

Invitation to the Annual General Meeting of Lundin Petroleum AB

The shareholders of Lundin Petroleum AB are hereby given notice of the Annual General Meeting of Shareholders to be held on Tuesday 31 March 2020 at 13.00 (Swedish time). Location: Vinterträdgården at Grand Hôtel, Södra Blasieholmshamnen 8, in Stockholm. The Annual General Meeting will be translated from Swedish to English and from English to Swedish.

Attendance at the Annual General Meeting

Shareholders wishing to attend the Annual General Meeting shall:

- be recorded in the share register maintained by Euroclear Sweden AB on Wednesday 25 March 2020; and
- notify Lundin Petroleum of their intention to attend the Annual General Meeting no later than Wednesday 25 March 2020 through the website www.lundin-petroleum.com (only applicable to individuals) or by mail to Computershare AB, "Lundin Petroleum AB's AGM", Box 5267, 102 46 Stockholm, Sweden, by telephone Int +46-8-518 01 554 or by e-mail info@computershare.se.

Shareholders whose shares are registered in the name of a nominee must temporarily register, through the nominee, the shares in their own names in order to be entitled to attend the Annual General Meeting. Such registration must be effected by Wednesday 25 March 2020, at the latest.

Shareholders may attend the Annual General Meeting through a proxy. A shareholder shall in such a case issue a written and dated proxy signed by the shareholder. Proof of authorisation (through a certificate of registration or similar) shall be attached to proxies issued by legal entities. A proxy form is available on www.lundin-petroleum.com and will be sent to shareholders upon request. To facilitate registration at the Annual General Meeting, proxy forms, certificates of registration and other documents of authority should be submitted to the Company at the address above in good time prior to the Meeting.

For information on how your personal data is handled, please refer to <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Proposed agenda

1. Opening of the Annual General Meeting.
2. Election of Chairman of the Annual General Meeting.
3. Preparation and approval of the voting register.
4. Approval of the agenda.
5. Election of one or two persons to approve the minutes.
6. Determination as to whether the Annual General Meeting has been duly convened.
7. Presentation of the annual report and the auditor's report, the consolidated financial statements and the auditor's Group report.
8. Resolution in respect of adoption of the income statement and the balance sheet and the consolidated income statement and consolidated balance sheet.
9. Resolution in respect of disposition of the Company's result according to the adopted balance sheet and determination of record dates for the dividend.
10. Resolution in respect of discharge from liability of the members of the Board of Directors and the Chief Executive Officer.
11. Resolutions in respect of matters initiated by a shareholder:
 - a) A shareholder proposes that the Annual General Meeting amends the Policy on Remuneration of Group Management to introduce a recoupment policy.
 - b) A shareholder proposes that the Annual General Meeting calls on the Board of Directors to urge Group Management to promptly disclose certain information and to take certain actions.
12. Presentation by the Nomination Committee:
 - Proposal for the number of members of the Board of Directors.
 - Proposal for remuneration of the Chairman and other members of the Board of Directors.
 - Proposal for election of Chairman of the Board of Directors and other members of the Board of Directors.
 - Proposal for remuneration of the auditor.

- Proposal for election of auditor.
13. Resolution in respect of the number of members of the Board of Directors.
 14. Resolution in respect of remuneration of the Chairman and other members of the Board of Directors.
 15. Resolutions in respect of Board members:
 - a) re-election of Peggy Bruzelius as a Board member;
 - b) re-election of C. Ashley Heppenstall as a Board member;
 - c) re-election of Ian H. Lundin as a Board member;
 - d) re-election of Lukas H. Lundin as a Board member;
 - e) re-election of Grace Reksten Skaugen as a Board member;
 - f) re-election of Torstein Sanness as a Board member;
 - g) re-election of Alex Schneiter as a Board member;
 - h) re-election of Jakob Thomasen as a Board member;
 - i) re-election of Cecilia Vieweg as a Board member; and
 - j) re-election of Ian H. Lundin as the Chairman of the Board of Directors.
 16. Resolution in respect of remuneration of the auditor.
 17. Election of auditor.
 18. Resolution in respect of the 2020 Policy on Remuneration for Group Management.
 19. Resolution in respect of the 2020 Long-term, Performance-based Incentive Plan.
 20. Resolution in respect of delivery of shares under the 2017, 2018 and 2019 Long-term, Performance-based Incentive Plans.
 21. Resolution in respect of delivery of shares under the 2020 Long-term, Performance-based Incentive Plan.
 22. Resolution to authorise the Board of Directors to resolve on new issue of shares and convertible debentures.
 23. Resolution to authorise the Board of Directors to resolve on repurchase and sale of shares.
 24. Resolution regarding a revised Nomination Committee Process for the Annual General Meeting.
 25. Resolution to change the Company's Articles of Association.
 26. Speech by the Chief Executive Officer.
 27. Closing of the Annual General Meeting.

Proposals for resolutions to be presented at the Annual General Meeting of Lundin Petroleum AB on Tuesday 31 March 2020 in Stockholm

Resolution in respect of disposition of the Company's result (item 9)

The Board of Directors proposes that the Annual General Meeting resolves on a cash dividend in the amount of USD 1.80 per share, corresponding to USD 511 million (rounded off), to be paid in quarterly instalments of USD 0.45 per share, corresponding to USD 128 million (rounded off). Before payment, each quarterly dividend of USD 0.45 per share shall be converted into a SEK amount based on the USD to SEK exchange rate published by Sweden's central bank (Riksbanken) four business days prior to each record date (rounded off to the nearest whole SEK 0.01/share). The final USD equivalent amount received by the shareholders may therefore slightly differ depending on what the USD to SEK exchange rate is on the date of the dividend payment. The SEK amount per share to be distributed each quarter will be announced in a press release four business days prior to each record date.

Relevant dates for the proposed dividend:

Ex-dividend date	Record date	Expected payment date
1 April 2020	2 April 2020	7 April 2020
2 July 2020	3 July 2020	8 July 2020
1 October 2020	2 October 2020	7 October 2020
30 December 2020	4 January 2021	8 January 2021

In order to comply with Swedish company law, a maximum total SEK amount shall be pre-determined to ensure that the annual dividend distributed does not exceed the available distributable reserves of the Company and such maximum amount for the proposed dividend has been set to a cap of SEK 9.203 billion (i.e., SEK 2.301 billion per quarter). If the total dividend would exceed the cap of SEK 9.203 billion, the dividend will be automatically adjusted downwards so that the total dividend corresponds to the cap of SEK 9.203 billion.

If Riksbanken does not publish the USD to SEK exchange rate on the fourth business day prior to the relevant record date, the conversion into SEK will be based on the USD to SEK exchange rate published by Riksbanken immediately before such business day.

Resolutions in respect of matters initiated by a shareholder (items 11 a)-b))

The Company has received two shareholder proposals in relation to its past operations in Sudan, including to amend the Policy on Remuneration of Group Management to introduce a recoupment policy and to call on the Board of Directors to urge Group Management to promptly disclose certain information and to take certain actions. Shareholder proposals in relation to the Company's past activities in Sudan were brought by the same shareholder to the 2012, 2013, 2017 and 2019 Annual General Meetings, where they were rejected by the shareholders. The Board of Directors finds the proposals set out in items 11 a)-b) of the proposed agenda not in the best interests of the Company and its shareholders, and recommends voting against the proposals. The complete proposals, as well as the Board of Directors' recommendation to vote against the proposals and the reasons for the recommendation, are available on Lundin Petroleum's website www.lundin-petroleum.com.

Resolutions in respect of Chairman of the Annual General Meeting, number of Board members, remuneration of the Chairman of the Board of Directors and other members of the Board of Directors, election of Chairman of the Board of Directors and of other members of the Board of Directors, remuneration of the auditor and election of the auditor (items 2 and 13-17)

Lundin Petroleum AB's Nomination Committee for the 2020 Annual General Meeting consists of Aksel Azrac (representing Nemesia S.à.r.l.), Filippa Gerstädt (representing Nordea Funds) and Ian H. Lundin (Chairman of the Board of Directors). The Nomination Committee for the 2020 Annual General Meeting, appointed by shareholders jointly holding approximately 28.7 percent of the shares and voting rights in Lundin Petroleum AB as per 1 August 2019, proposes the following:

- Advokat Klaes Edhall to be appointed as Chairman of the Annual General Meeting.
- Nine members of the Board of Directors to be appointed without deputy members.
- Remuneration of the members of the Board of Directors and the Chairman of the Board of Directors, including in respect of Committee membership, to be as follows: (i) annual fees of the members of the Board of Directors of USD 62,000 (excluding the Chairman of the Board of Directors and the Chief Executive Officer as a Board member); (ii) annual fees of the Chairman of the Board of Directors of USD 130,000; (iii) annual fees for Committee members of USD 14,700 per Committee assignment (other than Committee Chairs); and (iv) annual fees for Committee Chairs of USD 20,300; with the total fees for Committee work, not to exceed USD 193,200.
- Re-election of Peggy Bruzelius, C. Ashley Heppenstall, Ian H. Lundin, Lukas H. Lundin, Grace Reksten Skaugen, Torstein Sanness, Alex Schneiter, Jakob Thomasen and Cecilia Vieweg as members of the Board of Directors for a period until the end of the 2021 Annual General Meeting.
- Re-election of Ian H. Lundin as Chairman of the Board of Directors for a period until the end of the 2021 Annual General Meeting.
- The auditor's fees shall be payable upon approval of their invoice.
- Election of the registered accounting firm Ernst & Young AB as the auditor of the Company, which intends to appoint authorised public accountant Anders Kriström as the auditor in charge, for a period until the end of the 2021 Annual General Meeting.

Resolution in respect of the 2020 Policy on Remuneration for Group Management (item 18)

The Board of Directors proposes that the Annual General Meeting resolves that the Company shall apply the following policy for Group Management.

POLICY ON REMUNERATION FOR GROUP MANAGEMENT

Application of the Policy

This Policy on Remuneration (the "**Policy**") applies to the remuneration of "**Group Management**" at Lundin Petroleum AB ("**Lundin Petroleum**" or the "**Company**"), which includes (i) the President and Chief Executive Officer (the "**CEO**"), (ii) the Deputy CEO, who from time to time will be designated from one of the other members of Group Management, and (iii) the Chief Operating Officer, Chief Financial Officer and Vice President level employees. The Policy also applies to members of the Board of Directors (the "**Board**") of the Company where remuneration is paid for work performed outside the directorship.

Background to the proposed changes to the Policy

The Policy to be approved by the 2020 Annual General Meeting ("**AGM**") is the result of a review to comply with revised Swedish legislation resulting from the European Union Shareholder Rights Directive II and the 2020 revised Swedish Corporate Governance Code. Few material changes are

proposed for how the Company manages executive remuneration matters, however the new legislation, together with discussions with shareholders' representatives, have led to some changes to the Policy that is submitted to the shareholders for approval. The revised Policy is different to the Policy approved by the 2019 AGM with regard to the following:

- The Policy is more explicit on the links to strategy, long-term performance and sustainability and requires that the Compensation Committee (the "**Committee**") takes shareholders' opinions into account, as well as remuneration across the broader employee population, when making its decisions and recommendations to the Board.
- The Board continues to award annual variable remuneration worth up to 12 months' base salary but now provides more clarity by imposing a cap of 18 months' base salary for occasions when individuals have delivered outstanding performance.
- The Policy now describes the design and governance of different elements of remuneration in more detail, as well as their relative proportions of total remuneration.
- There is more information on terms and decision making processes and considerations, including how the Company can deviate from the Policy.

This Policy is, together with previous years' Policies, available on the Company's website www.lundin-petroleum.com and it will remain available for ten years.

Key remuneration principles at Lundin Petroleum

Lundin Petroleum's remuneration principles and policies are designed to ensure responsible and sustainable remuneration decisions that support the Company's strategy, shareholders' long-term interests and sustainable business practices. It is the aim of Lundin Petroleum to recruit, motivate and retain high calibre executives capable of achieving the objectives of the Company and to encourage and appropriately and fairly reward executives for their contributions to Lundin Petroleum's success.

Remuneration to members of the Board

In addition to Board fees resolved by the AGM, remuneration as per prevailing market conditions may be paid to members of the Board for work performed outside the directorship.

Compensation Committee

The Board has established the Committee to support it on matters of remuneration relating to the CEO, the Deputy CEO, other members of Group Management and other key employees of the Company. The objective of the Committee is to structure and implement remuneration principles to achieve the Company's strategy, the principal matters for consideration being:

- the review and implementation of the Company's remuneration principles for Group Management, including this Policy which requires approval by the General Meeting of Shareholders;
- the remuneration of the CEO and the Deputy CEO, as well as other members of Group Management, and any other specific remuneration issues arising;
- the design of long-term incentive plans that require approval by the General Meeting of Shareholders; and
- compliance with relevant rules and regulatory provisions, such as this Policy, the Swedish Companies Act and the Swedish Corporate Governance Code.

When the Committee makes decisions, including determining, reviewing and implementing the Policy, it follows a process where:

- The Board sets and reviews the terms of reference of the Committee;
- the Chair of the Committee approves the Committee's agenda;
- the Committee considers reports, data and presentations and debates any proposal. In its considerations the Committee will give due regard to the Company's situation, the general and industry specific remuneration environment, the remuneration and terms of employment of the broader employee population, feedback from different stakeholders, relevant codes, regulations and guidelines published from time to time;

- the Committee may request the advice and assistance of management representatives, other internal expertise and of external advisors. However, it shall ensure that there is no conflict of interest regarding other assignments that any such advisors may have for the Company and Group Management;
- the Committee ensures through a requirement to notify and recuse oneself that no individual with a conflict of interest will take part in a remuneration decision that may compromise such a decision;
- once the Committee is satisfied that it has been properly and sufficiently informed, it will make its decisions and, where required, formulate proposals for approval by the Board; and
- the Board will consider any items for approval or proposals from the Committee and, following its own discussions, make decisions, proposals for a General Meeting of Shareholders and/ or further requests for the Committee to deliberate on.

Elements of remuneration for Group Management

There are four key elements to the remuneration of Group Management:

	Description, purpose and link to strategy and sustainability	Process and governance	Relative share of estimated/maximum total reward*
<u>a) Base salary</u>	- Fixed cash remuneration paid monthly. Provides predictable remuneration to aid attraction and retention of key talent.	- The Committee reviews salaries every year as part of the review of total remuneration (see below for a description of the benchmarking process).	30% / 20%
<u>b) Annual variable remuneration</u>	- Annual bonus is paid for performance over the financial year. - Awards are capped at 18 months' base salary, paying up to 12 months' base salary for ranges of stretching performance requirements. Any value over 12 months' base salary is paid for delivering outstanding performance. - Signals and rewards the strategic and operational results and behaviours expected for the year that contribute to the long-term, sustainable value creation of the Company.	- The annual review of total remuneration also considers annual bonus awards, outcomes, target structure, weightings of targets and specific target levels of performance. - Measurable financial and non-financial performance requirements are identified according to position and responsibilities and include delivery against production of oil and gas, reserves and resource replacement, financial, health and safety, ESG, carbon dioxide gas emissions and strategic targets. - The Committee reviews the design of annual variable remuneration separately.	20% / 25%

* Estimated reward shows the percentage of total reward where proportions are estimated assuming 50 percent of maximum annual bonus and 50 percent of the long-term incentive without any share price or dividend effect. Proportions of maximum reward assume full vesting of both annual variable remuneration and the long-term incentive but without any share price or dividend effect. Different actual awards and the variable nature of incentives means that the actual proportions for an individual may be different.

<u>c) Long-term incentive plan</u>	<ul style="list-style-type: none"> - Performance share plan that aligns the interests of participants with those of shareholders through awards in shares worth up to 36 months' base salary on award, vesting after 3 years subject to performance. - Relative Total Shareholder Return (“TSR”) summarises the complex set of variables for long-term sustainable success in oil and gas exploration and production into a single performance test relative to peers that the Company competes with for capital. 	<ul style="list-style-type: none"> - Annual review of total remuneration considers long-term incentive awards, outcomes, TSR peer group and targets. - Participants are required to build a significant personal shareholding of up to 200% of base salary over time by retaining shares until a predetermined limit has been achieved. - The Committee reviews the design of long-term incentives separately. 	40% / 50%
<u>d) Benefits</u>	<ul style="list-style-type: none"> - Predictable benefits to help facilitate the discharge of each executive's duties, aiding the attraction and retention of key talent. 	<ul style="list-style-type: none"> - The Committee reviews benefits and contractual terms regularly to ensure that the Company does not fall behind the market. - Benefits are set with reference to external market practices, internal practices, position and relevant reference remuneration. 	10% / 5%
Total			100% / 100%

Review and benchmarking

Every year the Committee undertakes a review of the Company's remuneration policies and practices considering the total remuneration of each executive as well as the individual components. Levels are set considering:

- the total remuneration opportunity;
- the external pay market;
- the scope and responsibilities of the position;
- the skills, experience and performance of the individual;
- the Company's performance, affordability of reward and general market conditions; and
- levels and increases in remuneration, as well as other terms of employment, for other positions within the Company.

External benchmarks for total remuneration are found from one or more sets of companies that compete with Lundin Petroleum for talent, taking into consideration factors like size, complexity, geography and business profile when determining such peer groups.

Variable remuneration

The Company considers that variable remuneration forms important parts of executives' remuneration packages, where associated performance targets reflect the key drivers for pursuing the Company's strategy, and to achieve sustainable value creation and growth in long-term shareholder value. The Committee ensures that performance and design align with the strategic direction and risk appetite of the Company before incentives are approved by the Board.

There is no deferral of incentive payments, however, the Board can recover annual bonuses paid in the unlikely event of outcomes based on information which is subsequently proven to have been manifestly

misstated. The Board can also in exceptional circumstances reduce long-term incentive awards, including reducing them to zero, should it consider the vesting outcome to incorrectly reflect the true performance of the Company.

Benefits

Benefits provided shall be based on market terms and shall facilitate the discharge of each executive's duties. The pension provision is the main benefit and follows the local practice of the geography where the individual is based. The pension benefits consist of a basic defined contribution pension plan, where the employer provides 60 percent and the employee 40 percent of an annual contribution of up to 18 percent of the capped pensionable salary and a supplemental defined contribution pension plan where the employer provides 60 percent and the employee 40 percent of a contribution up to 14 percent of the capped pensionable salary.

Severance arrangements

Executives have rolling contracts where mutual notice periods of between three and twelve months apply between the Company and the executive, depending on the duration of the employment with the Company. In addition, severance terms are incorporated into the employment contracts for executives that give rise to compensation in the event of termination of employment due to a change of control of the Company. Such compensation, together with applicable notice periods, shall not exceed 24 months' base salary.

The Board is further authorised, in individual cases, to approve severance arrangements, in addition to the notice periods and the severance arrangements in respect of a change of control of the Company, where employment is terminated by the Company without cause, or otherwise in circumstances at the discretion of the Board. Such severance arrangements may provide for the payment of up to 12 months' base salary; no other benefits shall be included.

In all circumstances, severance payments in aggregate (i.e. for notice periods and severance arrangements) shall be limited to a maximum of 24 months' base salary.

Authorisation for the Board

In accordance with Chapter 8, Section 53 of the Swedish Companies Act, the Board shall be authorised to approve temporary deviations from the Policy on any element of remuneration described in this Policy, except from the maximum award of annual variable remuneration, which shall at all times be limited to 18 months' base salary. Deviations shall be considered by the Committee and shall be presented to the Board for approval. Deviations may only be made in specific cases if there are special reasons outside of normal business that make it necessary to increase reward in order to help secure the Company's long-term interests, financial viability and/or sustainability by recognising exceptional contributions. The reasons for any deviation shall be explained in the remuneration report to be submitted to the AGM.

Outstanding remunerations

Remunerations outstanding to Group Management comprise awards granted under the Company's previous long-term incentive programs and include 258,619 shares for awards under the LTIP 2017, 195,658 shares for awards under the LTIP 2018, 222,148 shares for awards under LTIP 2019 and 2,746 unit bonus awards under the 2017 Unit Bonus Plan. Further information about these plans is available in note 28 of the Company's Annual Report 2019.

Resolution for the 2020 Long-term, Performance-based Incentive Plan (item 19)

The Board of Directors proposes that the Annual General Meeting resolves to establish a long-term, performance-based incentive plan ("LTIP 2020") in respect of Group Management and a number of key employees of Lundin Petroleum AB (publ) ("Lundin Petroleum" or the "Company"), which follows similar principles as the long-term, performance-based incentive plan approved by the 2014 - 2019 Annual General Meetings, as set forth below.

The primary reason for establishing LTIP 2020 is to align the interests of Group Management and other key employees with the interests of the shareholders, and to provide market appropriate reward reflecting performance and commitment. The Board of Directors also believes that the proposed LTIP 2020 will provide Lundin Petroleum with a crucial component to a competitive total compensation package to attract and retain executives who are critical to Lundin Petroleum's on-going success. Participants in the LTIP 2020 will not be

entitled to receive any new awards under any of the Company's other long term incentive ("LTI") plans in the same year.

The Board of Directors intends to propose to future Annual General Meetings to establish LTI plans based on principles corresponding to the currently proposed LTIP 2020. In order to be eligible to participate in such future LTI plans, each participant needs to build towards a meaningful shareholding in Lundin Petroleum, meaning that a certain portion of any allotted shares pursuant to LTIP 2020 (and any future LTI plans) shall be retained until the required level of shareholding has been met.

Implementation of LTIP 2020

The Board of Directors proposes that the Annual General Meeting 2020 resolves on the implementation of the LTIP 2020 in accordance with the terms and conditions set out below.

Terms and conditions

- (a) Awards under LTIP 2020 are proposed to be made to approximately 20 permanent employees of the Lundin Petroleum Group (the "**Participants**"), comprising the CEO and other members of Group Management as well as certain other key employees within the Lundin Petroleum Group. The Board of Directors may, within the total number of shares available under LTIP 2020, invite a limited number of additional Participants in LTIP 2020 following recruitment to the Lundin Petroleum Group.
- (b) LTIP 2020 gives the Participants the possibility to receive shares in Lundin Petroleum subject to uninterrupted employment and to the fulfilment of a performance condition over a three year performance period normally commencing on 1 July 2020 and expiring on 30 June 2023 (the "**Performance Period**"). The performance condition (the "**Performance Condition**") is based on the share price growth and dividends ("**Total Shareholder Return**") of the Lundin Petroleum share compared to the Total Shareholder Return of a peer group of companies (the "**Peer Group**"). At the beginning of the Performance Period, the Participants will, free of charge, be granted awards ("**LTIP Awards**") which, to the extent that i.a. the Performance Condition is met, entitle the Participant to be allotted, also free of charge, shares in Lundin Petroleum ("**Performance Shares**") as soon as reasonably practicable following the end of the Performance Period.
- (c) The LTIP Award (i.e. the number of Performance Shares that a Participant may be allotted following the expiration of the Performance Period, provided that i.a. the Performance Condition is met) to be awarded to each Participant shall be calculated as follows:

LTIP Award = A multiplied by B divided by C multiplied by D, where

A is the Participant's monthly gross base salary applicable as at the date of grant of the LTIP Award;

B is a number of months as determined by the Board of Directors in respect of each Participant, taking into account such factors as industry benchmarking and the Participant's position within the Lundin Petroleum Group (but in any case, not exceeding 36 months);

C is the average closing price of the Lundin Petroleum share on Nasdaq Stockholm for the three month period immediately prior to the Performance Period (the "**Initial Share Price**"); and

D is the product of the factors representing the proportional increases in the number of Performance Shares under award, calculated by dividing the value of the Lundin Petroleum share at closing on the ex-dividend date plus the declared dividend by the value of the share at closing on the ex-dividend date, for each dividend until allotment.

Fractions of allotted Performance Shares shall be rounded-off to the immediate lower whole number.

Assuming a share price of the Lundin Petroleum share as of 26 February 2020 of SEK 274, the total number of Performance Shares that may be allotted under LTIP 2020 as at the date of award (assuming 100 per cent vesting) is approximately 350,000, corresponding to approximately 0.12 per cent of the current total number of shares and votes in Lundin Petroleum. Since LTIP Awards are

intended to be awarded in July 2020 and the share price of the Lundin Petroleum share may fluctuate until the Initial Share Price is determined, and considering additional Participants (if any) following recruitment and increased awards due to dividends, it is proposed that the total number of Performance Shares under LTIP 2020 shall not exceed 560,000.

- (d) Allotment of Performance Shares will be determined by the Board of Directors after the expiration of the Performance Period on the basis of LTIP Awards made and is conditional on (i) the Participant retaining his or her uninterrupted employment in the Lundin Petroleum Group until the expiry of the Performance Period and (ii) the extent to which (if any) the Performance Condition has been met. The LTIP Award will as in previous years compensate for dividends distributed, however, to ensure further alignment with shareholders' interests, LTIP 2020 will do so by increasing the number of Performance Shares under award proportionally during the award period through the formula described in (c) above, entailing also a reinvestment of dividends received during the award period. The Board of Directors may reduce (including reduce to zero) allotment of Performance Shares at its discretion, should it consider the underlying performance not to be reflected in the outcome of the Performance Condition, for example, in light of operating cash flow, reserves, and health and safety performance.
- (e) A minimum and a maximum level for the Performance Condition to be fulfilled have been established by the Board of Directors. In order for the LTIP Awards to give entitlement to the maximum number of Performance Shares, the maximum level for the Performance Condition must have been fulfilled. The Performance Condition calculation will be made based on a comparison of Total Shareholder Return of the Lundin Petroleum share to the Peer Group, comparing the period of three months prior to the commencement of the Performance Period with the period of three months prior to the end of the Performance Period. The LTIP Awards will vest based on the comparative Total Shareholder Return of the Lundin Petroleum share from no vesting below the 50th percentile performance and with vesting at or above the 50th percentile performance (i.e. on a straight line basis) from one-third entitlement at the 50th percentile performance to 100 per cent vesting at the 75th percentile performance or above. The Performance Condition calculation will be performed by the Board of Directors. Lundin Petroleum intends to present the level of fulfilment of the LTIP 2020 Performance Condition in the 2023 Annual Report.
- (f) The Participants will not be entitled to transfer, pledge or dispose of the LTIP Award or any rights or obligations under LTIP 2020, or exercise any shareholders' rights regarding the LTIP Awards during the Performance Period.
- (g) Shares allotted under LTIP 2020 (or any future LTI plans) shall be subject to certain disposition restrictions meaning that the Participants shall be building towards a meaningful shareholding in Lundin Petroleum. The required level of shareholding will be either 50 per cent or 100 per cent (200 per cent for the CEO) of the Participant's annual gross base salary based on the Participant's position within the Lundin Petroleum Group. Notwithstanding this requirement, the Company may pay part or whole of the allotment of Performance Shares in cash in order to facilitate the payment of the Participant's tax liabilities. However, a minimum of 50 per cent of the allotted Performance Shares (after taxes and social security charges) under LTIP 2020 will be required to be retained until the required level of shareholding has been met.
- (h) Recalculation of the Performance Condition and the LTIP Awards, including the number of Performance Shares allotted, shall take place in the event of an intervening dividend in kind, bonus issue, split, preferential rights issue and/or other similar corporate events.

Structure and administration

The Board of Directors of Lundin Petroleum will be responsible for the structure and administration of LTIP 2020, as well as for the detailed terms and conditions applicable between Lundin Petroleum and the Participants. The detailed terms and conditions will be adopted within the scope of the terms and conditions and guidelines stated herein. In connection therewith, the Board of Directors will be entitled to adopt different terms and conditions for LTIP 2020 regarding, among other things, the Performance Period and allotment of Performance Shares in the event of commencement or termination of employment during the Performance Period, e.g. due to new recruitments, illness, disability, death, redundancy, contractual retirement and other exceptional circumstances determined by the Board of Directors.

The Board of Directors will be entitled to make adjustments in order to comply with special rules or market conditions abroad. In the event that delivery of Performance Shares to Participants cannot take place under applicable law or at a reasonable cost and employing reasonable administrative measures, the Board of Directors will be entitled to decide that Participants may, instead, be offered a cash settlement. In the event of a change of control, the vesting of any LTIP Awards under LTIP 2020 will be accelerated, based upon performance up to such time.

Peer Group

The Board of Directors has reviewed the Peer Group and determined that it shall consist of the following companies for LTIP 2020: Aker BP, Apache Corporation, BP, Cairn Energy, ConocoPhillips, ENI, Equinor, Galp Energia, Hess Corporation, Kosmos Energy, MOL Group, Oil Search, OMV, Premier Oil, Repsol, Santos, Total, Tullow Oil and Vermilion Energy. The Board of Directors shall have the power to amend the Peer Group in order to maintain a representative and relevant group of companies during the Performance Period.

Delivery of shares, costs etc.

The LTIP Awards entitle Participants to receive free of charge already existing Lundin Petroleum shares.

Under items 21 and 23 of the proposed agenda, the Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors to acquire own shares for the purposes of securing delivery of shares and covering costs, including social security charges, that may arise as a result of LTIP 2020 and that the Annual General Meeting resolves on a transfer of a maximum of 560,000 own shares for the purposes of securing delivery of shares to participants in LTIP 2020. As an alternative to acquisitions and transfers of own shares, the Board of Directors may resolve to hedge the Company's obligations under LTIP 2020 by entering into an equity swap arrangement with a third party on terms in accordance with market practice, whereby the third party in its own name shall be entitled to acquire and transfer shares in the Company.

The LTIP 2020 will be accounted for in accordance with the accounting standard IFRS 2 and the costs will be charged to the income statement over the Performance Period.

The maximum cost for granting LTIP Awards under LTIP 2020 (assuming 100 per cent vesting), excluding costs related to delivery of the Performance Shares, is approximately USD 9.7 million (approximately SEK 94.2 million), excluding social security charges. On this basis, the maximum cost for social security charges is estimated to be approximately USD 1.0 million (approximately SEK 9.5 million) assuming 100 per cent vesting.

Effects on key figures

Under the assumptions set out in item (c) above and upon full allotment of Performance Shares, the number of shares under LTIP 2020 amounts to approximately 350,000 shares in Lundin Petroleum (subject to final determination of the Initial Share Price and adjustments for dividends), corresponding to approximately 0.12 per cent of the current total number of shares and votes in the Company. If the total number of Performance Shares under LTIP 2020 reaches the cap of 560,000 shares in Lundin Petroleum, it will correspond to approximately 0.2 per cent of the current total number of shares and votes in the Company. LTIP 2020 is expected to have only marginal effects on Lundin Petroleum's key figures.

Preparation of the proposal

The proposal for LTIP 2020 has been prepared by the Compensation Committee and resolved on by the Board of Directors.

Other incentive schemes in Lundin Petroleum

For a description of the Company's other LTI plans, reference is made to the Company's Annual Report for 2019, note 28, and the Company's website, www.lundin-petroleum.com. In addition to the plans described there, no other LTI plans have been implemented in Lundin Petroleum.

Majority requirement

The proposal to implement LTIP 2020 requires the affirmative support of shareholders holding more than half of the votes represented at the Annual General Meeting.

For information on the majority requirements that apply to the proposed acquisitions and transfers of own shares, see the Board of Directors' proposals under items 21 and 23 of the proposed agenda.

Resolution in respect of delivery of shares under the 2017, 2018 and 2019 Long-term, Performance-based Incentive Plans (item 20)

The Board of Directors proposes that the Annual General Meeting resolves to transfer treasury shares held by the Company to the participants under the 2017, 2018 and 2019 Long-term, Performance-based Incentive Plans (“LTIPs”), respectively, on the following terms and conditions.

- A maximum of 465,000 shares may be transferred under the 2017 LTIP, a maximum of 460,000 shares under the 2018 LTIP and a maximum of 500,000 shares under the 2019 LTIP.
- The shares shall, with deviation from the shareholders’ preferential rights, be transferred to the participants in LTIPs 2017, 2018 and 2019, respectively, that are eligible to receive shares under such LTIPs. Further, shares may, with deviation from the shareholders’ preferential rights, be transferred to subsidiaries of the Company, whereby such subsidiary shall be obligated to immediately transfer such shares to the participants eligible to receive shares under the relevant LTIP.
- The shares shall be transferred free of charge.
- The transfers of shares shall be subject to all terms and conditions under the respective LTIPs 2017, 2018 and 2019 as approved by the Annual General Meetings 2017, 2018 and 2019. Accordingly, shares shall only be transferred if and to the extent allotment of shares shall take place under the respective LTIPs. Further, shares shall be transferred within the time periods set out in the terms and conditions for the respective LTIPs.
- The number of shares that may be transferred under each of LTIPs 2017, 2018 and 2019 may be recalculated as a result of bonus issues, share splits, rights issues or similar measures in accordance with the terms and conditions of each respective LTIP.

The rationale for the proposed transfers of treasury shares held by the Company and for the deviation from the shareholders’ preferential rights is to enable delivery of shares to the participants in LTIPs 2017, 2018 and 2019, respectively.

The 2017, 2018 and 2019 LTIPs were approved at the Annual General Meetings 2017, 2018 and 2019, respectively, and the complete terms and conditions are available on www.lundin-petroleum.com.

This proposal requires the affirmative support of shareholders holding at least nine tenths of the votes cast as well as of the shares represented at the Annual General Meeting.

Resolution in respect of delivery of shares under the 2020 Long-term, Performance-based Incentive Plan (item 21)

The Board of Directors proposes that the Annual General Meeting resolves to transfer treasury shares held by the Company to the participants under the LTIP 2020 on the following terms and conditions.

- A maximum of 560,000 shares may be transferred.
- The shares shall, with deviation from the shareholders’ preferential rights, be transferred to the participants in LTIP 2020 that are eligible to receive shares under the LTIP. Further, shares may, with deviation from the shareholders’ preferential rights, be transferred to subsidiaries of the Company, whereby such subsidiary shall be obligated to immediately transfer such shares to the participants eligible to receive shares under the relevant LTIP.
- The shares shall be transferred free of charge.
- The transfers of shares shall be subject to all terms and conditions under LTIP 2020. Accordingly, shares shall only be transferred if and to the extent allotment of shares shall take place under LTIP 2020. Further, shares shall be transferred within the time period set out in the terms and conditions for LTIP.
- The number of shares that may be transferred under the LTIP 2020 may be recalculated as a result of bonus issues, share splits, rights issues or similar measures in accordance with the terms and conditions of the LTIP 2020.

The rationale for the proposed transfers of treasury shares held by the Company and for the deviation from the shareholders’ preferential rights is to enable delivery of shares to the participants in LTIP 2020.

This proposal requires the affirmative support of shareholders holding at least nine tenths of the votes cast as well as of the shares represented at the Annual General Meeting.

Resolution to authorise the Board of Directors to resolve on new issue of shares and convertible debentures (item 22)

The Board of Directors proposes that the Board of Directors is authorised to decide, at one or more occasions until the next Annual General Meeting:

- (i) to issue no more than 28,500,000 new shares with consideration in cash or in kind or by set-off or otherwise with conditions and thereby be able to resolve to deviate from the shareholders' preferential rights. To the extent the new shares are issued with deviation from the shareholders' preferential rights they shall be issued at a subscription price that closely corresponds to the market price of the shares at the time of the issue; and
- (ii) to issue convertible debentures with consideration in cash or in kind or by set-off or otherwise with conditions and thereby be able to resolve to deviate from the shareholders' preferential rights, where the number of shares that may be issued after conversion must not exceed 28,500,000. To the extent the convertible debentures are issued with deviation from the shareholders' preferential rights they shall be issued at a subscription price that closely corresponds to market value based on the market price of the shares at the time of the issue of the convertible debentures.

If the Board of Directors resolves to deviate from the shareholders' preferential rights, the reason shall be to enable Lundin Petroleum to make business acquisitions or other major investments. The total number of shares that can be issued based on the proposed authorisations under (i) and (ii) may not together exceed 28,500,000. If the authorisation is exercised in full for issues with deviation from the shareholders' preferential rights, the dilution effect is approximately ten percent.

This proposal requires the affirmative support of shareholders holding at least two thirds of the votes given for this resolution and of the shares represented at the Annual General Meeting.

Resolution to authorise the Board of Directors to resolve on repurchase and sale of shares (item 23)

The Board of Directors proposes that the Board of Directors is authorised, during the period until the next Annual General Meeting, to decide on repurchases and sales of Lundin Petroleum shares on Nasdaq Stockholm. The maximum number of shares repurchased shall be such that shares held in treasury from time to time do not exceed ten percent of all shares of the Company. The maximum number of shares that may be sold is the number of shares that the Company at such time holds in treasury. Repurchase and sale of shares on Nasdaq Stockholm may take place only at a price within the spread between the highest bid price and lowest ask price prevailing and disseminated by Nasdaq Stockholm from time to time. The repurchases and sales shall be made in accordance with the provisions concerning the purchase and sale of a company's own shares under applicable stock exchange rules and other applicable rules and regulations.

The purpose of the authorisation is to provide the Board of Directors with an instrument to optimise Lundin Petroleum's capital structure and thereby create added value for the shareholders, to secure Lundin Petroleum's obligations under its incentive plans and to cover costs, including social security charges, that may arise as a result of the LTIP programs of the Company.

This proposal requires the affirmative support of shareholders holding at least two thirds of the votes given for this resolution and of the shares represented at the Annual General Meeting.

Resolution regarding a revised Nomination Committee Process for the Annual General Meeting (item 24)

The Nomination Committee proposes that the Annual General Meeting resolves to approve the following revised Nomination Committee Process, with a reduction of the minimum number of Committee members from four to three and an amendment of the date for the right to appoint Committee members from 1 August to 1 June each year. The Nomination Committee Process shall be applied until a General Meeting of Shareholders resolves otherwise.

NOMINATION COMMITTEE PROCESS

1. General

- 1.1 As per the Swedish Code of Corporate Governance (Code of Governance), Lundin Petroleum AB (publ) (the Company) shall each year appoint a Nomination Committee which shall have as its sole task to propose decisions to the Annual General Meeting (AGM) on electoral and

remuneration issues, and procedural issue for the appointment of the Nomination Committee for the following year.

1.2 The AGM shall either appoint the members of the Nomination Committee or specify how they are to be appointed. This Nomination Committee Process shall apply as the Company's nomination procedure generally for all AGMs, until recommended to be amended or replaced by a future Nomination Committee, to specify how the Nomination Committee is to be appointed and to instruct the Nomination Committee on how it is to conduct its work.

1.3 References herein to AGMs shall apply *mutatis mutandis* to Extraordinary General Meetings where elections of the Board of Directors and/or the auditor are to take place.

2. Appointment of the Nomination Committee

2.1 The Chairman of the Board of Directors shall invite a minimum of three and a maximum of four of the larger shareholders of the Company based on shareholdings as per 1 June of each year, provided such larger shareholders agree to participate, to form a Nomination Committee for the AGM of the following year. The Chairman of the Board of Directors shall also be a member of the Nomination Committee. External members not appointed by a larger shareholder may also be invited to join the Nomination Committee to assist in and facilitate the work of the Nomination Committee.

2.2 The names of the members of the Nomination Committee shall be published on the Company's website no later than six months prior to the AGM of the following year. The names of the shareholders that the members were appointed by, if applicable, shall be included in the announcement, as well as information on how shareholders may submit recommendations to the Nomination Committee.

2.3 The mandate period of a Nomination Committee commences on the date its composition has been published as per article 2.2 and continues until the publication of the composition of the Nomination Committee for the following AGM.

2.4 The Chairman of the Board of Directors shall convene the first meeting of each Nomination Committee, which is to be held in good time before the announcement of the composition of the Nomination Committee as per article 2.2. The Nomination Committee shall appoint a Chairman at the first meeting.

2.5 If the shareholding in the Company changes significantly before the Nomination Committee's work has been completed, or if a member leaves the Nomination Committee before its work has been completed, a change in the composition of the Nomination Committee may take place. If the Nomination Committee then consists of appointees of less than three of the larger shareholders of the Company, the Chairman of the Board shall, with the aim to increase the number of members to three, invite another larger shareholder to join the Nomination Committee. If a member ceases to be connected to a larger shareholder, due to termination of employment or similar, that larger shareholder may appoint another person to replace such member of the Nomination Committee. Information about changes to the composition of the Nomination Committee, as well as information about new members and the larger shareholders that they were appointed by, if applicable, shall be published on the Company's website as soon as possible after a change has occurred.

3. Duties of the Nomination Committee

3.1 The Nomination Committee shall prepare proposals for the following resolutions to the AGM:

- (i) Chairman of the AGM;
- (ii) number of members of the Board of Directors;
- (iii) members of the Board of Directors;
- (iv) Chairman of the Board of Directors;
- (v) remuneration of the members of the Board of Directors, distinguishing between the Chairman and other members and remuneration for Board Committee work;
- (vi) election of auditor of the Company;
- (vii) remuneration of the Company's auditor; and
- (viii) Nomination Committee Process (in case of amendment).

- 3.2 The proposals of the Nomination Committee shall be presented to the Company in a written report in general at least eight weeks before the AGM to ensure the proposals can be duly included in the notice of the AGM. The Nomination Committee report shall in addition be posted on the Company's website at the same time as the notice of the AGM is issued.
- 3.3 As a basis for its proposals regarding the members of the Board of Directors, the Nomination Committee shall consider the requirements set forth in the Code of Governance to ensure that the Company's Board of Directors has a size and composition that enables it to manage the Company's affairs efficiently and with integrity.
- 3.4 In its written report, the Nomination Committee shall include a description of its work and considerations, as well as explanations regarding its proposals, in particular in respect of the following requirements regarding the composition of the Board of Directors:
- (i) candidates' age, principal education and work experience;
 - (ii) any work performed by the candidates for the Company and other significant professional commitments;
 - (iii) candidates' holdings of shares and other financial instruments in the Company and any such holdings owned by candidates' related natural or legal persons;
 - (iv) whether the Nomination Committee deems the candidates to be independent of the Company and Group management, as well as of major shareholders of the Company;
 - (v) in case of re-election, the year that the candidates were first elected to the Board of Directors; and
 - (vi) other information that could be of importance to shareholders to assess the candidates' expertise and independence.
- 3.5 If an election for auditor shall take place at the AGM, the proposal of the Nomination Committee shall be based on a report to be prepared by the Company's Audit Committee, which report shall include an assessment of the independence and impartiality of the proposed auditor, as well as of the implications of services provided to the Company by the proposed auditor outside the scope of general audit work, if applicable.
- 3.6 The Nomination Committee shall at each AGM give an account of its work and present its proposals for resolutions at the AGM. All members of the Nomination Committee shall endeavour to be present at each AGM.

4. Meetings of the Nomination Committee

- 4.1 The Nomination Committee shall meet as often as is required for the performance of its duties. A notice of a meeting shall be circulated by the Chairman of the Nomination Committee in good time before each meeting, except as provided in article 2.4 in respect of the first meeting of each Nomination Committee. Any member of the Nomination Committee may reasonably request at any time during the mandate period that a meeting be convened and the Chairman shall comply with such reasonable requests.
- 4.2 The Nomination Committee shall be quorate if more than half of the members are present.
- 4.3 The Nomination Committee shall endeavour to reach unanimous decisions in all matters to be proposed to the AGM. If a unanimous decision cannot be reached, the Nomination Committee shall present to the AGM the proposals approved by a majority of the members of the Nomination Committee and dissenting members may present their own proposals individually or jointly with other members of the Committee.
- 4.4 Meetings of the Nomination Committee shall be minuted and the minutes shall be signed by the person keeping the minutes and shall be attested by the Chairman and another member appointed by the Nomination Committee. If the Chairman has been assigned to keep the minutes, the minutes shall be attested by two other members appointed by the Nomination Committee.

5. Other

- 5.1 All information which is provided to the members of the Nomination Committee by the Company and/or candidates, or which information the Nomination Committee members otherwise receive

within the scope of their duties as Nomination Committee members, shall be treated as confidential and may not be disclosed to third parties without the prior approval of the Company.

- 5.2 No remuneration shall be paid to the members of the Nomination Committee. The Company may however cover reasonable out of pocket expenses that the members may occur in relation to work performed for the Nomination Committee.
- 5.3 The Nomination Committee shall yearly assess this Nomination Committee Process and shall propose changes to it to the AGM, as appropriate.

Resolution to change the Company's Articles of Association (item 25)

The Board of Directors proposes that the Annual General Meeting resolves on a change in § 1 of the Articles of Association with the effect of amending the name of the Company from Lundin Petroleum AB to Lundin Energy AB as well as certain editorial amendments to the Articles of Association.

The proposed new Articles of Association are available at www.lundin-petroleum.com.

This proposal requires the affirmative support of shareholders holding at least two thirds of the votes given for this resolution and of the shares represented at the Annual General Meeting.

Further information

Lundin Petroleum AB's share capital amounts to SEK 3,478,713.38, represented by 285,924,614 shares. Each share carries one vote. Lundin Petroleum AB holds, as per 26 February 2020, 1,873,310 shares in treasury. The Company's Articles of Association are available on www.lundin-petroleum.com.

The Board of Directors and the Chief Executive Officer shall, if a shareholder so requests and the Board of Directors considers that it may do so without significant damage to the Company, give information at the Annual General Meeting regarding circumstances that could affect the assessment of an item on the agenda and circumstances that could affect the assessment of the Company's or a subsidiary's financial situation. The duty to give information also applies to the Company's relationship with another Group company and the consolidated financial statements.

The Chief Executive Officer's speech will be available on www.lundin-petroleum.com after the Annual General Meeting.

Members of Lundin Petroleum's Group Management will be available before and after the Annual General Meeting to discuss the business and operations of the Company and to answer questions from shareholders.

Additional documentation

The complete proposals and other documents that shall be made available prior to the Annual General Meeting pursuant to the Swedish Companies Act and the Swedish Corporate Governance Code are available at Lundin Petroleum's office (Hovslagargatan 5 in Stockholm) and on www.lundin-petroleum.com. The documents will be sent to shareholders free of charge upon request if their postal address is provided.

Stockholm in February 2020
LUNDIN PETROLEUM AB (publ)
The Board of Directors

Lundin Petroleum is one of Europe's leading independent oil and gas exploration and production companies with operations focused on Norway and listed on Nasdaq Stockholm (ticker LUPE). Read more about Lundin Petroleum's business and operations at www.lundin-petroleum.com

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Forward-Looking Statements

Certain statements made and information contained herein constitute "forward-looking information" (within the meaning of applicable securities legislation). Such statements and information (together, "forward-looking statements") relate to future events, including Lundin Petroleum's future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to, statements with respect to estimates of reserves and/or resources, future production levels, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities. Ultimate recovery of reserves or resources are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations and assumptions will prove to be correct and such forward-looking statements should not be relied upon. These statements speak only as on the date of the information and Lundin Petroleum does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, operational risks (including exploration and development risks), production costs, availability of drilling equipment, reliance on key personnel, reserve estimates, health, safety and environmental issues, legal risks and regulatory changes, competition, geopolitical risk, and financial risks. These risks and uncertainties are described in more detail under the heading "Risks and Risk Management" and elsewhere in Lundin Petroleum's annual report. Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive. Actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements are expressly qualified by this cautionary statement.