



Press Release

13 April 2022 15:00:00 CEST

## Annual General Meeting in Tethys Oil

The shareholders of Tethys Oil AB (publ) (the “Company” or “Tethys Oil”) are hereby invited to attend the Annual General Meeting (the “Meeting”) on Wednesday, 18 May 2022, 15:00 (CEST) at Grand Hôtel, Södra Blasieholmshamnen 8, in Stockholm.

The Board of Directors has, pursuant to Chapter 7, Section 4 a of the Swedish Companies Act (2005:551) and Section 4 of the Swedish Act (2022:121) on Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations resolved that shareholders may exercise their voting rights at the Meeting by post. Shareholders may therefore choose to exercise their voting rights in person at the Meeting, by proxy or through postal voting.

### Notification

To be entitled to participate at the Meeting, shareholders must:

- *first* be entered as a shareholder in the share register kept by Euroclear Sweden AB on Tuesday, 10 May 2022 or, if the shares are registered in the name of a nominee, request from the nominee that the shares are registered for voting purposes in such time that the registration is completed no later than on Thursday, 12 May 2022; and
- *second* give notice of their intention to attend in accordance with the instructions under the heading “Attendance in person or by proxy” below not later than on Thursday, 12 May 2022, or by having submitted a postal vote in accordance with the instructions under the heading “Voting by post” below in such manner that Euroclear Sweden AB has received the postal vote no later than on Tuesday, 17 May 2022.

### Nominee registered shares

For entitlement to participate at the Meeting, shareholders with nominee-registered holdings must temporarily re-register their shares in their own names in the register of shareholders maintained by Euroclear Sweden through their nominees. As set out above, the nominee must have performed such registration with Euroclear Sweden AB no later than Thursday, 12 May 2022.

### Attendance in person or by proxy

Shareholders who wish to attend the Meeting in person or by proxy shall give notice to the Company of this not later than on Thursday, 12 May 2022 either: electronically on the Company’s website: ([www.tethysoil.com](http://www.tethysoil.com)), by post to Tethys Oil AB (publ), ”Annual General Meeting”, c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm or by telephone on +46 (0)8-402 92 12 on weekdays between 09:00 and 16:00 (CEST).

The notification shall state the shareholder's name or Company name, personal identification number or corporate identification number, address, phone number and, where applicable, the number of accompanying assistants (not more than two).

Shareholders who do not wish to participate in person or exercise their voting rights by postal voting may exercise their voting rights at the Meeting through a proxy with a written, signed and dated power of attorney. If the power of attorney is issued by a legal entity, a copy of the certificate of registration or an equivalent authorisation document for the legal entity must be enclosed.

In order to facilitate the registration at the Meeting, powers of attorney, certificates of registration and other authorisation documents should be received by the Company at the address Tethys Oil AB (publ), "Annual General Meeting", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm not later than on Thursday, 12 May 2022. Please note that a notification of attendance at the Meeting must be made even if the shareholder wishes to exercise its voting rights at the Meeting through a proxy. A submitted power of attorney is not considered as a notification of attendance at the Meeting. A form of power of attorney in Swedish and in English is available on the Company's website: ([www.tethysoil.com](http://www.tethysoil.com)).

### **Voting by post**

When voting by post, the shareholder shall use the voting form and follow the Company's instructions that are available on the Company's website: ([www.tethysoil.com](http://www.tethysoil.com)). A completed and signed voting form shall be sent by mail to Tethys Oil AB (publ) "AGM", c/o Euroclear Sweden, Box 191, SE-101 23 Stockholm, Sweden or by e-mail to

[GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com). Completed forms must be received by Euroclear Sweden by Tuesday, 17 May 2022, at the latest. Shareholders who are natural persons may also submit their postal votes electronically with BankID through Euroclear Sweden AB's website: (<https://anmalan.vpc.se/euroclearproxy>). Such electronic vote must be submitted no later than 17 May 2022. If the shareholder votes by proxy, a power of attorney shall be enclosed with the voting form. Proxy forms are available upon request and on the Company's website: ([www.tethysoil.com](http://www.tethysoil.com)). If the shareholder is a legal entity, a certificate of incorporation or other authorization document shall be enclosed with the voting form.

Shareholders are not allowed to include special instructions or conditions in the postal vote. If special instructions or conditions are included, such postal vote becomes invalid. Further information and conditions can be found in the voting form.

### **Proposed agenda**

1. Opening of the Meeting.
2. Election of Chairman of the Meeting.
3. Election of at least one person to verify the minutes.
4. Preparation and approval of the voting list.
5. Approval of the agenda.
6. Determination as to whether the Meeting has been duly convened.
7. Presentation of the annual report and the auditor's report, the consolidated annual report and the auditors' group report.
8. Resolution in respect of adoption of the profit and loss statement and the balance sheet and the consolidated profit and loss statement and consolidated balance sheet.

9. Resolution in respect of appropriation of the Company's profit or loss according to the adopted balance sheet.
10. Resolution in respect of discharge from liability of the members of the Board of Directors and the Managing Director.
11. Resolution in respect of number of members of the Board of Directors and auditors.
12. Resolution in respect of the fees payable to the Board of Directors and the auditors.
13. Election of members of the Board of Directors, Chairman of the Board of Directors and auditor.
14. Resolution on the remuneration report.
15. Resolution in respect of adoption of an instruction for the Nomination Committee.
16. Resolution on the issue of warrants and approval of transfer of warrants.
17. Resolution in respect of an authorisation for the Board of Directors to resolve on repurchase of own shares.
18. Resolution in respect of an authorisation for the Board of Directors to resolve on transfer of own shares.
19. Resolution in respect of an authorisation for the Board of Directors to resolve on issues of new shares and/or convertibles.
20. Resolutions on (A) share split, (B) reduction of the share capital with redemption of shares and (C) increase of the share capital by way of a bonus issue.
21. Resolution on guidelines for remuneration of senior executives.
22. Resolution on amendment of the articles of association.
23. Closing of the Meeting.

### **Proposals for resolutions**

*Resolutions in respect of election of Chairman of the Meeting, election of one person to verify the minutes, approval of the voting list, the number of members of the Board of Directors and auditors, fees payable to the Board of Directors and auditor and election of members of the Board of Directors, Chairman and auditor (items 2, 3, 4, 11, 12 and 13)*

The Company's Nomination Committee for the Meeting, consisting of Viktor Modigh (Chairman), Mikael Petersson, Jan Risberg and Per Seime, proposes the following:

- Carl Westerberg, member of the Swedish Bar Association, to be appointed as Chairman of the Meeting.
- Five members of the Board of Directors to be appointed without deputy members.
- Re-election of Rob Anderson, Klas Brand, Alexandra Herger, Magnus Nordin and Per Seime as members of the Board of Directors until the end of the next Annual General Meeting.
- Re-election of Per Seime as Chairman of the Board of Directors.
- Remuneration of the members of the Board of Directors and the Chairman of the Board of Directors, including board committee membership, to be as follows: (i) annual fees of the members of the Board of Directors of SEK 330,000 (excluding the Managing Director); (ii) annual fees of the Chairman of the Board of Directors of SEK 700,000; (iii) annual fees for committee members of SEK 35,000 per committee assignment, annual fees for the Chairmen of the Remuneration Committee and the Technical Committee of SEK 65,000 each, annual fee for the Chairman of the Audit Committee of SEK 90,000, unless the committee is chaired by the Chairman of the Board in which case the annual fee is SEK 65,000. The total fees for committee work, including committee Chairmen fees, shall not exceed SEK 360,000; and (iv) if a member of the Board of Directors, following a resolution

by the Board of Directors, performs tasks which fall outside the ordinary duties of the Board of Directors, separate remuneration in the form of hourly fees on market terms may be paid after resolution by the Board of Directors, within an annual frame of SEK 500,000 in total for all members' of the Board of Directors.

- Re-election of the registered accounting firm PricewaterhouseCoopers AB as the auditor of the Company, with authorised public accountant Johan Malmqvist as the auditor in charge, for a period until the end of the Annual General Meeting 2023. The proposal is in accordance with the recommendation from the Company's Audit Committee.
- That auditor's fees shall be payable upon approval of their invoice.

The Nomination Committee has obtained support for its proposal from shareholders representing approximately 20 per cent of the shares of the Company.

*Election of at least one person to verify the minutes (item 3)*

Daniel Hägerlöf or, in his absence, the person designated by the Board of Directors, is, in addition to the chairman, is proposed as person to verify the minutes. Also, such assignment includes verifying the voting list and that the received postal votes are correctly reflected in the minutes.

*Preparation and approval of the voting list (item 4)*

The voting list that is proposed to be approved under item 4 on the agenda is the voting list that Euroclear Sweden AB has prepared, on behalf of the Company, based on the shareholders register and received postal votes and which has been verified and approved by the person to verify the minutes.

*Resolution in respect of appropriation of the Company's profit or loss according to the adopted balance sheet (item 9)*

The Board of Directors proposes a dividend for the financial year 2021 of SEK two (2) per share. As the record date for the dividend, the Board of Directors proposes 20 May 2022. If the Meeting approves the proposal, the dividend is expected to be paid through Euroclear Sweden AB on 25 May 2022.

*Resolution on the remuneration report (item 14)*

The Board of Directors' remuneration report for 2021 provides an outline of how the guidelines for compensation to senior executives (the "**Guidelines**") have been implemented in 2021. The Report also provides information on the remuneration of the Company's Managing Director. The Report has been prepared in accordance with Chapter 8, Sections 53 a and 53 b of the Swedish Companies Act and the remuneration rules issued by the Swedish Corporate Governance Board.

There have been no deviations from the procedure for the implementation of the Guidelines and no derogations from the application of the Guidelines in 2021.

The Remuneration Report for 2021 is published on the Company's website: ([www.tethysoil.com](http://www.tethysoil.com)).

The Board of Directors proposes that the Meeting approves the remuneration report.

*Resolution in respect of adoption of an instruction for the Nomination Committee (item 15)*

The Nomination Committee proposes that the Meeting resolves that the following instructions for the Company's Nomination Committee which were adopted at the Annual General Meeting of 2021 shall be applied until further notice.

The representatives of the Nomination Committee shall be appointed through a procedure where the Chairman of the Board of Directors contacts the three largest shareholders in terms of votes based on shareholders statistics from Euroclear Sweden AB as of 30 September each year, and that such shareholders each appoints a representative to, together with the Chairman of the Board of Directors, constitute the Nomination Committee up until a new Nomination Committee has been appointed. If the Chairman of the Board of Directors, directly or through companies, would be one of the three aforementioned largest shareholders, the Nomination Committee shall be composed of three members only (the Chairman and the two representatives appointed by the other two larger shareholders).

Should a representative resign from the Nomination Committee before its work is completed, and provided that the Nomination Committee considers it necessary, a substitute shall be appointed by the same shareholder that has appointed the resigning representative, or, if this shareholder is no longer one of the largest shareholders in terms of votes, a replacement will be approached among the larger shareholders.

The Nomination Committee shall appoint one of its members as Chairman. A member of the Board of Directors may not be Chairman of the Nomination Committee. The Chairman of the Board of Directors shall convene the first meeting of the Nomination Committee. The composition of the Nomination Committee shall be made public on the Company's website as soon as the Nomination Committee has been formed and no later than six months before the Annual General Meeting. In the event that the ownership structure is changed after the Nomination Committee has been composed such that one or several shareholders that have appointed a representative to the Nomination Committee is no longer in the group of the largest shareholders in terms of votes, the composition of the Nomination Committee may be changed in accordance therewith if the Nomination Committee considers that it is necessary.

The tasks of the Nomination Committee shall, when applicable, be to prepare, for the shareholders' meeting, proposals in respect of number of directors of the Board of Directors to be elected by the shareholders' meeting, remuneration to the Chairman of the Board of Directors, the other directors of the Board of Directors and the auditors respectively, remuneration, if any, for committee work, the composition of the Board of Directors, the Chairman of the Board of Directors, resolution regarding the Nomination Committee, Chairman at the Annual General Meeting and election of auditors. In addition hereto, the Nomination Committee shall fulfil the tasks set out in the Swedish Corporate Governance Code at any given time. The Company shall pay for reasonable costs that the Nomination Committee has considered to be necessary in order for the Nomination Committee to be able to complete its assignment.

*Resolutions on the issue of warrants and approval of transfer of warrants (item 16)*

The Board of Directors proposes that the Meeting resolves on an issue of warrants and on the approval of transfer of warrants in accordance with the below.

The Board of Directors proposes that the Company shall issue a maximum of 160,000 warrants. The right to subscribe for warrants shall, with deviation from the shareholders' preferential rights, belong to Tethys Oil Invest AB, reg. no 556658-1442 (the "**Subsidiary**"), a wholly-owned subsidiary of the Company, with a right and obligation for the Subsidiary to transfer the warrants to senior executives in the group.

The warrants shall be issued to the Subsidiary without compensation and subscription for the warrants by the Subsidiary shall take place on a separate subscription list not later than 30 May 2022. The Board of Directors is entitled to prolong the subscription period.

Employees in the group shall be entitled to acquire warrants from the Subsidiary. The following two categories shall be entitled to acquire warrants from the Subsidiary (the highest number of warrants any category can be allotted is stated in parentheses): the Managing Director of the group (60,000) and senior executives (20-50,000, however not more than 100,000 in total for all senior executives). Application to purchase warrants shall be made not later than on 13 June 2022. The Board of Directors is entitled to prolong the application period.

Each person entitled to purchase warrants may apply to purchase warrants in lots corresponding to either the maximum amount of warrants offered or reduced by lots of 5,000 warrants. The allocation is not guaranteed and is conditional upon that it is possible to legally acquire the warrants and that this according to the assessment of the board directors can be done with reasonable administrative and financial costs. The allocation of warrants is further subject to that the senior executive, at the time of allocation, not having given or been given notice of termination from his or her employment in the group. The Board of Directors shall resolve on and implement the allocation in accordance with the above. If not all warrants are acquired, any remaining warrants shall be retained in the Subsidiary. The Board of Directors shall be entitled to resolve on the transfer of such warrants to any new additional senior executives.

The warrants shall be transferred free of charge to the participants and the group shall account for any income tax for the participants to the extent such tax is attributable to the programme. Compensation to the participants for their income tax, if any, shall be equal to the income tax they have to pay on an income corresponding to obtained warrants' calculated market value plus the income tax they have to pay for the subsidy to obtain such tax compensation.

Each warrant entitles the holder to subscribe for one new share in the Company during the period from and including 11 June 2025 up to and including 6 October 2025. Under the terms and conditions of the warrants, the period during which the warrants may be exercised may be extended if participants are prevented from exercising their rights to subscribe for shares based on the warrants due to applicable laws on insider trading or equivalent.

The subscription price shall be equal to an amount corresponding to 122.5 per cent of the volume-weighted average of the quoted price paid for the Company's share on Nasdaq Stockholm during the period from and including 4 May 2022 up to and including 17 May 2022, reduced by any dividends or other value transfers resolved upon by the Annual General Meeting 2022. The increase of the Company's share capital will, upon exercise of the warrants, amount to not more than SEK 29,287.27, calculated on the basis of the quota value of the shares issued by the Company as of the date of this notice.

The reasons for deviating from the shareholders' preferential rights is to ensure that the group can retain and recruit qualified and committed senior executives on a global market for oil companies by offering such persons to participate in a long-term incentive programme, as well as creating attractive leverage and reward risk-taking.

The Board of Directors proposes that the Meeting authorises the Board of Directors of the Company to implement the issue resolution and to ensure that the Board of Directors of the Subsidiary implements the transfer of warrants. It is further proposed to authorise the Board of Directors to make such minor adjustments in the Meeting's resolutions as may be required in connection with the registration with the Swedish Companies Registration Office and the affiliation of the warrants with Euroclear Sweden AB.

*Resolution in respect of an authorisation for the Board of Directors to resolve on repurchase of own shares (item 17)*

The Board of Directors proposes that the Meeting authorises the Board of Directors to, on one or several occasions before the Annual General Meeting 2023, resolve on repurchase of own shares on principally the following terms and conditions:

1. Purchases may be effected on Nasdaq Stockholm.
2. Purchases may be made by a maximum of so many shares that the Company's holding of own shares after the purchase amounts to a maximum of one-tenth of all the shares in the Company.
3. Purchases of shares may only be effected on Nasdaq Stockholm within the registered price interval at any given time.

The main reason for possible purchases is to give the Company flexibility regarding its equity and thereby optimise the capital structure of the Company. Possible purchases may also enable own shares to be used as payment for, or financing of, acquisitions of companies or businesses or in connection with the handling of incentive programmes. The Board of Directors shall have the right to determine other conditions for purchases in accordance with the authorisation.

*Resolution in respect of an authorisation for the Board of Directors to resolve on transfer of own shares (item 18)*

The Board of Directors proposes that the Meeting authorises the Board of Directors to, on one or several occasions before the Annual General Meeting 2023, resolve on transfer of own shares up to the number of shares which, at any time, are held by the Company.

Transfer of own shares may be carried out to be used as payment for, or financing of, acquisitions of companies or businesses, and/or to external parties in connection with the handling of settlement of the Company's incentive programs. Transfer of own shares may be effected otherwise than on Nasdaq Stockholm at an estimated market value and may deviate from the shareholders' preferential rights. Payment for transferred shares may be made in cash, in kind or through set-off. Transfer of own shares may also be carried out on Nasdaq Stockholm at a price within the registered price range at any given time i.e. the range between the highest bid price and lowest selling price.

*Resolution in respect of an authorisation for the Board of Directors to resolve on issues of new shares and/or convertibles (item 19)*

The Board of Directors proposes that the Meeting authorises the Board of Directors to, on one or several occasions before the Annual General Meeting 2023, resolve on issues of new shares and/or convertibles in the Company against payment in cash, in kind or through set-off or subject to other conditions and with the right to deviate from the shareholders' preferential rights.

The purpose of the authorisation and the reason for a possible deviation from the shareholders' preferential rights is to facilitate the raising of capital for acquisitions and the Company's operations. The authorisation shall be limited whereby the Board of Directors may not resolve to issue shares and/or convertibles that involve the issue of or conversion into shares corresponding to more than 10.0 per cent of the total number of shares in the Company at the time of the issue resolution, corresponding to an issuance of 3,305,660 shares calculated on the basis of the number of shares issued by the Company as of the date of this notice. To the extent issues are made with deviation from the shareholders' preferential rights, such issues shall be made on market conditions.

*Resolutions on (A) share split, (B) reduction of the share capital with redemption of shares and (C) increase of the share capital by way of a bonus issue (item 20)*

The Board of Directors' proposals pursuant to sections (A)–(C) below are conditional upon each other and are therefore to be resolved upon as one resolution.

(A) Share split

The Board of Directors proposes that one share in the Company is split (share split) into two shares (1:2), of which one share is to be named redemption share and redeemed as set out in section (B) below. The record date for the share split is 2 June 2022. Following completion of the share split, the number of shares will be changed from 33,056,608 to 66,113,216 and the quota value of each share will be changed from approximately SEK 0.183045 to approximately SEK 0.091523.

(B) Reduction of the share capital with redemption of shares

The Board of Directors proposes that the share capital of the Company is reduced by SEK 3,025,431.1175 by compulsory redemption of 33,056,608 shares. The shares that are to be redeemed are those that, following the share split pursuant to section (A) above, are named redemption shares. The record date for the redemption of redemption shares is 21 June 2022. The Company intends to promote arrangements for customary trade in the redemption shares.

The purpose of the reduction is repayment to the Company's shareholders and, to the extent that the reduction of the share capital is made by redemption of shares held by the Company, for transfer to the Company's non-restricted equity.

For each redeemed share a redemption price of SEK five (5) will be paid. However, no payment shall be made in respect of redeemed shares held by the Company. The redemption price exceeds the quota value of the share after completion of the share split pursuant to section (A) above with approximately SEK 4.91. The part of the redemption price that exceeds the quota value of the share will be transferred from the non-restricted equity of the Company. Payment of the



redemption price will be made not later than ten banking days after the resolutions on the share split pursuant to section (A) above, the reduction of the share capital pursuant to this section (B) and the increase of the share capital by way of a bonus issue pursuant to section (C) below have been registered with the Swedish Companies Registration Office.

Following completion of the reduction, the share capital of the Company will amount to SEK 3,025,431.1175 divided among 33,056,608 shares.

The reduction of the share capital can be effected without obtaining the authorisation of the Swedish Companies Registration Office or a court of general jurisdiction, as the Company, at the same time, carries out a bonus issue pursuant to section (C) below, resulting in no reduction of the restricted equity of the Company or its share capital.

#### (C) Increase of the share capital by way of a bonus issue

The Board of Directors proposes that the share capital of the Company is increased by way of a bonus issue. The share capital is to be increased by SEK 3,025,431.1175 way of transfer of SEK 3,025,431.1175 from the non-restricted equity of the Company. No new shares are to be issued in connection with the increase of the share capital. Following completion of the bonus issue, the share capital of the Company will amount to SEK 6,050,862.235 and the quota value of each share will be changed from approximately SEK 0.091523 to approximately SEK 0.183045.

#### *Resolution on guidelines for remuneration of senior executives (item 21)*

The Board of Directors proposes that the Meeting resolve on the following guidelines for remuneration of the Company's senior executives:

#### **Background**

The previous guidelines were approved by the Annual General Meeting 2020. The changes made are primarily linguistic and to simplify the guidelines. In addition, changes have been made in respect of severance pay in the context of a change of control of the Company.

The Company has not received any comments on the guidelines from shareholders.

These guidelines do not apply to any remuneration resolved upon or approved by the General Meeting and are only applicable to remuneration agreed, and amendments to remuneration already agreed, after the adoption of these guidelines by the Annual General Meeting 2022.

#### **Application of guidelines**

These guidelines apply to remuneration to the Group Executive Management and to members of the Board of Directors if remuneration is paid for work performed outside the scope of the ordinary board work (e.g. pursuant to an employment or consultancy agreement). As of the date of these guidelines, the Company's Group Executive Management are the Managing Director, the CFO and the CTO.

These guidelines constitute a framework within which remuneration to the Group Executive Management may be decided on by the Board of Directors.

## **General remuneration principles**

In short, the group's business strategy is to create shareholder value working across the whole upstream oil and gas industry lifecycle of exploration, appraisal, development and production. A central objective in the group's business model is to explore for and produce oil and gas in an economically, socially, and environmentally responsible way. For more information regarding the group's strategic priorities, please refer to the group's annual reports and the Company's website: ([www.tethysoil.com](http://www.tethysoil.com)).

The Company's remuneration principles are to ensure responsible and sustainable remuneration decisions that support the Company's strategy, long-term interests and sustainable business practices and further enhance the group's market position as well as increase the shareholder value. To this end, salaries and other employment terms shall enable the group to retain and recruit skilled senior executives at a reasonable cost. The remuneration shall be on market terms and based on the principles of performance, competitiveness and fairness.

When evaluating whether these guidelines and the limitations set out herein are reasonable, the Board of Directors (including the Remuneration Committee) has considered the total income of all employees of the Company, including the various components of their remuneration as well as the increase and growth rate over time.

In order to comply with mandatory rules or established local practice, remuneration which is subject to rules outside Sweden may be adjusted to comply with such local rules, taking into account, to the extent possible, the overall purpose of these guidelines.

## **Elements of remuneration**

The remuneration covered by these guidelines may consist of basic salary, variable cash salary, pension, non-financial benefits and severance pay. In addition hereto, the General Meeting may decide on, inter alia, long-term incentive programs in which the Group Executive Management can participate.

## **Principles for basic salary**

The basic salary shall be in line with market conditions, be competitive, and shall take into account the scope and responsibility associated with the position, as well as the skills, experience and performance of each member of the Group Executive Management.

On the assumption of payment of full variable cash salary, pension benefits and other benefits, the basic salary is expected to amount to no more than 45 per cent of the total remuneration. If there is no variable cash salary, pension benefits or other benefits, the basic salary will constitute the entire remuneration.

## **Principles for variable cash salary**

Variable cash salary, *i.e.* cash bonuses, shall be based on a set of predetermined and measurable performance criteria that reflect the key drivers for pursuing the Company's strategy, long-term interests and sustainable business practices. Such performance criteria include (but are not limited to) HSE, production, reserves replacement, business development and financial performance as well as individual performance.

To which extent the criteria for awarding variable cash salary have been satisfied shall be determined annually in connection with the publication of the year-end report for the respective financial year based on an evaluation of the executive's achievement of the performance indicators as described in the agreed individual performance targets.

Payment of variable cash salary shall be conditional upon the Group Executive Management member remaining employed for the duration of the qualification period.

Variable cash remuneration shall qualify for pension benefits only to the extent it is required pursuant to mandatory provisions of applicable collective bargaining agreements.

The annual variable cash salary may not amount to more than twelve months' basic salary and is therefore expected to amount to no more than 50 per cent of the total remuneration.

### **Principles for pension benefits**

Pension benefits shall comprise a defined contribution scheme with premiums calculated on the full basic salary and be set on an individual basis, however, provided that mandatory provisions of applicable collective bargaining agreements do not require otherwise.

Pension benefits may not amount to more than 30 per cent of the basic salary and is therefore expected to amount to no more than 25 per cent of total remuneration.

### **Principles for non-financial benefits**

Non-financial benefits shall be based on market terms and shall facilitate the duties of the Group Executive Management. Non-financial benefits may include, inter alia, life insurance, medical insurance etc.

Premiums and other costs relating to non-financial benefits may not amount to more than five per cent of the basic salary and is therefore expected to amount to no more than five per cent of the total remuneration.

### **Remuneration during notice period and severance pay**

The notice period for termination of the Managing Director shall not exceed twelve months and the notice period for termination of other members of the Group Executive Management shall not exceed nine months.

A mutual termination period of twelve months applies between the Company and the Managing Director and of up to nine months between the Company and other members of the Group Executive Management.

Severance pay to the Managing Director and other members of the Group Executive Management shall not exceed twelve months' gross basic salary, provided that the employment is terminated by the Company. In the event a member of the Group Executive Management terminates his or her employment, no severance shall be payable.

Notwithstanding the above, in the event of a change of control of the Company, the Managing Director or other members of the Group Executive Management may receive severance pay in excess of twelve months' basic salary and may receive severance pay even if notice is given by the executive, provided that the sum of salary paid during the notice period and the severance pay may not exceed the equivalent of 24 months' gross basic salary.

For the purposes of these guidelines, a change of control shall mean any event whereby a single party (or a group of parties acting in concert), directly or indirectly, controls in excess of 51 per cent of the shares or votes in the Company (e.g., due to a public tender offer).

### **Principles for certain remuneration to members of the Board of Directors**

To the extent members of the Board of Directors perform work for the Company outside the scope of the ordinary board work, consultancy fees on market terms may be paid in addition to any board fees resolved upon by the General Meeting. The Nomination Committee is tasked with proposing a framework, if any, for such remuneration, to be approved by the Annual General Meeting.

### **Long-term incentive programs**

Any remuneration resolved upon by the General Meeting is not covered by these guidelines. Accordingly, these guidelines do not apply to the Company's long-term incentive programs resolved upon by the General Meeting.

The Company's existing long-term incentive programs are directed to certain key employees of the group and designed to create conditions for retaining and recruiting competent and committed personnel to the group. More information on the Company's existing and proposed incentive programs from time to time is available on the Company's website: ([www.tethysoil.com](http://www.tethysoil.com)).

In connection with incentive programs resolved on by the General Meeting, the Company may make such cash payments to the participants which are compatible with the decisions to implement or settle such incentive programs (e.g., by making cash payments to participants who, pursuant to the terms of the programs, are to receive incentive instruments (e.g., warrants) free of charge or be compensated for tax effects). Such payments shall not be considered part of the basic or variable cash salary as they are an integral part of the incentive programs.

### **Preparation and review of the compliance of these guidelines**

The Board of Directors has established a Remuneration Committee to deal with matters of executive compensation and wider group remuneration. These guidelines have been prepared by the Remuneration Committee of the Board of Directors and the Board of Directors. The Remuneration Committee is responsible for preparation of updated proposals in respect of guidelines for executive remuneration. A proposal for amended guidelines is to be prepared by the Remuneration Committee and the Board of Directors when the need for material amendments arises, but at least every four years.

Within the scope and on the basis of these guidelines, the Board of Directors shall, based on the Remuneration Committee's preparation and recommendations, annually decide on the specific revised remuneration terms for each member of the Group Executive Management and make such other decisions in respect of remuneration for member of the Group Executive Management that may be required.

The members of the Remuneration Committee are independent in relation to the Company and the Group Executive Management. The Managing Director and the other members of the Group Executive Management do not participate in the Board of Directors' handling of, or resolutions regarding, remuneration-related matters if they are affected by such matters.

### **Derogations from these guidelines**

The Board of Directors is entitled to adjust the compensation in the case of, for example, extraordinary increases or decreases in the group's earnings. The Board of Directors may also temporarily resolve to derogate from these guidelines, in whole or in part, if in a specific case there is special cause for such 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.

#### *Resolution on amendment of the articles of association (item 22)*

The Board of Directors proposes the Meeting resolve to amend of the articles of association pursuant to the following:

New Article 10 incorporated:

*The board of directors may collect power of attorneys pursuant to Chapter 7, Section 4 second paragraph of the Swedish Companies Act (2005:551).*

*The board of directors may before a general meeting resolve that the shareholders shall be entitled to vote by post prior to the general meeting. If the board of directors so decides, postal voting shall be possible by electronic means.*

New Article 11 incorporated:

*Anyone who is not a shareholder in the company shall, under the terms determined by the board of directors, have the right to attend or otherwise follow the negotiations at the general meeting.*

As a result of the addition of articles 10 and 11, it is proposed that the paragraphs in the articles of association is renumbered, whereby article 10 in the articles of association will become article 12.

### **Documents for the Meeting**

The Company's annual report and audit report, the complete proposals for resolutions as well as other documents for the Meeting, including a form of power of attorney, will be available at the Company's head offices in Stockholm and on the Company's website: ([www.tethysoil.com](http://www.tethysoil.com)), not later than 27 April 2022. The documents will be sent free of charge to shareholders upon request.

### **Majority Requirements**

For a resolution in accordance with item 16 on the proposed agenda to be valid, the resolution must be supported by shareholders representing at least nine-tenths of the votes cast and the shares represented at the Meeting. A General Meeting in the Subsidiary must further approve the transfer of warrants. For resolutions in accordance with the Board of Directors proposals in accordance with items 17–20 and 22 on the proposed agenda to be valid, the resolutions must be supported by shareholders representing at least two-thirds of the votes cast and the shares represented at the Meeting.

## **Disclosures at the Meeting**

The Board of Directors and the Managing Director shall, if requested by any shareholder and if the Board of Directors is of the opinion that it can be done without causing material harm to the Company, provide disclosures about conditions that may impact assessment of an item on the agenda, about conditions that may impact assessment of the Company's or a subsidiary's financial situation, and about the Company's relationship with any other group company.

Any shareholder wishing to submit questions in advance of the Meeting can do so by email to [info@tethysoil.com](mailto:info@tethysoil.com) – with header “Questions to the AGM”.

## **Processing of personal data**

For information on how personal data is processed in connection with the Meeting, see the privacy notice available on Euroclear Sweden AB's website: ([www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf](http://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf)).

## **Shares and votes**

On the day this notice was issued, the Company had a total of 33,056,608 shares in issue with one vote each. Of such shares, the Company held 474,673 own shares as of the date of this notice.

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Stockholm in April 2022

**Tethys Oil AB (publ)**

*The Board of Directors*

## **For further information, please contact**

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Magnus Nordin, Managing Director, phone +46 8 505 947 00

Petter Hjertstedt, CFO, phone +46 8 505 947 00

## **Tethys Oil AB (publ)**

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*Tethys Oil is a Swedish oil company with focus on onshore areas with known oil discoveries. The company's core area is the Sultanate of Oman, where it holds interests in Blocks 3&4, Block 49, Block 56 and Block 58. Tethys Oil has net working interest 2P reserves of 26.2 mmbo and net working interest 2C Contingent Resources of 15.6 mmbo and had an average oil production of 11,136 barrels per day from Blocks 3&4 during 2021. The company's shares are listed on Nasdaq Stockholm (TETY). Website: [www.tethysoil.com](http://www.tethysoil.com)*

## **Attachments**

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## **Annual General Meeting in Tethys Oil**