

## **NOTICE TO ATTEND THE ANNUAL GENERAL MEETING IN MAHA ENERGY AB (PUBL)**

The shareholders in Maha Energy AB (publ), reg. no. 559018-9543, are hereby given notice to attend the annual general meeting at 3:00 p.m. CET on Thursday 23 May 2019 at Setterwalls Advokatbyrå's offices at Sturegatan 10 in Stockholm, Sweden. Registration for the meeting commences at 2:30 p.m CET.

### **Notice**

Shareholders wishing to participate at the meeting must:

- (i) be entered in the shareholders' register, kept by Euroclear Sweden AB (the Swedish Central Securities Depository & Clearing Organisation), on the record day which is Friday 17 May 2019; and
- (ii) notify the company of their attendance and any assistant no later than Friday 17 May 2019. Notification can be made via letter to Setterwalls Advokatbyrå AB, Attn: Lars Sundell, P.O. Box 1050, SE-101 39 Stockholm, Sweden or by e-mail to [lars.sundell@setterwalls.se](mailto:lars.sundell@setterwalls.se).

Notification shall include full name, personal identification number or corporate registration number, address and daytime telephone number and, where appropriate, information about representative, proxy and assistants. The number of assistants may not be more than two. In order to facilitate entry to the meeting, notification should, where appropriate, be accompanied by powers of attorney, registration certificates and other documents of authority.

Personal data obtained from the share register kept by Euroclear Sweden AB, notices and attendance at the meeting and information on representatives, proxies and assistants will be used for registration, preparation of the voting list for the meeting and, where appropriate, the minutes of the meeting.

### **Nominee registered shares**

Shareholders who have their shares registered in the name of a nominee must request temporary entry in the transcription of the share register kept by Euroclear Sweden AB in order to be entitled to participate and vote for their shares at the meeting. The shareholder must inform the nominee well in advance of the record day, at which time the register entry must have been made.

### **Proxy**

A shareholder represented by proxy shall issue a power of attorney which shall be dated and signed by the shareholder. If issued by a legal entity the power of attorney shall be accompanied by registration certificate or, if not applicable, equivalent documents of authority. Power of attorney forms for those shareholders wishing to participate by proxy are available on the company's website [www.mahaenergy.ca](http://www.mahaenergy.ca). The original version of the power of attorney shall also be presented at the meeting.

## Proposed agenda

1. Opening of the meeting and election of chairman of the meeting;
2. Preparation and approval of the voting list;
3. Approval of the agenda;
4. Election of one (1) or two (2) persons who shall approve the minutes of the meeting;
5. Determination of whether the meeting has been duly convened;
6. Presentation by the managing director;
7. Submission of the annual report and the auditor's report and the consolidated financial statements and the auditor's report on the group;
8. Resolution in respect of adoption of the profit and loss statement and the balance sheet and the consolidated profit and loss statement and the consolidated balance sheet;
9. Resolution in respect of allocation of the company's profit or loss according to the adopted balance sheet;
10. Resolution in respect of the members of the board of directors' and the managing director's discharge from liability;
11. Determination of the number of members of the board of directors and the number of auditors and, where applicable, deputy auditors;
12. Determination of the fees payable to the members of the board of directors and the auditors;
13. Election of members of the board of directors, auditors and, where applicable, deputy auditors;
14. Resolution regarding principles for the appointment of and instructions regarding a nomination committee;
15. Resolution regarding an incentive programme and issuance of warrants to senior management and key employees (LTIP);
16. Resolution regarding authorization for the board of directors to increase the share capital;
17. Closing of the meeting.

## Proposed resolutions

### Item 1. Election of chairman of the meeting

The nomination committee, consisting of Harald Pousette, representing Kvalitena AB, Lars Carnestedt, representing Nerthus Investments Ltd., Patrik Lindvall, representing Jonas Lindvall and Wayne Thomson, the chairman of the board of directors, proposes that attorney Marcus Nivinger is appointed chairman of the annual general meeting.

### Item 9. Allocation of the company's profit or loss according to the adopted balance sheet

The board of directors proposes that the company's available funds shall be carried forward in new account and that no dividend shall be paid for the last financial year.

Item 11. Determination of the number of members of the board of directors and the number of auditors and deputy auditors

The nomination committee proposes that four board members are elected.

Further, the nomination committee proposes that a registered public auditor is appointed as auditor.

Item 12. Determination of the fees payable to the members of the board of directors and auditors

The nomination committee proposes that the fees payable to the board of directors for the period until the end of the next annual general meeting shall remain the same and amount to a total of SEK 640,000 (remuneration for committee work not included) out of which SEK 300,000 (unchanged) shall be paid to the chairman and SEK 170,000 (unchanged) to each of the other ordinary members. The managing director shall not receive a fee as an ordinary member of the board of directors.

Board members shall also be entitled to invoice the company in so far as they perform services outside the board assignment.

Furthermore, it is proposed, as remuneration for the committee work, the chairman of the audit committee is to receive SEK 125,000 (unchanged), the chairman of the compensation and governance committee SEK 125,000 (unchanged), the chairman of the reserves and health, safety and environment committee SEK 125,000 (unchanged), members of the audit committee (the chairman excluded) SEK 85,000 (unchanged) each, members of the compensation and governance committee (the chairman excluded) SEK 85,000 (unchanged) each and members of the reserves and health, safety and environment committee (the chairman excluded) SEK 85,000 (unchanged) each. The managing director shall not receive remuneration as a member of a committee.

It is proposed that the company's auditor shall be paid in accordance with approved invoices.

Item 13. Election of members of the board of directors and auditors

The nomination committee has noted that Wayne Thomson has advised he will not seek reelection to the board of directors at the 2019 annual general meeting. The nomination committee thanks Wayne Thomson for his service to the Company. The nomination committee proposes re-election of Jonas Lindvall, Anders Ehrenblad and Harald Pousette and the election of Nicholas Walker as ordinary board members. The nomination committee proposes election of Anders Ehrenblad as chairman of the board of directors.

Information on the board members proposed for re-election can be found in the annual report and on the company's website at [www.mahaenergy.ca](http://www.mahaenergy.ca). Information on Nicholas Walker is as follows:

Nicholas Walker (born 1962), holds a degree in Mining Engineering from Imperial College London, Computer Science from University College London as well as an MBA from City University Business School in London. Nicholas (Nick) started his career as a petroleum engineer with BP plc and also worked in senior management positions at Bow Valley Energy

Inc. Between 1994 and 2011 he worked with Talisman Energy Inc. in various senior operating and commercial roles. Nick held country general manager positions with Talisman Energy in the UK and Malaysia/Vietnam. From 2009 to 2011 Nick served as Executive Vice President International Operations with Talisman Energy. Between 2012 and 2015 he worked as Chief Operating Officer with Africa Oil Corp. Nick is a seasoned senior executive with over 30 years of international experience in the upstream oil and gas industry across Europe, Africa, Asia and the Americas. Since 2015 Nick has held the position of Chief Operating Officer of Lundin Petroleum AB where he is responsible for the company's exploration, development and operations activities. Nick holds 534,211 shares in Maha.

The nomination committee further proposes re-election of the accounting firm Deloitte AB as auditor. Deloitte AB has informed that Fredrik Jonsson will continue to be appointed as the auditor-in-charge.

*Item 14. Resolution regarding principles for the appointment of and instructions regarding a nomination committee*

The nomination committee does not propose any changes to the principles adopted at the annual general meeting in 2018 (applicable until the general meeting decides otherwise). The principles are kept available on the company's website at [www.mahaenergy.ca](http://www.mahaenergy.ca).

*Item 15. Resolution regarding an incentive programme and issuance of warrants to senior management and key employees (LTIP)*

The board of directors in Maha Energy AB (publ) (the "**Company**") (excluding Jonas Lindvall) proposes that the annual general meeting resolves on an incentive programme for senior management and certain key employees through issuance of warrants entitling to subscription of new shares of class A in the Company ("**Shares**") as set forth below.

*Background*

The proposal to launch an incentive programme by the issuance of warrants has been prepared and presented by the board of directors of the Company (excluding Jonas Lindvall) in order to strengthen the retention of employees with the company group and to motivate the employees to create shareholder value. The board of directors assess that these objectives are in line with all shareholders' interests.

The programme encompasses employees employed by subsidiaries of the Company (together with the Company, the "**Group**"). Board members not employed by the Group are not allowed to participate. Those entitled to participate in the incentive program are hereinafter referred to as "**Participants**".

*Terms and conditions for the issue of warrants*

1. The Company shall issue not more than 500,000 warrants. Each warrant entitles to subscription of one (1) new Share, each with a quotient value of SEK 0.011.
2. The warrants may, with deviation from the shareholders' preferential rights, only be subscribed for by Maha Energy Inc (the "**Subsidiary**"), a subsidiary of the Company,

after which the Subsidiary is to transfer the warrants to the Participants in accordance with the resolution adopted by the general meeting and instructions from the board of directors of the Company.

3. Subscription of warrants shall be made by the Subsidiary on a subscription list following the general meeting's issue resolution, but no later than 1 June 2019. The board of directors of the Company shall be entitled to prolong the subscription period.
4. The warrants shall be issued without consideration (i.e. free of charge) to the Subsidiary.
5. If all issued warrants are subscribed for by the Subsidiary, transferred to and exercised by the Participants for subscription of new Shares, the Company's share capital will increase with SEK 5,500 (subject to potential recalculations in accordance with standard terms and conditions applicable to the warrants).
6. The warrants may be exercised for subscription of new Shares during the period from and including 1 June 2022 until and including 28 February 2023. Warrants that have not been exercised for subscription of new Shares by 28 February 2023 shall lapse.
7. Each warrant shall entitle the warrant holder to subscribe for one new Share in the Company at a subscription price per Share (the "**Exercise Price**") corresponding to 100 per cent of the volume weighted average last closing price for the Company's share on Nasdaq First North during the period from and including 17 May 2019 until and including 23 May 2019. The Exercise Price thus calculated shall be rounded off to the nearest whole SEK 0.10, whereupon SEK 0.5 shall be rounded upwards. The Exercise Price may never be below the quotient value of the shares.
8. The warrants will be subject to customary recalculation conditions.

*Allocation principles to be applied in relation to Participants*

Warrants subscribed for by the Subsidiary shall be transferred to the Participants in accordance with instructions from the board of directors of the Company and the principles set forth below.

The transfers of warrants from the Subsidiary to the Participants are to be made without consideration (i.e. free of charge).

The Participants' right to receive warrants shall be differentiated based on position, responsibility and work performance in the Group and the maximum allocation of warrants for each Participant is set forth in the following schedule:

Participant	Country	Maximum no. of
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		<b>allocated warrants</b>
CEO	Canada	45,000
CCO & VP	Canada	45,000
CFO	Canada	50,000
COO	Canada	50,000
VP Exploration	USA	25,000
Other key employees (maximum of 15)	USA, Brazil and Canada	285,000
<b>Total:</b>	-	<b>500,000</b>

Allocated warrants may be exercised for subscription of new Shares in the Company during the period from and including 1 June 2022 until and including 28 February 2023. Subscription of new Shares may however not take place during so-called closed periods according to the EU Market Abuse Regulation, or otherwise in breach of relevant insider rules and regulations (including the Company's internal guidelines in this respect).

#### *Warrant agreement*

All warrants will be governed by warrant agreements to be entered into between each Participant and the Subsidiary in connection with the transfer of warrants from the Subsidiary. The warrant agreement will include certain transfer restrictions and other terms and conditions customary for such agreements.

#### *Reasons for the deviation from the shareholders' preferential rights*

The reasons for the deviation from the shareholders' preferential rights is that the Company wishes to offer warrants to employees of the Group in order to strengthen the retention of employees and to motivate them to contribute to the creation of shareholder value.

#### *Dilution, costs, etc.*

Upon full subscription, transfer and exercise of all 500,000 issued warrants; a total of 500,000 new Shares will be issued in the Company (subject to potential recalculations in accordance with standard terms and conditions applicable to the warrants). This would lead to a dilution corresponding to approx. 0.5 per cent of the total share capital and number of votes in the Company (based on the share capital and number of shares in the Company registered as of the date of this proposal and calculated as the maximum amount of share capital and number of shares that may be issued, divided by the total share capital and the total number of shares in the Company after all warrants have been exercised).

The incentive programme is expected to have a marginal effect on the Company's earnings per share. A preliminary estimate of the market value of the warrants is SEK 8.06 per warrant for the call period (as at 15 April 2019), assuming an underlying market value and exercise price of SEK 21.30 per share (as at 15 April 2019). The Black Scholes valuation model has been used

for valuing the warrants and assumes a risk free interest of -0.33 per cent and a volatility of 53.3 per cent.

Costs related to the issuance of warrants under the incentive programme will be accounted for in accordance with IFRS 2 and recognized as an expense in the income statement during the vesting period. The preliminary estimate of total cost to be recorded during the term of the programme is SEK 4,029,489. Ongoing administration costs and other costs of the programme are minimal.

#### *Outstanding incentive programmes*

As of the date of this proposal, the Subsidiary has 50,000 stock options outstanding under a separate stock-based incentive plan. Upon exercise of the stock options, the option holders become shareholders in the Company instead of the Subsidiary. In order to facilitate such exchange the Company has issued the shares of class C2 to be converted to shares of class A and delivered to holders upon exercise of stock options.

In addition, a total of 1,500,000 warrants are outstanding under two (2) long term incentive program for employees and senior management of the Group, of which the first program comprises of 750,000 warrants (“**Program One**”) and the second program comprises of 750,000 warrants (“**Program Two**”). Each warrant under the respective program entitles to subscribe for one new Share in the Company. The exercise price of the warrants corresponds to 100 per cent of the volume weighted average last closing price for the Company’s share on Nasdaq First North during the period from and including (i) 12 June 2017 until and including 15 June 2017 for Program One and (ii) 24 May 2018 until and including 29 May 2018 for Program Two. The warrants may be exercised from and including (i) 1 June 2020 until and including 31 December 2020 for Program One and (ii) 1 May 2021 until and including 30 November 2021 for Program Two.

#### *Approval of transfer of warrants from the Subsidiary to Participants*

A resolution to issue warrants in accordance with this proposal also includes an approval of the transfers of warrants from the Subsidiary to the Participants.

#### *Majority requirements*

This proposal to adopt the incentive programme and to issue warrants, as well as the approval of the transfers of warrants from the Subsidiary to the Participants, is governed by the provisions in Chapter 16 of the Swedish Companies Act (*Sw. Aktiebolagslagen (2005:551)*), and a valid resolution therefore requires that the proposal is supported by shareholders representing at least nine-tenths (9/10) of the votes cast as well as of all shares represented at the meeting.

#### *Item 16. Resolution regarding authorization for the board of directors to increase the share capital*

The board of directors proposes that the general meeting resolves on an authorization for the board of directors to – for the period up to the next annual general meeting and at one or more occasions – resolve upon issuance of new shares, warrants and/or convertible debentures. Payment may be made in cash, in kind, through set-off of claims or otherwise be

conditional. The company's share capital may by support of the authorization be increased by an amount corresponding to 20 per cent of the share capital and number of shares in the company as of on the date the board of directors make use of the authorisation. Deviation from the shareholders' preferential rights shall be allowed in situations where a directed issue is deemed more appropriate for the company due to timing, commercial or similar reasons, and in order to enable acquisitions. The chairman of the board of directors, the managing director, or anyone authorized by the board of directors, shall have the right to make any minor adjustments required in order to register this resolution.

#### *Majority requirements*

For a valid decision on the proposal on an authorization for the board of directors, as outlined above, requires that the proposal is supported by shareholders representing at least two-thirds (2/3) of the votes cast and the shares represented at the meeting.

#### **Number of shares and votes in the company**

The total number of shares in the company at the time of issuance of this notice is 100,232,415 (91,412,784 A-shares, 7,960,318 convertible B-shares and 859,313 convertible C2-shares). The total number of votes for all issued shares in the company is 99,544,964 votes. The company does not hold any of its own shares.

#### **Shareholders' right to request information**

Pursuant to Chapter 7 section 32 of the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)) the board of directors and the managing director are under a duty to, if any shareholder so requests and the board of directors deems that it can be made without material damage to the company, provide information, regarding circumstances which may affect the assessment of a matter on the agenda or of the company's economic situation. Such duty to provide information also comprises the company's relation to the other group companies, the consolidated financial statements and such circumstances regarding subsidiaries which are set out in the foregoing sentence.

#### **Documentation**

The financial accounts, auditor's report, complete proposals for resolution and other documents to be dealt with at the general meeting will be kept available at the company's office not later than three weeks before the meeting. The documents will be sent free of charge to shareholders who so request and state their postal address. The documents will also be made available not later than the aforementioned date on the company's website [www.mahaenergy.ca](http://www.mahaenergy.ca). All the above mentioned documents will also be presented at the general meeting.

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Stockholm, April 2019

*The board of directors*