

Standard Terms
under the
Share Incentive Programme
of
Funcom N.V.

1. General

The Supervisory Board of Funcom N.V. (the “Company”) is of the opinion that options to subscribe for shares in the Company is an effective incentive for the Funcom group’s employees. The Company has therefore established a share incentive programme in order to stimulate continued growth and further development of the group’s business.

This document (the “Terms for Employees”) was approved by the Remuneration Committee of the Supervisory Board on 9 December 2010. It constitutes the terms and conditions applicable to all stock options granted to employees, other than members of the Company’s Management Board and Supervisory Board, respectively, who participate in the share incentive programme of the Company (each a “Participant”).

2. Grant

All options granted under the share incentive programme (the “Options”) shall be confirmed by the Company in the form of a written statement to each Participant in order to be valid. The statement must confirm the identity of the Participant, the number of Options granted and the strike price of each Option and the date of the grant. A standard form to be used for such confirmations is set out in Attachment 1 (the “Grant Letter”) hereto. For the share incentive programme to be valid, the participant’s acceptance must be documented in the form of a signature on the Grant Letter.

Each Option granted gives the Participant a right to subscribe for one share in the Company, subject to the terms and conditions of these Terms for Employees and the Grant Letter to the Participant in question. The Participant will have an obligation that each such share be registered with VPS.

3. Vesting period and exercise period

Of the total number of Options granted to the Participant, 33,3% will be vested one year from the date when the grant of the Options was made. Another 33,3% will be vested two years from the date when the grant was made, and the remaining Options

will be vested after three years from the date that the grant was made. The duration of the vesting period may be derogated from in connection with the individual grant.

All (remaining) Options will expire three years and six months after the date of the grant of the Options.. The Participant may only exercise his/her Options in green periods. Green periods are defined clearly in the Company's insider trading policy, and concrete dates are communicated at the outset of every year. However, the Supervisory Board may change this at its discretion. The Supervisory Board may elect to extend the exercise period.

If the Participant as a result of non-trade regulations cannot subscribe for shares in the above-mentioned period, the right to subscribe for shares shall be extended until such trade prohibition has elapsed.

The Participants shall not pay any premium for the Options. The Company may on the above-mentioned terms fully or partly offer the Participant existing shares instead of new shares.

The Company reserves the right to settle exercisable Options by paying an amount in cash corresponding to the difference between exercise price and the volume weighted trading price on the day after the closure of the relevant exercise window.

4. Exercise price and tax

The Participant shall pay for each share a price based on the fair market value of the shares at the time of the initial grant, which is to be determined when the initial grant is made and set out in the Grant Letter.

Employer's tax and social costs (if any) will be borne by the Company whereas employee's tax and social costs (if any) on maintaining and execution of the Options will be the Participant's responsibility.

To the extent the Company will have the primary responsibility to pay the employee's tax or social costs (if any) upon execution of the Options, the Company may in connection with the execution of the Options require that a sum equal to such primary liability is paid to the Company.

5. Procedure for exercising the Options

Options are exercised by a written statement from the Participant to the Central Officer (CFO) of the Company, with a specification of how many Options the Participant wishes to exercise/shares the Participant wishes to subscribe for.

If the Participant elects to exercise any Options, the Participant will be required to pay the exercise price to the Company within three weeks after the exercise notice was received by the Company, except in the case that the Company at its discretion elects to exercise its unilateral right to settle any Options exercised by paying an amount in cash corresponding to the difference between exercise price and the volume weighted

trading price on the day after the closure of the relevant exercise window. If payment by the Participant is not made, the Participant loses the right to acquire the shares under the Options exercised. After such payment in full is registered by the Company, the Participant will receive the shares.

6. Conditions for exercise - expiry

Options may only be exercised if the Participant is employed with the Company or a subsidiary of the Company, or hired as a consultant on a permanent basis, at the time of exercise, or if the Supervisory Board has elected to extend the right to Options outside of these limitations. All Options will automatically expire if and when the Participant, after the Options have been granted, ceases to be in a position as described above.

If the Participant is an employee, and the employment terminates with a notice of resignation from the Participant, the Options may not be exercised during the period of notice. If the Company terminates the employment, the Participant will have 3 months to exercise the Options that at the time of termination can be exercised, ref section 3. 3 months after termination notice has been given, all non-exercised Options expire. If the employment is rightfully terminated by the Company without prior notice ("avskjed"), the Options shall immediately terminate and shall in no event be exercisable thereafter.

7. Transfer of Options and shares

Options granted under the share incentive programme are not transferable with one exception. If the Participant deceases, the spouse and/or children (according to the applicable inheritance law), but no other beneficiaries, will have the right to the Options at the same terms and conditions as if the deceased was still an employee during the full vesting and exercise period.

Shares subscribed or purchased under the share incentive programme may freely be transferred.

8. Changes related to the Company's share capital

In the event of any changes to the Company's share capital, the number of Options and the subscription price at which each Option is exercisable shall be adjusted to the extent required to preserve the value of the Options, within 3 months from the effective date of registration of the changes to the Company's share capital in the Company's shareholders register. The rules applicable at any time to standardised options/warrants traded on the Oslo Stock Exchange shall apply analogously to the extent appropriate, but only for that purpose.

In the event the Company shall merge as a disappearing entity into another company, 50% of the Participant's Options that have been granted but not yet vested, shall vest immediately. The remaining unvested Options shall be vested according to the original plan with market price similar to the trade price at the time of the merger, unless the

Participant and the surviving company agree to a new option scheme in the surviving company to replace these Terms for Employees.

The same shall apply in the event that any person through an offer to acquire shares in the Company for consideration in the form of shares in another company acquires such number of shares in the Company that such persons after completion of the offer is the owner of more than 50% of the outstanding share capital of the Company.

9. Holiday allowance

Benefits arising from participation in the share incentive programme shall not form basis for holiday allowance according to the Holiday Act of 29 April 1988 (FerieLOVEN).

10. Validity clause

Each Participant must elect to have his shares publicly traded, he/she must therefore make arrangements with a VPS registrar. The VPS Registrar must be given the necessary power of attorney so that it becomes the legal owner of the shares and the Participant is the beneficial owner of the shares.

All Options granted to Supervisory Board members are subject to approval of the grant by the general meeting of the Company.

11. Governing law

These Terms for Employees and the rights and obligations arising hereunder shall be governed, construed and enforced in accordance with the laws of Norway.

12. Dispute resolution

Any claim, conflict or disagreement in connection with these Terms for Employees, the Grant Letter or the share incentive programme shall be solved according to Norwegian law, with Oslo tingrett as the legal venue.

Attachment 1

Grant of stock options

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Funcom N.V.

Funcom N.V. (the “**Company**”) is of the opinion that options to subscribe for shares in the Company are an effective incentive for the Company’s employees. The Company has therefore established a share incentive programme in order to stimulate continued growth and further development of the Company’s business.

We hereby confirm that _____ has been granted a total of _____ options to subscribe for shares in the Company, with each option representing a right to subscribe for one share. The options are granted subject to the standard terms and conditions contained in the share incentive programme established by the Company’s Supervisory Board on _____. These standard terms and conditions for employees are attached to this letter.

The exercise price per share shall be based on the average volume weighted price on the Oslo Stock Exchange on the five trading days preceding and the five trading days following_[_____], which is the date when the options were initially granted.

In accordance with the standard terms of the Company’s share incentive programme, 33,3% of the options granted to the Participant will be vested one year from the date when the grant was made. Another 33,3% will be vested two years from the date when the grant was made, and the remaining options will be vested after three years from the date that the grant was made. All (remaining) Options will expire three years and six months after the date of the grant of the Options. Options are exercised by a written statement to the Company’s central officer, with a specification of how many shares that will be subscribed.

Zurich, []

Funcom N.V.

Accept of grant

I, _____, hereby accept the grant of options to subscribe for shares in the Company. I am familiar with the standard terms and conditions of the share incentive program of the Company, and accept that the options are granted subject to these terms and conditions.

Name:

Date/place: