

**The Board of Directors' of Lundin Petroleum AB (publ)
complete proposals to the Annual General Meeting
on 31 March 2020**

Items 9 and 18–23 and 25 on the proposed agenda

Item 9: Resolution in respect of disposition of the Company's result

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.

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| The AGM has the following funds at its disposal: | SEK 54,377,993,045 |
| The Board of Directors proposes that the shareholders are paid a dividend of USD 1.80 per share: | SEK 4,969,096,935 ¹ |
| The following amount will be carried forward as retained earnings: | SEK 49,408,896,110 |

The Board of Directors' reasoned statement pursuant to pursuant to Chapter 18, Section 4 of the Swedish Companies Act is available on the Company's website, www.lundin-petroleum.com

Stockholm in February 2020
Lundin Petroleum AB (publ)
The Board of Directors

¹ The amount is based on the USD to SEK exchange rate published by Sweden's central bank (Riksbanken) as at 26 February 2020. The amount is based on the number of shares in circulation on 26 February 2020 and the total dividend amount may change by the record dates as a result of repurchases of own shares or as a result of issue of new shares. The dividend is USD denominated, fluctuations in the USD to SEK exchange rate between 26 February 2020 and approval of the dividend proposal by the Annual General Meeting will have an impact on the total dividend amount reported in SEK.

If the dividend proposal is approved by the Annual General Meeting, the dividend will be recorded as a liability in USD on the date of the Annual General Meeting and the SEK equivalent of the USD liability will fluctuate until the fourth tranche is converted from USD to SEK.

Item 18: Resolution in respect of the 2020 Policy on Remuneration for Group Management

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 reward² |
|-----------------------|--|--|---|
| <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% |

² 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.

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| <p><u>b) Annual variable remuneration</u></p> | <ul style="list-style-type: none"> - 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. | <ul style="list-style-type: none"> - 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. | <p>20% / 25%</p> |
| <p><u>c) Long-term incentive plan</u></p> | <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. | <p>40% / 50%</p> |
| <p><u>d) Benefits</u></p> | <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 | <p>10% / 5%</p> |

| | | | |
|-------|--|--|-------------|
| | | practices, position and relevant reference remuneration. | |
| 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.

Stockholm in February 2020
Lundin Petroleum AB (publ)
The Board of Directors

Item 19: Resolution for the 2020 Long-term, Performance-based Incentive Plan

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.

Stockholm in February 2020
Lundin Petroleum AB (publ)
The Board of Directors

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

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.

Stockholm in February 2020
Lundin Petroleum AB (publ)
The Board of Directors

Item 21: Resolution in respect of delivery of shares under the 2020 Long-term, Performance-based Incentive Plan

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.

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The Board of Directors

Item 22: Resolution to authorise the Board of Directors to resolve on new issue of shares and convertible debentures

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.

Stockholm in February 2020
Lundin Petroleum AB (publ)
The Board of Directors

Item 23: Resolution to authorise the Board of Directors to resolve on repurchase and sale of shares

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.

The Board of Directors' reasoned statement pursuant to pursuant to Chapter 19, Section 22 of the Swedish Companies Act is available on the Company's website, 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.

Stockholm in February 2020
Lundin Petroleum AB (publ)
The Board of Directors

Item 25: Resolution to change the Company's Articles of Association

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.

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