



Notice of Paradox Interactive AB (publ)'s Annual General Meeting 2017

Shareholders in Paradox Interactive AB (publ), 556667-4759 are hereby invited to the Annual General Meeting (AGM) to be held May 5, 2017 15.00 CET at Paradox Interactive, Västgötagatan 5, Stockholm

Please note that this is a translation for information purposes only – in case of any discrepancies between this version and the Swedish version, this version shall prevail. The Annual General Meeting will be held in Swedish only.

Notice of attendance

Shareholders who wish to attend the AGM shall:

- be entered in the company's register of shareholders kept by Euroclear Sweden AB in their own name by April 27, 2017, and
- notify their intention to attend the meeting no later than Thursday, April 27, 2017, to address the Paradox Interactive AB, "AGM", Västgötagatan 5, 118 27 Stockholm, or by e-mail: bolagsstamma@paradoxplaza.com.

The notification should state name, personal / corporate identity number, address, telephone number and shareholding in the company. If a shareholder intends to bring one or two assistants to the AGM such participation should also be specified in the notification.

If participation is by proxy, this along with other documents of authority should be brought to the meeting and these documents should be submitted together with the notification to participate in the meeting. Proxy forms for shareholders wishing to attend the meeting by proxy is available on the company website www.paradoxinteractive.com/en/section/our-company/general-meetings/ and are sent to shareholders upon request.

Shareholders who have their shares registered with a nominee must, to be entitled to participate at the Annual General Meeting, temporarily register the shares in their own name. Shareholders wishing such re-registration must inform their nominee of this well before Thursday, April 27, 2017.

Agenda

1. Opening of the AGM
2. Election of a chairman for the AGM
3. Establishment and approval of voting list
4. Approval of the Agenda
5. Election of people to check the minutes
6. Examination of whether the meeting was duly convened
7. Presentation of the annual accounts and auditors' report as well as the consolidated accounts and the consolidated auditors' report
8. Presentation by the CEO
9. Resolution on the adoption of the income statement and the balance sheet, along with the group income statement and the group balance sheet
10. Resolution on the allocation of the company's profits in accordance with the adopted balance sheet
11. Resolution on discharge from liability for the members of the Board of Directors and the CEO
12. Determination of the number of members of the Board of Directors
13. Determination of remuneration for the members of the Board of Directors and the auditors
14. Election of members and chairman of the Board of Directors
15. Election of auditors
16. Resolution on the nominating committee for the AGM 2018
17. Resolution on guidelines for remuneration to senior executives
18. Closing of the meeting

Proposals for resolutions

Election of chairman of the meeting (agenda item 2)

The nominating committee, consisting of Per Håkan Börjesson (appointed by Investment AB Spiltan), chairman, Fredrik Wester (Westerinvest AB), Christoffer Häggblom (Lerit Förvaltning AB) and Håkan Sjunnesson, chairman of the Board of Directors, proposes Håkan Sjunnesson as chairman of the meeting.

Resolution on the allocation of the company's profits in accordance with the adopted balance sheet (agenda item 10)

The Board proposes a dividend of SEK 1.00 per share. The Board proposes Tuesday, May 9, 2017 as record date. If the meeting approves the proposal, the dividend will be distributed by Euroclear Sweden AB on Friday May 12, 2017.

Election of the Board of Directors etc. (agenda item 12 – 15)

The nominating committee proposes

- that the Board of Directors consists of five members and no deputy members,
- that the remuneration to the Board of Directors shall remain unchanged i e SEK 360,000/year for the Chairman and SEK 180,000/year for each of the AGM-elected directors who are not employees of the company,

- that the remuneration for the auditor be paid in accordance with the approved invoice,
- re-election of members of the Board Håkan Sjunnesson, Cecilia Beck-Friis, Peter Lindell, Ebba Ljungerud and Fredrik Wester for the period up to the end of the next AGM. Håkan Sjunnesson is proposed to be appointed chairman of the Board of Directors. If Håkan Sjunnesson's assignment should end ahead of time, the Board of Directors will elect a new chairman internally, and
- re-election of Stefan Hultstrand as auditor in charge for the period up to the end of the AGM 2018.

The nominating committee's statement regarding its proposition on the Board of Directors and information regarding the proposed members can be found on the company's website.

Resolution on the nominating committee for the AGM 2018 (agenda item 16)

The nominating committee proposes that the AGM resolves on the following order for the preparation of election of members of the Board of Directors and auditors.

The committee's task shall be to prepare proposals to the general meeting 2018 regarding Chairman of the Annual General Meeting, number of Board members, remuneration to the Board and the auditor, the composition of the Board, the Chairman of the Board, rules for the nomination committee for the following year, 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 of Directors will contact the three largest shareholders in terms of votes on September 30, 2017. The three largest shareholders will elect one representative each to form the nomination committee along with the Chairman until the next Annual General Meeting has taken place, or until a new nominating committee has been appointed. If any of these shareholders wants to waive their right to elect a representative, their 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 able to appoint an additional member to represent the small shareholders. If a member leaves the nomination committee before its work is completed shall, if considered necessary, a new member 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 before 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 one of the three largest shareholders, the nomination committee may be changed in accordance therewith if the nomination committee deems that it is necessary. Unless special circumstances so requires, no changes should be made to the composition of the nominating committee if only marginal changes to the number of votes has occurred or if changes occur less than three months prior to the AGM.

The nominating committee shall appoint a chairman at the first meeting of the term. 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 if deemed necessary at the expense of the company.

Resolution on guidelines for remuneration to senior executives (agenda item 17)

The Board proposes that the Annual General Meeting resolves to approve the Board's proposed guidelines for remuneration for senior management as stated below. Senior management means the CEO and other senior management of the company.

The CEO is paid according to his own preference a compensation of one SEK per fiscal year. Other members of senior management are paid a market based monthly salary and customary benefits. Senior management, excluding the CEO, is part of the joint profit sharing program for all permanent employees as decided by the Board.

The fixed salary is in general reviewed on a yearly basis and shall take into account the individual's qualitative performance. Remuneration to senior management, except the CEO shall be market based.

Both Paradox and the CEO shall observe a six-month notice period. CEO is not entitled to any severance payment. Paradox will observe the period of notice in accordance with the Employment Protection Act. Senior executives must observe the same notice, however, at 3 months. Other senior management is not entitled to any compensation in connection with their employment being terminated. Other senior management have customary terms of employment.

The Board is entitled to deviate from the above guidelines if the Board determines that in a certain case there are special reasons to justify it.

Number of shares and votes

At the time of issuing the notice there are 105,600,000 shares, representing a total of 105,600,000 votes in the company.

Right to information

The shareholders present at the Annual General Meeting has the right to request information regarding the matters on the agenda or the company's financial situation in accordance with Chapter 7 § 32 Companies Act (2005: 551).

Records

The annual accounts and the auditor's report, proxy form, the complete proposals and other documents under the Companies Act will by the latest be available on the company's website www.paradoxinteractive.com and held available at the company at the above address Friday, April 14, 2017. The documents will also be sent free of charge to shareholders who so request and state their address.

Stockholm April 2017

Paradox Interactive AB (publ)

The Board of Directors

For additional information, please contact:

Fredrik Wester, CEO Paradox Interactive
Andras Vajlok, CFO Paradox Interactive
Email: ir@paradoxplaza.com
Phone: +4670-355 54 89

This information is information that Paradox Interactive AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication on April 6, 2017.

About Paradox Interactive

The Paradox Interactive group includes publishing and internal development of games and licensing of White Wolf's brands. The publishing operation publishes both internally developed titles and titles developed by independent studios as well as music and books. The game portfolio includes more than 90 titles and Paradox Interactive owns the most important brands, including Stellaris, Europa Universalis, Hearts of Iron, Crusader Kings, Cities: Skylines, Tyranny and Magicka. From the start over ten years ago, the company has published its games all over the world, initially through physical distribution using partners, but beginning in 2006 has primarily distributed digitally using its own publishing arm. The development platform is primarily PC, but the company has released games on console and mobile platforms as well. The largest markets today include the US, UK, Germany, France, Russia and Scandinavia. Today, close to 1.5 million gamers play a Paradox game each month and the number of Paradox registered users exceeds six million.

Paradox Interactive AB (publ)'s shares are listed on Nasdaq Stockholm First North Premier under ticker PDX. Avanza Bank is the company's Certified Adviser. For more information, please visit www.paradoxinteractive.com.