

**Explanatory notes to the agenda  
for the  
Annual General Meeting of Shareholders of Funcom N.V.  
of  
27 June 2017  
(the “Meeting”)**

**1. Opening. (discussion)**

The chairman will open the meeting at 11.00 CET local time.

**2. Report from the Board of Managing Directors in relation to the financial year ended 31 December 2016, including compliance with the Dutch Corporate Governance Code and the Norwegian Code of Practice for Corporate Governance. (discussion)**

The Report from the Board of Managing Directors in relation to the financial year ended 31 December 2016, including compliance with the Dutch Corporate Governance Code and the Norwegian Code of Practice for Corporate Governance will be presented and discussed.

This Report from the Board of Managing Directors is included in the annual accounts of Funcom N.V. for the financial year ended 31 December 2016.

**3. Report from the Board of Supervisory Directors in relation to the financial year ended 31 December 2016. (discussion)**

The Report from the Board of Supervisory Directors in relation to the financial year ended 31 December 2016 will be presented and discussed.

This Report from the Board of Supervisory Directors is included in the annual accounts of Funcom N.V. for the financial year ended 31 December 2016.

**4. Relevant information before adoption of annual accounts of Funcom N.V. for the financial year ended 31 December 2016 (discussion)**

In accordance with article 2:135 lid 5a of the Dutch Civil Code certain matters with regard to: (A) options granted to each: (i) the Managing Directors, (ii) the Supervisory Directors and (iii) employees of Funcom and (B) the remuneration of each (i) the Managing Directors and (ii) the Supervisory Directors, are dealt with and explained as a separate agenda item. These matters are included in a document that has been published on the website of Funcom N.V. ([www.funcom.com](http://www.funcom.com)), together with these explanatory notes and which have been made available at the registered address of Funcom N.V. at Keplerstraat 34, 1171 CD Badhoevedorp, the Netherlands.

5. **Proposal to adopt the annual accounts of Funcom N.V. for the financial year ended 31 December 2016. The annual accounts and annual report, as well as the relevant miscellaneous information referenced under Article 392, Book 2 of the Dutch Civil Code, are available for inspection at Keplerstraat 34, 1171 CD Badhoevedorp, the Netherlands and at Funcom N.V.’s website (www.funcom.com), as of 20 April 2017. (vote)**

The proposal is to adopt the annual accounts for the financial year ended 31 December 2016, in the form as published on the website of Funcom N.V. (www.funcom.com) and as made available at the registered address of Funcom N.V. at Keplerstraat 34, 1171 CD Badhoevedorp, the Netherlands.

6. **Proposal to appropriate the result in relation to the financial year ended 31 December 2016 in accordance with the proposal from the Board of Supervisory Directors, as included in the annual accounts of Funcom N.V. for the financial year ended 31 December 2016. (vote)**

The proposal is to approve the proposed appropriation of the result in relation to the financial year ended 31 December 2016 in accordance with the proposal from the Board of Supervisory Directors, as included in the annual accounts for the financial year ended 31 December 2016 under the paragraph “Other Information”.

7. **Proposal to release the Managing Directors from liability for their activities in relation to the financial year ended 31 December 2016. (vote)**

The proposal is to discharge the members of the Board of the Managing Directors from liability in relation to the exercise of their duties during the financial year ended 31 December 2016, to the extent that such exercise is apparent from the annual accounts or other public disclosures prior to the adoption of the annual accounts for the financial year ended 31 December 2016. The proposal is also to grant full discharge to the former members of the Board of the Managing Directors from liability in relation to the exercise of their duties during (a part of) the financial year ended 31 December 2016.

8. **Proposal to release the Supervisory Directors from liability for their activities in relation to the financial year ended 31 December 2016. (vote)**

The proposal is to discharge the members of the Board of the Supervisory Directors from liability in relation to the exercise of their duties during the financial year ended 31 December 2016, to the extent that such exercise is apparent from the annual accounts or other public disclosures prior to the adoption of the annual accounts for the financial year ended 31 December 2016. The proposal is also to grant full discharge to the former members of the Board of the Supervisory Directors from liability in relation to the exercise of their duties during (a part of) the financial year ended 31 December 2016.

9. **Proposal to approve that (i) the 2017 annual accounts of Funcom N.V. and (ii) the 2017 report of the Board of Managing Directors may be drawn up in the English language. (vote)**

The proposal is to approve that (i) the 2017 annual accounts of Funcom N.V. and (ii) the 2017 report of the Board of Managing Directors may be drawn up in the English language instead of the Dutch language.

10. **Proposal to appoint the Dutch accounting firm BDO Audit & Assurance B.V. as Funcom N.V.'s auditors, effective as of the date of this Meeting. The term of this appointment shall expire at the end of the Annual General Meeting of Funcom N.V. to be held in the year 2018. (vote)**

The proposal is to appoint BDO Audit & Assurance B.V. as external auditors, effective as of the date of this Meeting. The term of this appointment shall expire at the end of the annual general meeting of Funcom N.V. to be held in the year 2018.

11. **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 25,000,000 (twenty-five 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 2018. 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 flexibility in attracting funds in the most efficient manner, should strategic opportunities present themselves and facilitate the execution of Funcom N.V.'s Share Incentive Program.

12. **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 11 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 2018. 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 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 11 above. Reference is made to the explanatory notes made in relation to this agenda item 11.

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

- 13. Proposal to determine the compensation of the Chairman of the Supervisory Board for his activities as Supervisory Director over the 2018 financial year. The proposal is to fix the compensation at EUR 31,000 (thirty-one thousand Euro) per annum. (vote)**

Funcom N.V. has a policy regarding the compensation of the members of the Board of Supervisory Directors. Pursuant to Section 21 of Funcom N.V.'s articles of association the General Meeting determines the compensation of the members of the Board of Supervisory Directors. The proposed compensation together with the proposed rights to acquire shares of Funcom N.V. (reference is made to agenda item 15) represent a remuneration package comparable to current market trends for Board members' remuneration in similar industries and allows Funcom to attract and retain competent and experienced professionals to serve as Supervisory Directors.

- 14. Proposal to determine the compensation of each Supervisory Director – other than the Chairman of the Supervisory Directors – for their activities as Supervisory Directors over the 2018 financial year. The proposal is to fix the compensation at EUR 21,000 (twenty-one thousand Euro) per annum. (vote)**

Funcom N.V. has a policy regarding the compensation of the members of the Board of Supervisory Directors. Pursuant to Section 21 of Funcom N.V.'s articles of association the General Meeting determines the compensation of the members of the Board of Supervisory Directors. The proposed compensation together with the proposed rights to

acquire shares of Funcom N.V. (reference is made to agenda item 16) represent a remuneration package comparable to current market trends for Board members' remuneration in similar industries and allows Funcom to attract and retain competent and experienced professionals to serve as Supervisory Directors.

- 15. Proposal to approve the issuance of 225,000 (two hundred twenty-five thousand) rights to acquire (an equal number of) (depository ownership in) shares in Funcom N.V. to the Chairman of the Supervisory Board as part of his compensation as Supervisory Director over the 2017 financial year. 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 the aforementioned rights. (vote)**

Funcom N.V. has a policy regarding the compensation of the members of the Board of Supervisory Directors. Pursuant to Section 21 of Funcom N.V.'s articles of association the General Meeting determines the compensation of the members of the Board of Supervisory Directors. The proposed rights to acquire shares in Funcom N.V. together with the proposed compensation (reference is made to agenda item 13) represent a remuneration package comparable to current market trends for supervisory board members' remuneration in similar industries and allows Funcom to attract and retain competent and experienced professionals to serve as Supervisory Directors.

- 16. Proposal to approve the issuance of 150,000 (one hundred fifty thousand) rights to acquire (an equal number of) (depository ownership in) shares in Funcom N.V. to each Supervisory Director – other than the Chairman of the Supervisory Directors – as part of their compensation as Supervisory Directors over the 2017 financial year. 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 the aforementioned rights. (vote)**

Funcom N.V. has a policy regarding the compensation of the members of the Board of Supervisory Directors. Pursuant to Section 21 of Funcom N.V.'s articles of association the General Meeting determines the compensation of the members of the Board of Supervisory Directors. The proposed rights to acquire shares in Funcom N.V. together with the proposed compensation (reference is made to agenda item 14) represent a remuneration package comparable to current market trends for supervisory board members' remuneration in similar industries and allows Funcom to attract and retain competent and experienced professionals to serve as Supervisory Directors.

- 17. Proposal to allocate to Mr. Rui Manuel Monteiro Casais 400,000 (four hundred thousand) rights to acquire (an equal number of) (depository ownership in) shares in Funcom N.V. as part of his compensation as Managing Director for the 2017**

**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 the aforementioned rights. (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.

- 18. Proposal to allocate to Mr. Christian Olsthoorn 87,500 (eighty-seven thousand five hundred) rights to acquire (an equal number of) (depository ownership in) shares in Funcom N.V. as part of his compensation as Managing Director for the 2017 financial year pursuant to a proposal from the Board of Supervisory Directors to that end (being in addition to those granted per his appointment). 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 the aforementioned rights. (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.

- 19. Closing. (discussion)**

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

The Board of Managing Directors