

Starbreeze AB (publ)

Proposal by the Board of Directors on amendment of the remuneration guidelines for senior executives

The Board of Directors proposes that revised guidelines for remuneration to senior executives as follows shall be adopted by the Annual General Meeting. In comparison with the previously applicable guidelines, the proposal entails that the fixed salary during the notice period and any severance pay for the CEO shall, together, not exceed an amount corresponding to the fixed salary for 12 months.

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 Sweden, Spain, France and the United Kingdom. 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 of Directors 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 percent of the fixed annual salary for the CEO and 50 percent 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 percent 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

A mutual notice period of six months applies to the termination of employment of the CEO. The fixed salary during the notice period and any severance pay for the CEO shall together not exceed an amount corresponding to the fixed salary for 12 months. In the event of termination by the CEO, no severance pay shall be granted. Other senior executives shall have a notice period of three to nine months, without the right to severance pay.

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 percent 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.

Description of significant changes to the guidelines and how shareholders' views have been taken into account

The guidelines for remuneration to senior executives proposed to the Annual General Meeting 2023 are in large parts identical to the guidelines adopted by the Annual General Meeting on May 12, 2021, however, with the adjustment that fixed salary during the notice period and any severance pay for the CEO together shall not exceed an amount corresponding to the fixed salary for 12 months.

No comments on the guidelines have been made by the shareholders.