

# 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 14th 2014, at 3 p.m. at Van der Nootska Palatset, St. Paulsgatan 21 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 8th, 2014, second notify Tethys Oil AB of their intention to attend no later than Thursday May 8th, 2014; by mail to Tethys Oil AB, Hovslagargatan 5 B, SE-111 48 Stockholm, Sweden, by fax +46 (0)8 505 947 99 by telephone: +46 (0)8 505 947 00, or by e-mail [agm@tethysoil.com](mailto:agm@tethysoil.com). 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 8th 2014.

## 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 and the Managing Director.
12. Election of members of the Board, Chairman of the Board and auditor.
13. Resolution in respect of the fees payable to the members of the Board and the auditors.
14. Resolution in respect of guidelines for compensation of senior executives
15. Resolution in respect of a Nomination Committee and nomination procedure for the Annual General Meeting 2015.
16. Resolution in respect of an authorization of the Board to resolve new issue of shares.
17. Resolution in respect of an authorization of the Board to resolve repurchase of shares.
18. Other matters.
19. Closing of the Meeting.

## Proposals for resolutions

Resolutions in respect of Chairman of the AGM, election of Chairman of the Board and of other members of the Board, fees payable to the Chairman of the Board and other members of the Board, election of auditor and fees payable to the auditor (items 2, 12 and 13)

Tethys Oil AB's Nomination Committee for the 2014 Annual General Meeting, consisting of Dennis Harlin (Chairman), Håkan Ehrenblad, Jan Risberg and Mikael Petersson, proposes the following:

- Advokat Erik Nerpin to be appointed as Chairman of the Annual General Meeting.
- Five members of the Board of Directors to be appointed without deputy members.
- Re-election of Staffan Knafve, Jan Risberg, Magnus Nordin, Katherine Stövring and Per Brilioth.
- Election of Staffan Knafve 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 175,000 (excluding the Chief Executive Officer); (ii) annual fees of the Chairman of the Board of Directors of SEK 450,000; (iii) annual fees for Committee members of SEK 25,000 per Committee assignment (excluding the Chairman of the Audit Committee); and (iv) annual fees for the Chairman of the Audit Committee Chairmen of SEK 50,000. The total fees for Committee work, including Committee Chairmen fees shall not exceed SEK 225,000.
- Re-election of the registered accounting firm PricewaterhouseCoopers AB as the auditor of the Company, with authorised public accountant Klas Brand as the auditor in charge, for a period until the end of the 2015 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 approximately 35 per cent of the shares of the Company.

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

The Board proposes that no dividend is declared for the financial year 2013.

### *Resolution in respect of guidelines for compensation of senior executives (item 14)*

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 include the Managing Director and the Chief Financial Officer) in the Group contains five components: 1) basic salary; 2) pension arrangements; 3) yearly variable salary; 4) non-financial benefits; and 5) severance payments. The board may deviate from the guidelines if there are particular grounds for it. More details are to be found in the Board's full proposal.

### *Resolution in respect of a Nomination Committee and nomination procedure for the Annual General Meeting 2015 (item 15)*

The Nomination Committee propose that 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 based on shareholders statistics from Euroclear Sweden AB as per 30 September 2014, 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, 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 so 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, remuneration to the chairman of the board of directors, the other directors of the board 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 process of the nomination committee 2016, 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.

*Resolution in respect of an authorization for the Board to resolve new issue of shares (item 16)*

The Board of Directors proposes that the General Meeting authorizes the Board of Directors to resolve, at one or more occasions until the next Annual General Meeting 2015, to issue new shares with consideration in cash and/or with consideration in kind or by set-off and also be able to resolve to disapply the shareholders' pre-emption rights. The purpose with the authorization and the reason for disapplying the shareholders' pre-emption rights is to enable the Company to make business acquisitions and to raise capital for the Company's business operations. The total number of shares that can be issued based on the authorization may not exceed 10 per cent of the total number of shares in the Company. In case it is resolved to deviate from the shareholders pre-emption rights, the share issue shall be made in accordance with market conditions.

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

The Board of Directors proposes that the Annual General Meeting resolve to authorize the Board of Directors to, up until the Annual General Meeting 2015, resolve on purchases of Tethys Oil's AB own shares, in accordance with the following.

1. Purchases may be effected on NASDAQ OMX Stockholm.

2. The authorization may be used at one or several occasions before the Annual General Meeting 2015.
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 OMX 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 at, or financing of, an acquisition of a company or a business. The Board of Directors shall have the right to determine other conditions of the purchase in accordance with the authorization.

### **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 23rd, 2014. The other documents for the Meeting, including Proxy form (see below), and the Board of Directors' proposed resolution in accordance with Chapter 19 Section 22 of the Swedish Companies Act 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 23rd, 2014. The documents will be sent free of charge to shareholders upon request.

Shareholders who are represented by proxy must authorize such proxy by issuing a power of attorney. If such power of attorney is issued by a legal entity, an attested copy of the certificate of registration evidencing the authority to issue the power of attorney must be attached. The original power of attorney and the certificate of registration, where applicable, should be sent to Tethys Oil, Hovslagargatan 5 B, SE-111 48 Stockholm, Sweden, well in advance of the Meeting. A form to use for a power of attorney can be found on Tethys Oil AB's website [www.tethysoil.com](http://www.tethysoil.com).

### **Majority Requirements**

The implementation of the proposal of the Board of Directors pursuant to items 16 and 17 are subject to the approval at the Annual General Meeting with at least 2/3 of both the votes cast and of the shares represented at the meeting.

### **Disclosures at the Annual General Meeting**

The Board of Directors and President shall, if requested by any shareholder and if the Board 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.

Stockholm, April 2014  
TETHYS OIL AB (publ)  
The Board of Directors