

Explanatory notes to the agenda for the Extraordinary General Meeting of Shareholders of Funcom N.V. of 25 February 2016 (the “Meeting”)

1. Opening. (discussion)

The chairman will open the Meeting at 11.00 Central European Time.

2. Proposal to approve certain amendments to the bond agreement entered into by and between Funcom N.V. and Norsk Tillitsmann ASA and dated 21 December 2011 as amended from time to time. (vote)

Mr. Hans Peter Jebsen controls the company Kristian Gerhard Jebsen Group Ltd. that in turn controls KGJ Investments S.A., SICAV-SIF, which entity holds sixty bonds under the bond agreement entered into by and between Funcom N.V. and Norsk Tillitsmann ASA and dated 21 December 2011 as amended from time to time.

Maturity date

The proposed new maturity date (which currently is 15 December 2016) is 31 December 2018 and will provide cash relief to Funcom N.V. in 2016, 2017 and 2018 to focus on attracting and utilizing funds for the development of new games. Reference is furthermore made to the press release by Funcom N.V. that was published – *inter alia* – on the website of the Oslo Stock Exchange and on Funcom N.V.’s website on 17 December 2015.

The prepayment obligation agreed between Funcom N.V. and KGJ Investments S.A., SICAV-SIF in August 2015 in case of a sale of some or parts of the Funcom subsidiaries will prevail. Reference is made to the press release by Funcom N.V. that was published – *inter alia* – on the website of the Oslo Stock Exchange and on Funcom N.V.’s website on 12 August 2015.

Conversion price

The new conversion price of the convertible bond should be the lower of (i) USD 0.24 and (ii) the 5 day average share price prior to the Meeting plus 10 %. The 5 day average share price should be calculated in NOK as the volume weighted average closing price for the last 5 trading days prior to the Meeting and then converted from NOK to USD using the rate from DNB Bank ASA for the day prior to the Meeting (which rate is available on the following website: https://www.dnb.no/kursliste/historiske?la=NO&site=DNB_NO).

3. Proposal to approve certain amendments to the convertible loan agreement entered into by and between Funcom N.V. and KGJ Investments S.A., SICAV-SIF, and dated 26 August 2014. (vote)

As noted above, Mr. Hans Peter Jebsen controls the company Kristian Gerhard Jebsen Group Ltd. that in turn controls KGJ Investments S.A., SICAV-SIF. Funcom N.V. and KGJ Investments S.A., SICAV-SIF, entered into a convertible loan agreement dated 26 August 2014.

Maturity date

The proposed new maturity date (which currently is 27 June 2017) is 30 June 2019 and will provide cash relief to Funcom N.V. in 2016, 2017, 2018 and first part of 2019 to focus on attracting and utilizing funds for the development of new games. Reference is furthermore made to the press release by Funcom N.V. that was published – *inter alia* – on the website of the Oslo Stock Exchange and on Funcom N.V.'s website on 17 December 2015.

The prepayment obligation agreed between Funcom N.V. and KGJ Investments S.A., SICAV-SIF in August 2015 in case of a sale of some or parts of the Funcom subsidiaries will prevail. Reference is made to the press release by Funcom N.V. that was published – *inter alia* – on the website of the Oslo Stock Exchange and on Funcom N.V.'s website on 12 August 2015.

Conversion price

The new conversion price of the convertible loan should be the lower of (i) USD 0.86 and (ii) the 5 day average share price prior to the Meeting plus 10 %. The 5 day average share price should be calculated in NOK as the volume weighted average closing price for the last 5 trading days prior to the Meeting and then converted from NOK to USD using the rate from DNB Bank ASA for the day prior to the Meeting (which rate is available on the following website: https://www.dnb.no/kursliste/historiske?la=NO&site=DNB_NO).

Integration of other loans

Funcom N.V. and KGJ Investments S.A., SICAV-SIF agreed that – further to the above changes – another loan between Funcom N.V. and KGJ Investments S.A., SICAV-SIF would be integrated in this convertible loan agreement as a result of which the total principal amount under this will almost double.

4. Proposal to discharge (*decharge verlenen aan*) Mr. Ole Arne Prydz Gladhaug for his activities as Supervisory Director in relation to the period commencing on 1 January 2015 and ending on 11 August 2015. Mr. Ole Arne Prydz Gladhaug has resigned as member of the Board of Supervisory Directors, effective 11 August 2015. (vote)

Reference is made to the press release by Funcom N.V. that was published – *inter alia* – on the website of the Oslo Stock Exchange and on Funcom N.V.'s website on 12 August 2015.

The proposal is to discharge (*decharge verlenen aan*) Mr. Ole Arne Prydz Gladhaug for his activities as Supervisory Director in relation to the period commencing on 1 January 2015 and ending on 11 August 2015. Mr. Ole Arne Prydz Gladhaug has resigned as member of the Board of Supervisory Directors, effective 11 August 2015.

5. Proposal to discharge (*decharge verlenen aan*) Mr. Magnus Slåttekjær Grøneng for his activities as Supervisory Director in relation to the period commencing on 1 January 2015 and ending on 11 August 2015. Mr. Magnus Slåttekjær Grøneng has resigned as member of the Board of Supervisory Directors, effective 11 August 2015. (vote)

Reference is made to the press release by Funcom N.V. that was published – *inter alia* – on the website of the Oslo Stock Exchange and on Funcom N.V.'s website on 12 August 2015.

The proposal is to discharge (*decharge verlenen aan*) Mr. Magnus Slåttekjær Grøneng for his activities as Supervisory Director in relation to the period commencing on 1 January 2015 and ending on 11 August 2015. Mr. Magnus Slåttekjær Grøneng has resigned as member of the Board of Supervisory Directors, effective 11 August 2015.

6. Proposal to discharge (*decharge verlenen aan*) Mr. Gerhard Florin for his activities as Supervisory Director in relation to the period commencing on 1 January 2015 and ending on 26 June 2015. Mr. Gerhard Florin's term was up to and including the Annual General Meeting of Shareholders of Funcom N.V. of 26 June 2015. (vote)

The proposal is to discharge (*decharge verlenen aan*) Mr. Gerhard Florin for his activities as Supervisory Director in relation to the period commencing on 1 January 2015 and ending on 26 June 2015. Mr. Gerhard Florin's term was up to and including the Annual General Meeting of Shareholders of Funcom N.V. of 26 June 2015.

7. Proposal to allocate to Mr. Rui Manuel Monteiro Casais 400,000 (four hundred thousand) rights to acquire shares in Funcom N.V. as part of his compensation as Managing Director for the 2016 financial year pursuant to a proposal from the Board of Supervisory Directors to that end. The allocation and exercise of the rights to acquire shares (options) shall be subject to the relevant general terms and the exercise price of the options will be the average volume-weighted share price on the Oslo Stock Exchange for the five trading days preceding and the five trading days following the date of the grant of these options. (vote)

Funcom N.V. has a policy regarding the compensation of the members of the Board of Managing Directors. Pursuant to Section 10.5 of Funcom N.V.'s articles of association compensation in the form of shares or rights to acquire shares – as is proposed here – require the approval of the General Meeting. This proposed compensation forms part of the package that was agreed between Funcom N.V. and Mr. Rui Manuel Monteiro Casais in relation to the acceptance of the function of CEO in May 2015.

8. Proposal to designate (*aanwijzen*), pursuant to Section 4.9 and 4.1 of Funcom N.V.'s articles of association, the Board of Supervisory Directors as body (*orgaan*) of Funcom N.V. authorized to issue up to a maximum of 70,000,000 (seventy million) shares (*aandelen*) in the capital of Funcom N.V., specifically including the authority to issue rights to acquire shares (*rechten tot het nemen van aandelen*) in the capital of Funcom N.V., and to determine the terms and conditions of each and any such issuance(s), which proposed designation of the Board of Supervisory Directors shall be valid from the date of the Meeting until the first ordinary general meeting of shareholders of Funcom N.V. to be held in the year 2017. This proposed designation of the Board of Supervisory Directors shall furthermore be in addition to – expand – the authority granted to the Board of Supervisory Directors in the Annual General Meeting of Shareholders of Funcom N.V. of 26 June 2015. This proposed designation may at all times be revoked by the general meeting of Funcom N.V. The general meeting of Funcom N.V. furthermore remains authorized to (i) resolve on any issuance of shares (*aandelen*) and/or rights to acquire shares (*rechten tot het nemen van aandelen*) during the period of this proposed designation of the Board of Supervisory Directors and (ii) to designate (*aanwijzen*), pursuant to Section 4.9 and 4.1 of Funcom N.V.'s articles of association, the Board of Supervisory Directors as body (*orgaan*) of Funcom N.V. authorized to issue shares

(aandelen) in the capital of Funcom N.V., specifically including the authority to issue rights to acquire shares (*rechten tot het nemen van aandelen*) in the capital of Funcom N.V. (vote)

The proposed designation is intended to give the Board of Supervisory Directors, *inter alia*, the possibility to issue shares (*aandelen*) in the capital of Funcom N.V., specifically including the authority to issue rights to acquire shares (*rechten tot het nemen van aandelen*) in the capital of Funcom N.V. via either a private placement (with repair issue afterwards) or a public placement in order to attract funds for the development of new games. Reference is furthermore made to the press release by Funcom N.V. that was published – *inter alia* – on the website of the Oslo Stock Exchange and on Funcom N.V.'s website on 17 December 2015.

9. Proposal to designate, pursuant to Section 4.3 of Funcom N.V.'s articles of association, the Board of Supervisory Directors as body of Funcom N.V. authorized to limit or exclude the pre-emptive rights (*voorkeursrecht*) of the shareholders of Funcom N.V. in relation to each and every issuance of shares, or granting of rights to acquire shares, in the capital of Funcom N.V., referred to under agenda item 8 above. This proposed designation of the Board of Supervisory Directors shall be valid from the date of the Meeting until the first ordinary general meeting of shareholders of Funcom N.V. to be held in the year 2017. This proposed designation of the Board of Supervisory Directors shall also be in addition to – expand – the authority granted to the Board of Supervisory Directors in the Annual General Meeting of Shareholders of Funcom N.V. of 26 June 2015. The general meeting of Funcom N.V. furthermore remains authorized to (i) resolve on any limitation or exclusion of pre-emptive rights (*voorkeursrecht*) during the period of this proposed designation of the Board of Supervisory Directors and (ii) to designate, pursuant to Section 4.3 of Funcom N.V.'s articles of association, the Board of Supervisory Directors as body of Funcom N.V. authorized to limit or exclude the pre-emptive rights (*voorkeursrecht*) of the shareholders of Funcom N.V. in relation to issuances of shares, or granting of rights to acquire shares, in the capital of Funcom N.V. (vote)

The proposal is to designate the Board of Supervisory Directors as body of Funcom N.V. authorized to limit or exclude the pre-emptive rights of the shareholders of Funcom N.V. in relation to each and every issuance of shares, or granting of rights to acquire shares, in the capital of Funcom N.V., referred to under agenda item 8 above. Reference is made to the explanatory notes made in relation to this agenda item 8.

This proposal can only be adopted by a majority of at least two-thirds of the votes cast.

10. Proposal to designate (*aanwijzen*), in addition to the proposed designation under agenda item 8 above, pursuant to Section 4.9 and 4.1 of Funcom N.V.'s articles of association, the Board of Supervisory Directors as body (*orgaan*) of Funcom N.V. authorized to issue up to a maximum of 20,000,000 (twenty million) shares (*aandelen*) in the capital of Funcom N.V., specifically including the authority to issue rights to acquire shares (*rechten tot het nemen van aandelen*) in the capital of Funcom N.V., and to determine the terms and conditions of each and any such issuance(s), which proposed designation of the Board of Supervisory Directors shall be valid from the date of the Meeting until the first ordinary general meeting of shareholders of Funcom N.V. to be held in the year 2017. This proposed designation of the Board of Supervisory Directors shall furthermore be in addition to – expand – the authority granted to the Board of Supervisory Directors in the Annual General Meeting of Shareholders of Funcom N.V. of 26 June 2015. This proposed designation may at all times be

revoked by the general meeting of Funcom N.V. The general meeting of Funcom N.V. furthermore remains authorized to (i) resolve on any issuance of shares (*aandelen*) and/or rights to acquire shares (*rechten tot het nemen van aandelen*) during the period of this proposed designation of the Board of Supervisory Directors and (ii) to designate (*aanwijzen*), pursuant to Section 4.9 and 4.1 of Funcom N.V.'s articles of association, the Board of Supervisory Directors as body (*orgaan*) of Funcom N.V. authorized to issue shares (*aandelen*) in the capital of Funcom N.V., specifically including the authority to issue rights to acquire shares (*rechten tot het nemen van aandelen*) in the capital of Funcom N.V. (vote)

The proposed designation is intended to give the Board of Supervisory Directors the ability to issue shares in Funcom N.V. in case the current bonds are converted by the bondholders under the proposed amendments to the Bond Agreement. Furthermore reference is made to the explanatory notes under item 2 above.

11. Proposal to designate, in addition to the proposed designation under agenda item 9 above, pursuant to Section 4.3 of Funcom N.V.'s articles of association, the Board of Supervisory Directors as body of Funcom N.V. authorized to limit or exclude the pre-emptive rights (*voorkeursrecht*) of the shareholders of Funcom N.V. in relation to each and every issuance of shares, or granting of rights to acquire shares, in the capital of Funcom N.V., referred to under agenda item 10 above. This proposed designation of the Board of Supervisory Directors shall be valid from the date of the Meeting until the first ordinary general meeting of shareholders of Funcom N.V. to be held in the year 2017. This proposed designation of the Board of Supervisory Directors shall also be in addition to – expand – the authority granted to the Board of Supervisory Directors in the Annual General Meeting of Shareholders of Funcom N.V. of 26 June 2015. The general meeting of Funcom N.V. furthermore remains authorized to (i) resolve on any limitation or exclusion of pre-emptive rights (*voorkeursrecht*) during the period of this proposed designation of the Board of Supervisory Directors and (ii) to designate, pursuant to Section 4.3 of Funcom N.V.'s articles of association, the Board of Supervisory Directors as body of Funcom N.V. authorized to limit or exclude the pre-emptive rights (*voorkeursrecht*) of the shareholders of Funcom N.V. in relation to issuances of shares, or granting of rights to acquire shares, in the capital of Funcom N.V. (vote)

The proposal is to designate the Board of Supervisory Directors as body of Funcom N.V. authorized to limit or exclude the pre-emptive rights of the shareholders of Funcom N.V. in relation to each and every issuance of shares, or granting of rights to acquire shares, in the capital of Funcom N.V., referred to under item 10 above. Reference is made to the explanatory notes made in relation to this agenda item 10.

This proposal can only be adopted by a majority of at least two-thirds of the votes cast.

12. Proposal to designate (*aanwijzen*), in addition to the proposed designation under agenda items 8 and 10 above, pursuant to Section 4.9 and 4.1 of Funcom N.V.'s articles of association, the Board of Supervisory Directors as body (*orgaan*) of Funcom N.V. authorized to issue up to a maximum of 50,000,000 (fifty million) shares (*aandelen*) in the capital of Funcom N.V., specifically including the authority to issue rights to acquire shares (*rechten tot het nemen van aandelen*) in the capital of Funcom N.V., and to determine the terms and conditions of each and any such issuance(s), which proposed designation of the Board of Supervisory Directors shall be valid from the date of the Meeting until the first ordinary

general meeting of shareholders of Funcom N.V. to be held in the year 2017. This proposed designation of the Board of Supervisory Directors shall furthermore be in addition to – expand – the authority granted to the Board of Supervisory Directors in the Annual General Meeting of Shareholders of Funcom N.V. of 26 June 2015. This proposed designation may at all times be revoked by the general meeting of Funcom N.V. The general meeting of Funcom N.V. furthermore remains authorized to (i) resolve on any issuance of shares (*aandelen*) and/or rights to acquire shares (*rechten tot het nemen van aandelen*) during the period of this proposed designation of the Board of Supervisory Directors and (ii) to designate (*aanwijzen*), pursuant to Section 4.9 and 4.1 of Funcom N.V.’s articles of association, the Board of Supervisory Directors as body (*orgaan*) of Funcom N.V. authorized to issue shares (*aandelen*) in the capital of Funcom N.V., specifically including the authority to issue rights to acquire shares (*rechten tot het nemen van aandelen*) in the capital of Funcom N.V. (vote)

The proposed designation is intended to give the Board of Supervisory Directors the ability to issue shares in Funcom N.V. in case the convertible rights under the a convertible loan agreement dated 26 August 2014 are converted under the proposed amendments to the convertible loan agreement dated 26 August 2014. Furthermore reference is made to the explanatory notes under item 3 above.

13. Proposal to designate, in addition to the proposed designation under agenda item 9 and 11 above, pursuant to Section 4.3 of Funcom N.V.’s articles of association, the Board of Supervisory Directors as body of Funcom N.V. authorized to limit or exclude the pre-emptive rights (*voorkeursrecht*) of the shareholders of Funcom N.V. in relation to each and every issuance of shares, or granting of rights to acquire shares, in the capital of Funcom N.V., referred to under agenda item 12 above. This proposed designation of the Board of Supervisory Directors shall be valid from the date of the Meeting until the first ordinary general meeting of shareholders of Funcom N.V. to be held in the year 2017. This proposed designation of the Board of Supervisory Directors shall also be in addition to – expand – the authority granted to the Board of Supervisory Directors in the Annual General Meeting of Shareholders of Funcom N.V. of 26 June 2015. The general meeting of Funcom N.V. furthermore remains authorized to (i) resolve on any limitation or exclusion of pre-emptive rights (*voorkeursrecht*) during the period of this proposed designation of the Board of Supervisory Directors and (ii) to designate, pursuant to Section 4.3 of Funcom N.V.’s articles of association, the Board of Supervisory Directors as body of Funcom N.V. authorized to limit or exclude the pre-emptive rights (*voorkeursrecht*) of the shareholders of Funcom N.V. in relation to issuances of shares, or granting of rights to acquire shares, in the capital of Funcom N.V. (vote)

The proposal is to designate the Board of Supervisory Directors as body of Funcom N.V. authorized to limit or exclude the pre-emptive rights of the shareholders of Funcom N.V. in relation to each and every issuance of shares, or granting of rights to acquire shares, in the capital of Funcom N.V., referred to under item 12 above. Reference is made to the explanatory notes made in relation to this agenda item 12.

This proposal can only be adopted by a majority of at least two-thirds of the votes cast.

14. Proposal to set the number of Supervisory Directors at 2 (two). (vote)

As a result of the aforementioned resignations the Board of Supervisory Directors consists of two member, being Mr. Michel Cassius and Mr. Alain Tascan. Pursuant to Section 17.1 of

Funcom N.V.'s articles of association, the number of Supervisory Directors is determined by the General Meeting.

15. Closing. (discussion)

Absent any miscellaneous matters to be raised, the Meeting will be closed.

The Board of Managing Directors