

**Explanatory notes to the agenda  
for the  
Annual General Meeting of Shareholders of Funcom SE  
of  
12 June 2020  
(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 2019, 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 2019, 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 SE for the financial year ended 31 December 2019.

**3. Report from the Board of Supervisory Directors in relation to the financial year ended 31 December 2019. (discussion)**

The Report from the Board of Supervisory Directors in relation to the financial year ended 31 December 2019 will be presented and discussed.

This Report from the Board of Supervisory Directors is included in the annual accounts of Funcom SE for the financial year ended 31 December 2019.

**4. Relevant information before adoption of annual accounts of Funcom SE for the financial year ended 31 December 2019 (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 SE ([www.funcom.com](http://www.funcom.com)), together with these explanatory notes and which have been made available at the registered address of Funcom SE at Prins Mauritslaan 37 - 39, 1171LP Badhoevedorp, the Netherlands.

**5. Proposal to adopt the annual accounts of Funcom SE for the financial year ended 31 December 2019. 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 Prins Mauritslaan 37 - 39, 1171LP**

**Badhoevedorp, the Netherlands and at Funcom SE's website (www.funcom.com), as of 23 April 2020. (vote)**

The proposal is to adopt the annual accounts for the financial year ended 31 December 2019, in the form as published on the website of Funcom SE (www.funcom.com) and as made available at the registered address of Funcom SE at Prins Mauritslaan 37 - 39, 1171LP Badhoevedorp, the Netherlands.

- 6. Proposal to appropriate the result in relation to the financial year ended 31 December 2019 in accordance with the proposal from the Board of Supervisory Directors, as included in the annual accounts of Funcom SE for the financial year ended 31 December 2019. (vote)**

The proposal is to approve the proposed appropriation of the result in relation to the financial year ended 31 December 2019 in accordance with the proposal from the Board of Supervisory Directors, as included in the annual accounts for the financial year ended 31 December 2019 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 2019. (vote)**

The proposal is to discharge the members of the Board of the Managing Directors from any and all liability in relation to the exercise of their duties during the financial year ended 31 December 2019, 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 2019.

- 8. Proposal to release the Supervisory Directors from liability for their activities in relation to the financial year ended 31 December 2019. (vote)**

The proposal is to discharge the members of the Board of the Supervisory Directors from any and all liability in relation to the exercise of their duties during the financial year ended 31 December 2019, 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 2019. The proposal is also to grant full discharge to the former members of the Board of the Supervisory Directors who resigned in the financial year ended 31 December 2019 ),from any and all liability in relation to the exercise of their duties during (a part of) the financial year ended 31 December 2019.

- 9. Proposal to amend the articles of association of the Company pursuant to a proposal from the Board of Supervisory Directors to that end. The draft text of the amendment to the articles of association is available for inspection at Prins Mauritslaan 37 - 39, 1171LP Badhoevedorp, the Netherlands, at the website of Oslo Børs (newsweb.oslobors.no/) and at the Company's website (investors.funcom.com), as of the date hereof. The proposal includes the proposal to approve the transfer of the statutory seat (*statutaire zetel*) from Katwijk, the Netherlands to the municipality of Oslo, Norway. (vote)**

Reference is made to the Proposal of the management board the Company regarding relocation of corporate domicile in accordance with article 8.2 of the Council Regulation (EC) NO 2157/2001 on the statute for a European Company (SE), as – amongst others – published on 8 April 2020 at the website of Oslo Børs ([www.oslobors.no](http://www.oslobors.no)) and at the Company’s website ([www.funcom.com](http://www.funcom.com)).

We recommend that this Meeting approves the relocation of the statutory seat (*statutaire zetel*) of the Company from Katwijk, the Netherlands to the municipality of Oslo, Norway (the “**Relocation**”), and certain amendments to the Articles of Association of the Company relating to such relocation. The justification for the proposed Relocation is, amongst other, that the Company's main development studio is located in Norway. Thus, Relocation to Norway would facilitate the Company's business and reduce necessary administrative work and expenses and result in a more efficient and agile group structure.

The draft terms of the proposed new Articles of Association will be made available on the Company’s website at [www.funcom.com](http://www.funcom.com) and at the Company’s offices. The Relocation and the amendments to the Articles of Association will become effective and take effect when the Company is registered with Norwegian Register of Business Enterprises.

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

- 10. Proposal to discharge (*decharge verlenen aan*) Mr. Egil Kvannli for his activities as Supervisory Director in relation to the period commencing on 1 January 2020 and ending on 12 June 2020, considering that he resigned as member of the Board of Supervisory Directors effective per the date of the Meeting. (vote)**

The proposal is to discharge (*decharge verlenen aan*) Mr. Egil Kvannli for his activities as Supervisory Director in relation to the period commencing on 1 January 2020 and ending on 12 June 2020.

- 11. Proposal to elect: (i) Eddie Tak Ho Chan, (ii) Peng Lu and (iii) Susana Liv Meza Graham as members to the administrative organ (board of directors), immediately following the establishment thereof and as of the date of the transfer of the statutory seat to Norway (in accordance with the one-tier system to be established as of the date of the transfer of statutory seat to Norway, pursuant to article 38 paragraph 2 and 3 of the Council Regulation (EC) No 2157/2001 on the Statute for a European Company (SE), as set out in the draft text of the amendment to the articles of association). (vote)**

The proposal is to elect: (i) Eddie Tak Ho Chan, (ii) Peng Lu and (iii) Susana Liv Meza Graham as members to the administrative organ (board of directors), immediately following the establishment thereof and as of the date of the transfer of the statutory seat to Norway (in accordance with the one-tier system to be established as of the date of the transfer of statutory seat to Norway, pursuant to article 38 paragraph 2 and 3 of the Council Regulation (EC) No 2157/2001 on the Statute for a European Company (SE), as set out in the draft text of the amendment to the articles of association).

**12. Proposal to grant the administrative organ (board of directors) authorization to increase the Company's share capital as of the date of the transfer of the statutory seat to Norway. (vote)**

The proposal is to grant the administrative organ (board of directors) a general authorization in accordance with the Norwegian Public Limited Liability Companies Act § 10-14 to increase the Company's share capital by up to EUR 3,000,000 by issuing up to 15,000,000 shares with a par value of EUR 0.20, through one or several share capital increases as of the date of the transfer of the statutory seat to Norway. The shareholders' pre-emptive rights pursuant to the Norwegian Public Limited Liability Companies Act § 10-4 may be set aside by the administrative organ (board of directors).

The power of attorney is granted for the period as of the effective date of the transfer of the statutory seat of the Company to Norway up to the Annual General Meeting 2021, and 30 June 2021 at the latest. The authorization covers both cash and non-cash contributions. The authorization also covers the issue of shares in connection with a merger. The terms of the subscription shall be decided by the Board of Directors.

The Board of Directors is authorized to modify the Company's article § 4 (Share Capital) to reflect the new share capital of the Company when the power of attorney is used.

**13. Proposal to fully discharge and release the Managing Directors from liability for their activities for the current financial year up to and including the date of the Meeting. (vote)**

The proposal is to fully discharge and release the Managing Directors from any and all liability for their activities for the current financial year up to and including the date of the Meeting.

**14. Proposal to fully discharge and release the Supervisory Directors from liability for their activities for the current financial year up to and including the date of the Meeting. (vote)**

The proposal is to fully discharge and release the Supervisory Directors from any and all liability for their activities for the current financial year up to and including the date of the Meeting.

**15. Proposal to apply for delisting of the Company's shares from Oslo Børs ("Oslo Stock Exchange"). (vote)**

The proposal is to apply for delisting of the Company's shares from Oslo Børs ("Oslo Stock Exchange"). Following completion of the voluntary offer made by Tencent Holdings Limited ("Tencent") through its indirectly owned subsidiary Tencent Cloud Europe B.V., Tencent has acquired qualified control over the Company, and it does not deem the Company suitable for a listing on Oslo Børs. It has thus requested that the Company proposes to the Meeting to apply for a de-listing from Oslo Stock Exchange.

**16. Closing. (discussion)**

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

The Supervisory Board of Directors