit Committee, together with the Board of Directors, will meet at least once every four years to conduct a thorough evaluation of the performance of the external auditor. The principal findings of this evaluation will be presented to the AGM.

## **Other regulations**

### 5.1

A member of the Board of Directors will:

1. Not act in competition with the Company.
2. Not promote or accept any gifts, with the exception of customary small gifts, from the company for himself, his spouse, registered partner or other partner, foster child or a person related by blood or marriage to the second degree.
3. Not provide unfair advantages to third parties to the detriment of the company and
4. Not utilise any business opportunities to which the company is entitled for himself, for
5. his spouse, registered partner or other partner, foster child or persons related by blood or marriage to the second degree.

### 5.2

A member of the Board of Directors must immediately report any conflict of interest that is of substantial consequence to the company and/or the involved member to the Supervisory Board and the other members of the Board of Directors.

### 5.3

The member of the Board of Directors having a direct or indirect personal interests which is conflicting with those of the Company and the business carried on by the Company shall not participate in the deliberations and decision-making on any matter in respect of such direct or indirect personal interests which is conflicting with those of the Company and the business carried on by the Company. If no board resolution can be passed as a result of this, the Supervisory Board shall pass the board resolution.

### 5.4

Members of the Board of Directors shall not accept without the prior permission of the Supervisory Board any paid or unpaid position including a position of an advisory or supervisory nature.

### 5.5

If a serious private offer for a business unit or a participation of which the value exceeds the limit specified in section 2:107a BW, first paragraph, sub c is made public, the Management must announce its stance regarding the offer and its reasons for this stance as quickly as possible.

### 5.6

The members of the Board of Directors are bound to the regulations regarding insider knowledge of the Company, regarding securities of the Company.

### 5.7

The Company shall not make any loans, guarantees, etc. to the members of the Board of Directors.

### 5.8

The Board of Directors is allowed, after receiving the approval of the Supervisory Board, to decide on an incidental basis not to observe these regulations, obviously whilst continuing to observe the applicable legislation and regulations.

### 5.9

A resolution to amend the Regulations can only be taken by unanimity of the votes cast in a Board of Directors meeting or by unanimous consent in a resolution adopted outside a formal meeting of the Board of Directors.