



The nomination committee's proposal and motivated statement to the annual general meeting in Paradox Interactive AB (publ)

The nomination committee's work before the annual general meeting 2021

In accordance with the principles for nomination committee which were adopted by the annual general meeting ("AGM") 2020, the chairman of the board contacted the three largest shareholders per 30 September 2020, each of which appointed a representative to form the nomination committee for the AGM 2021 together with the chairman of the board. The nomination committee elected its chairman at its first meeting, whereby the nomination committee has had the following constitution:

- Per Håkan Börjesson, chairman (appointed by Investment AB Spiltan)
- Andras Vajlok (appointed by Westerinvest AB)
- Peter Lindell (appointed by Lerit Förvaltning AB)
- Fredrik Wester (chairman of the board)

The nomination committee's work has been carried out in accordance with the Swedish corporate governance code (the "**Code**") and in accordance with the principles adopted by the AGM 2020. The nomination committee has had three meetings ahead of the AGM 2021 and the members have had additional contacts to the extent deemed appropriate. In addition, the nomination committee has carried out an extensive evaluation of the work carried out by the board of directors, including through an external consultant, and has had personal meetings with each director of the board.

The nomination committee's proposals to the AGM 2021

Proposal for chairman of the meeting

The nominating committee proposes that the AGM elects Fredrik Wester as chairman of the meeting or, in his absence, the person appointed by him.

Proposal on the number of directors and deputies

The nomination committee proposes that the board of directors shall consist of six directors and no deputy directors.

Proposal on remuneration to directors of the board and auditors

The nomination committee proposes that the remuneration to the directors of the board, for the period through the end of the next AGM, shall be SEK 1 to the chairman of the board (SEK 1 the previous period), SEK 520,000 to the deputy chairman of the board (SEK 520,000 the previous period) and SEK 260,000 for each of the other directors of the board (SEK 260,000 preceding year).

In addition to the remuneration set out above, the nomination committee proposes that the remuneration, for the period through the end of the next AGM, shall be SEK 80,000 to the chairman of the auditing committee, SEK 50,000 to the chairman of the remuneration committee, and that the remuneration to each of the other members of such committees shall be 75 percent of that of the chairman for the relevant committee.

The nomination committee proposes that the remuneration for the auditor shall be paid according to approved account.

Proposal for election of board of directors

The nominating committee proposes re-election of Fredrik Wester, Håkan Sjunnesson, Josephine Salenstedt, Mathias Hermansson and Linda Höglund and as directors of the board for the period through the end of the next AGM, re-election of Fredrik Wester as chairman of the board and Håkan Sjunnesson as deputy chairman of the board, and that the board of directors shall elect a new chairman or deputy chairman amongst itself if such person's assignment should end in advance.

The nomination committee also proposes election of Andras Vajlok as director of the board for the period through the end of the next AGM. A brief presentation of Andras Vajlok is set out below.

Born: 1971

Education: Bachelor of Science in Economics and Business Administration at the School of Business, Economics and Law at the University of Gothenburg.

Other current assignments: Board member of Aldeon Invest, MAG Interactive, Unibap, Pepins, Besedo, The Gifted Company, Neon Giant and Silfverlok Invest.

Previous assignments: CFO of Paradox Interactive (2011-2018) and Head of Post Trade Solutions Equities of Nasdaq (2007-2011).

Shareholding in the company: 100,000 (indirectly).

Independence: Andras Vajlok is independent in relation to the company and its management but is not independent in relation to the company's major shareholders.

Proposal for election of auditor

The nomination committee proposes election of the auditing firm Öhrlings PricewaterhouseCoopers AB as the company's auditor. Öhrlings PricewaterhouseCoopers AB has declared that Aleksander Lyckow will be auditor-in-charge if the AGM resolves in accordance with the proposal.

Proposal on principles for nomination committee to the 2022 AGM

The nomination committee proposes that the AGM resolves on the following order for the preparation of election of directors and auditors.

The nomination committee's task shall be to prepare proposals to the AGM 2022 regarding chairman of the AGM, the number of directors of the board, the remuneration to the directors of the board and the auditor, the composition of the board of directors, the chairman and deputy chairman of the board, rules for the nomination committee for the following year's AGM, and the election of the auditor.

The chairman of the board of directors shall be a member of the nominating committee and be responsible for the summoning of the nominating committee. The chairman of the board shall contact the three largest shareholders in terms of votes per 30 September 2021. Each such shareholder shall elect a representative each to form the nomination committee along with the chairman of the board for the period through the end of the next AGM, or, if applicable, until a new nominating committee has been appointed. If any of these shareholders waives its right to appoint a representative, its right is transferred to the shareholder who, after these shareholders, has the largest share ownership until the nomination committee is complete. The nomination committee is also allowed to appoint an additional member to represent minority shareholders. If a member leaves the nomination committee before its assignment is completed a new member shall, if considered necessary, be appointed by the same shareholder who appointed the resigning representative, or, if this shareholder is no longer one of the three largest shareholders, by the new shareholder that belongs to this group.

The composition of the nomination committee shall be announced as soon as it is appointed, and no later than six months prior to the AGM. In case there is a change in the ownership structure after the nomination committee has been composed, such as one or several shareholders that have appointed members to the nomination committee is no longer being one of the three largest shareholders, the nomination committee may be changed in accordance therewith if the nomination committee deems that it is required. Unless special circumstances so require, no changes should be made to the composition of the nominating committee if only marginal changes to the number of votes have occurred or if changes occur less than three months prior to the AGM.

The nominating committee shall at its first meeting appoint its chairman, who shall not be the chairman of the board. The nominating committee shall have the right to obtain resources from the company such as for example secretarial assistance, or use of executive search consultants at the expense of the company if it is deemed necessary.

The nomination committee's motivated statement regarding its proposals

The nomination committee's assessment of the proposed board composition

The nomination committee has, when preparing its proposals, considered that the composition of the board of directors shall be suitable for the company's operations, development phase and strategy and that the board of directors collectively shall be appropriately diverse, have an appropriate gender balance as well as have a breadth and depth as regards qualifications and experiences.

All board assignments in the company shall mainly be based on competence for the purpose of maintaining and increasing the board of directors' overall competence and functionality as an efficient decision-making and sound governance body. It is the nomination committee's opinion that the proposed composition of the board of directors has an appropriate balance of qualifications and experiences within areas of importance to the company, such as industry knowledge and expertise within finance, operations, corporate governance, capital markets and sustainability.

The nomination committee's opinion is that the proposed directors of the board represent appropriate diversity and breadth in terms of age, experience and background.

The nomination committee's assessment on the independence of the proposed directors of the board

A majority of the directors of the board which are elected by the AGM shall according to the Code be independent in relation to the company and the senior management, and at least two of the directors of the board who are independent in relation to the company and the senior management shall also be independent in relation to the company's major shareholders.

Five of the six proposed directors of the board are independent in relation to the company and the senior management and two of them are independent in relation to the company's major shareholders.

It is the nomination committee's opinion that the proposed board of directors comply the Code's requirements on independence of the directors of the board.

The nomination committee's assessment on the independence of the proposed remuneration of the directors of the board

It is the nomination committee's opinion that the remuneration levels shall be in line with market practice and ensure that the company can attract and retain directors of the board with relevant qualifications. The nomination committee has primarily based its proposal on remuneration on a review of the remuneration at equivalent companies in Sweden, and further notes that the remuneration of the directors of the board has not increased the last years.