



Press release

2017-04-12

## Annual General Meeting in Tethys Oil

**The shareholders of Tethys Oil AB (publ) are hereby invited to attend the Annual General Meeting on Wednesday, May 17, 2017, at 3 p.m. CET at the premises Stockholm, Grand Hôtel, Södra Blasieholmshamnen 8, in Stockholm.**

### Notification

To be entitled to participate at the Meeting, shareholders must first be included in the register of shareholders maintained by Euroclear Sweden AB (the Swedish Central Securities Depository & Clearing Organisation) as of Thursday, May 11, 2017, second notify Tethys Oil AB of their intention to attend no later than Thursday, May 11, 2017; by mail to Tethys Oil AB, c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden, by telephone: +46 (0)8 402 92 12 or on the Company's website, [www.tethysoil.com](http://www.tethysoil.com) (only applicable to individuals). Notifications should state names, personal or corporate identity numbers and registered shareholdings.

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 in good time before May 11, 2017.

Shareholders represented by proxy must submit a power of attorney. If the power of attorney is executed by a legal person, a certified copy of the certificate of registration, indicating the competence to issue the power of attorney, must be attached. The power of attorney may not be valid for a longer period than one year from its issuance, however, the power of attorney may be valid for up to five years from its issuance if so explicitly stated. The original power of attorney and certificate of registration should be submitted, in due time prior to the Meeting, to Tethys Oil AB, c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden. A form of power of attorney is available on Tethys Oil AB's website, [www.tethysoil.com](http://www.tethysoil.com).

### Agenda

1. Opening of the Meeting.
2. Election of Chairman of the Meeting.
3. Preparation and approval of the voting register.
4. Election of at least one person to approve the minutes.
5. Approval of the agenda.
6. Determination as to whether the Meeting has been duly convened.
7. Speech by the Managing Director and the management of the Company.
8. Presentation of the annual report and the auditors' report, the consolidated annual report and the auditors' group report.
9. 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.
10. Resolution in respect of appropriation of the Company's profit or loss according to the adopted balance sheet.
11. Resolution in respect of discharge from liability of the members of the Board of Directors and the Managing Director.
12. Resolution in respect of number of members of the Board of Directors and auditors.
13. Resolution in respect of the fees payable to the Board of Directors and the auditors.

14. Election of members of the Board of Directors, Chairman of the Board of Directors and auditor.
15. Resolution in respect of guidelines for compensation to senior executives.
16. Resolution in respect of a Nomination Committee and nomination procedure for the Annual General Meeting 2018.
17. The proposal of the Board of Directors for a resolution on the issue of warrants and approval of transfer of warrants.
18. Resolution in respect of an authorization of the Board of Directors to resolve on repurchase of own shares.
19. Resolution in respect of an authorization of the Board of Directors to resolve on the transfer of own shares.
20. Resolution in respect of an authorization of the Board of Directors to resolve on new issues of shares and/or convertibles.
21. Other matters.
22. Closing of the Meeting.

### **Proposals for resolutions**

Resolutions in respect of Chairman of the Meeting, the number of members of the Board of Directors and auditors, fees payable to the Chairman of the Board of Directors, other members of the Board of Directors and auditor, election of Chairman of the Board of Directors, other members of the Board of Directors and auditor (items 2, 12, 13 and 14).

Tethys Oil AB's Nomination Committee for the 2017 Annual General Meeting, consisting of Erik Norman (Chairman), Mikael Petersson, Viktor Modigh and Dennis Harlin, proposes the following:

- Carl Westerberg to be appointed as Chairman of the Annual General Meeting.
- Eight members of the Board of Directors to be appointed without deputy members.
- Re-election of Per Brilioth, Dennis Harlin, Magnus Nordin, Katherine H. Støvring and Geoffrey Turbott and election of Rob Anderson, Alexandra Herger and Per Seime as members of the Board of Directors until the end of the next Annual General Meeting.
- Re-election of Dennis Harlin 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 265,000 (excluding the Chief Executive Officer); (ii) annual fees of the Chairman of the Board of Directors of SEK 595,000; (iii) annual fees for committee members of SEK 35,000 per committee assignment, annual fees for the chairman of the audit committee of SEK 90,000 and for the chairman of the remuneration committee and possible technical committee of SEK 65,000 each. The total fees for committee work, including committee chairmen fees shall not exceed SEK 535,000; and (iv) if a member of the Board of Directors, following a resolution by the Board of Directors, performs tasks which are outside the regular Board work, separate remuneration in the form of hourly fees on market terms may be paid by resolution of the Board of Directors, for which purpose a frame of SEK 250,000 is proposed. It should be noted that Dennis Harlin abstained from participating in the decision regarding remuneration to the members of the Board of Directors and the Chairman 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 2018 Annual General Meeting.
- The auditor's fees shall be payable upon approval of their invoice.

The Nomination Committee has obtained support of its proposal from shareholders representing over 18 per cent of the shares of the Company.

*Resolution in respect of appropriation of the Company's profit or loss (item 10)*

The Board of Directors proposes a dividend for the financial year 2016 of SEK one (1) per share. As the record date for the dividend, the Board of Directors proposes Friday, May 19, 2017. If the Meeting approves the proposal, the dividend will be paid through Euroclear Sweden AB on Wednesday, May 24, 2017.

*Resolution in respect of guidelines for compensation to senior executives (item 15)*

It is the aim of Tethys Oil to recruit, motivate and retain executives capable of achieving the objectives of the Group, and to encourage and appropriately reward superior performance in a manner that enhances shareholder value. Accordingly, the Group operates a Policy on Remuneration which ensures that there is a clear link to business strategy and a close alignment with shareholder interests, and aims to ensure that executives are rewarded fairly for their contribution to the Group's performance.

The remuneration package of the executives in the Group (which includes the Managing Director, the Chief Financial Officer and the Chief Technical Officer) contains five components: a) basic salary; b) pension arrangements; c) yearly variable salary, including right to participate in share based long term incentive programmes; d) non-financial benefits; and e) severance payments. The Board of Directors may deviate from the guidelines if there are particular grounds for it. More details are to be found in the Board of Directors' full proposal.

*Resolution in respect of a Nomination Committee and nomination procedure for the Annual General Meeting 2018 (item 16)*

The Nomination Committee proposes that the representatives of the Nomination Committee shall be appointed through a procedure where the Chairman of the Board of Directors contacts three of the largest shareholders based on shareholders statistics from Euroclear Sweden AB as per September 30, 2017, and that such shareholders each appoints a representative to, together with the Chairman of the Board of Directors, constitute the Nomination Committee up until the next Annual General Meeting, or, if applicable, 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 large 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. The composition of the Nomination Committee shall be made public on the Company's web site 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 three largest shareholders in terms of votes, the composition of the Nomination Committee may be changed in accordance therewith if the Nomination Committee considers that is necessary.

The tasks of the Nomination Committee shall be to prepare, for the next shareholders' meeting, proposals in respect of number of directors of the Board of Directors, 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. 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.

*The proposal of the Board of Directors for a resolution on the issue of warrants and approval of transfer of warrants (item 17)*

The Board of Directors proposes the Meeting to resolve 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 350,000 warrants. The right to subscribe for warrants shall, with deviation from the shareholder's preferential rights, belong to Tethys Oil Spain 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 employees in the group.

The warrants shall be issued to the Subsidiary without compensation and subscription of the warrants shall take place on a separate subscription list not later than 29 May 2017.

Employees in the group shall be entitled to acquire warrants from the Subsidiary. The following three 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 CEO of the group (75,000), senior executives (96,000), and other employees (179,000). Application to purchase warrants shall be made not later than on 7 June 2017.

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 1,000 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 employee, at the time of allocation, not having given or been given notice of termination from his/her employment in the group. The Board of Directors of the Company 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 of the Company shall be entitled to resolve on the transfer of such warrants to any new additional senior executives and other key personnel.

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 30 May 2020 up to and including 2 October 2020, reduced by any dividends resolved upon by the Annual General Meeting of the Company to be held on May, 17, 2017. The subscription price shall be equal to an amount corresponding to approximately 122.50 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 3 May 2017 up to and including 16 May 2017. The increase of the Company's share capital will, upon exercise of the warrants, amount to not more than approximately SEK 58,350.

The reason for deviating from the shareholders' preferential rights is to ensure that the Group can retain and recruit qualified and committed personnel on a global market for oil companies by offering such persons to participate in a long term incentive programme.

The Board of Directors proposes that the Meeting authorizes 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 shares (item 18)*

The Board of Directors proposes that the Meeting resolve to authorise the Board of Directors to, up until the Annual General Meeting 2018, resolve on purchases of Tethys Oil's AB own shares, in accordance with the following.

1. Purchases may be effected on Nasdaq Stockholm.
2. The authorization may be used at one or several occasions before the Annual General Meeting 2018.

3. 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.
4. Purchases of the Company's own shares may be effected on Nasdaq Stockholm within the registered price interval from time to time.

The main reason of possible purchases is to give the company flexibility regarding its equity and thereby optimize 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 handling of incentive programs. 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 the Company's own shares (item 19)*

The Board of Directors proposes that the Meeting authorises the Board of Directors to resolve on transfer of own shares to be used as payment for, or financing of, acquisitions of companies or businesses, and/or to external parties in connection with handling of settlement of the Company's incentive programs. Transfer of shares may be effected otherwise than on Nasdaq Stockholm up to the number of shares which, at any time, are held by the Company. Transfer of shares shall be made to 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. The Board of Directors also proposes that the Meeting authorises the Board of Directors to, at any time, decide on the transfer of own shares (up to an amount equal to the number of own shares held by the Company) during the period up until and including the Annual General Meeting 2018, through sales on Nasdaq Stockholm to a price within the registered price range at any given time. The authorisation for transfer by sales on Nasdaq Stockholm may be used on one or more occasions before the Annual General Meeting 2018.

*Resolution in respect of an authorization to the Board of Directors to resolve on new issues of shares and/or convertibles (item 20)*

The Board of Directors proposes that the Meeting authorises the Board of Directors to, at one or several occasions until the Annual General Meeting 2018, decide upon an issue of shares and/or convertibles in the Company against payment in cash, in kind or through set-off and with the right to deviate from the shareholders' preferential rights. The purpose of the authorisation and the reason for the 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 3,554,375 shares calculated on the basis of the current number of shares issued by the Company. To the extent new issues of shares are made with deviation from the shareholders' preferential rights, such issues shall be made on market conditions.

### **Documents for the Meeting**

Tethys Oil AB's Annual Report and audit report will be available at the Company's head offices in Stockholm and on the Company's website., at the addresses provided above, not later than April 26, 2017. The other documents for the Meeting, including Proxy form (see above), will be available from the Company (address and telephone number stated above) and on the Company's web page [www.tethysoil.com](http://www.tethysoil.com) not later than April 26, 2017. The documents will be sent free of charge to shareholders upon request.

### **Majority Requirements**

For a resolution in accordance with item 17 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 also approve the resolution on transfer of warrants. For a resolution in accordance with the Board of Directors proposal in accordance with items 18-20 to be valid, the resolutions must be supported by shareholders representing at least two-thirds of the votes cast and the shares represented by the Meeting.

**Disclosures at the Annual General Meeting**

The Board of Directors and President 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 of business 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 other Group company.

**Shares and votes**

On the day this notice was issued, Tethys Oil AB had a total of 35,543,750 shares in issue with one vote each. Tethys Oil AB further held 1,329,224 own shares as on the date of this notice.

Stockholm, April 2017  
TETHYS OIL AB (publ)  
The Board of Directors