

Remuneration Policy for Maha Energy AB (publ)

Introduction

Purpose

This remuneration policy encompasses the Company's CEO and board members (in so far as they receive remuneration for services provided to the group outside of the scope of the board assignment), any deputy CEO appointed in the Company and other Executive Managers that the Company regards as Executives. To the extent it should follow from good practice on the Swedish stock market, the guidelines shall also be applicable in relation to additional persons. The guidelines do not include remuneration decided by the general meeting. The board of directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. If such deviation occurs, this shall be disclosed for the next annual general meeting. Terms of employments governed by rules other than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Principles, promotion of the Company's business strategy, long-term interests and sustainability

The board of directors assesses that the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, builds on the Company being able to recruit and retain highly qualified and capable management to achieve set goals. In order to achieve this, the Company must be able to offer competitive total remuneration which these guidelines enable.

Remuneration shall not discriminate on grounds of gender, ethnic background, national origin, age, disability or other irrelevant factors.

Types of remuneration etc.

The main principle is that remuneration and other employment conditions for members of the Executive Management shall be based on market terms and be competitive in order to ensure that the group can attract and retain competent members of the Executive Management at a reasonable cost for the Company. The total remuneration to the Executive Management may consist of fixed cash remuneration, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share or share price-related remuneration.

Fixed cash remuneration

Each member of the Executive Management shall be offered a fixed remuneration to be paid in cash and on market terms commensurate with the international oil and gas sector, based on responsibilities, sector and time experience and performances. The fixed remuneration shall be adjusted annually. In order to avoid that the Executive Management is encouraged to take inappropriate risks, there shall be a fundamental balance between fixed and variable remuneration. The fixed remuneration shall thus be large enough in relation to the total remuneration paid to the Executive Management in order to render it possible to reduce the variable remuneration to zero.

Variable cash remuneration

In addition to the fixed remuneration, the members of the group's Executive Management may be offered variable remuneration to be paid in cash and based on the result in relation to performance goals within the respective area of responsibility and in line with the shareholders' interests. Variable remuneration shall be tied to annual performance related objectives and shall amount to a maximum of one hundred per cent of the fixed remuneration. Should variable remuneration paid have been based on information that later shows to have been evidently incorrect, the Company shall have the possibility to request repayment. Variable remuneration shall not be pension qualifying.

Variable remuneration shall be based on clear, predetermined and measurable criteria and predefined individual and operational goals, which can be financial, such as budget control, or non-financial, such as non-productive time measurements or production volume related goals. By setting criteria for variable remuneration for the Executive Management linked to the Company's earnings as well as sustainability, the Company's business strategy, long-term interests and competitiveness are promoted. The fulfillment of these criteria shall be measured over a period of one year, and shall be determined based on the Company's performance and the criteria agreed with the individual member of the Executive Management.

Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executive management, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to fifty per cent of the fixed annual cash remuneration and may not be paid more than once each year per individual.

The Company's remuneration committee shall propose and evaluate goals for variable remuneration for the group's Executive Management each year. The evaluation made by the remuneration committee shall be reported to the board of directors.

Long-term share or share-price related incentive programmes

Long-term share-related incentive programmes in the form of warrants giving right to subscribe for new shares have been implemented in the Company. Such programmes have been resolved by the general meeting and are therefore excluded from these guidelines. Warrants entitling the holder to subscribe for new shares in the Company have been issued and allocated to participants under three different incentive programmes for employees and senior management in the Company and its subsidiaries. The first incentive programme was adopted at the annual general meeting held on 30 May 2018, the second was adopted at the annual general meeting held on 23 May 2019, and the third was adopted at the annual general meeting held on 27 May 2020. The warrants issued under the three incentive programmes entitle the holder to subscribe for shares in the Company from 1 May 2021 until and including 30 November 2021, from 1 June 2022 until and including 28 February 2023, and from 1 June 2023 until and including 29 February 2024, respectively. Allocation in the programmes is depending on salary level and time of employment and maximum allocation is conditional upon continued employment during a vesting period of three years.

The share related incentive program is designed to retain and attract long term qualified and committed personnel in a global oil and gas market setting. The program is available to select employees and is meant to re-occur annually.

The remuneration committee and the board of directors shall annually evaluate whether to propose share related incentive programs at the annual general meeting.

Pension

Pension benefits, including health insurance, shall be premium defined unless the individual concerned is subject to defined benefit pension under mandatory collective bargaining agreement provisions. The pension premiums for premium defined pension shall amount to not more than ten percent of the pension qualifying income.

The Company will, at the minimum, follow statutory requirements for pension contributions in each applicable jurisdiction it operates.

Other benefits

Other benefits may include, inter alia, life insurance, health insurance, medical benefits and a company car, and shall be limited in value in relation to other remuneration and shall be paid only in so far as it is considered to be in accordance with the market for other members of executive managements holding corresponding positions on the employment market where the member in question is operating. Premiums and other costs relating to such benefits may amount to not more than ten per cent of the fixed remuneration.

Termination and severance payment

The notice period upon notice given by the Company shall be no longer than six months for all members of the Executive Management, with a right to redundancy payment after the expiration of the notice period corresponding to not more than 100 per cent of the fixed cash remuneration for a maximum of twelve months, meaning that the fixed remuneration and redundancy payment shall together not exceed eighteen months' fixed salary. Any right to redundancy payment shall, as a main rule, decrease in situations where remuneration is received from another employer. Upon notice given by a member of the Executive Management, the notice period shall generally be six months for the CEO and three months for other members of the Executive Management.

Consideration given to existing salaries and employment conditions for employees

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

The board of directors has established a remuneration committee. The committee's tasks include preparing the board of directors' decision to propose guidelines for Executive remuneration. The board of directors shall prepare a proposal for new guidelines when there is need for significant changes and at least every fourth year, and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The committee shall also monitor and evaluate programs for variable remuneration for the Executive Management, the application of the guidelines for Executive remuneration as well as the current remuneration structures and compensation levels in the Company. The members of the committee are independent of the Company and its Executive Management. The CEO and other members of the Executive Management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Information in regards to previously decided remuneration

Except for recurring commitments, there are no remuneration commitments in relation to members of the Executive Management that have not become due.