

**CALL FOR ANNUAL GENERAL MEETING**  
**ELECTROMAGNETIC GEOSERVICES ASA**

To the shareholders of Electromagnetic Geoservices ASA (**EMGS** or the **Company**):

Notice is hereby given of the annual general meeting of EMGS. The meeting will be held at the Company's offices on the 1<sup>st</sup> floor of Karenslyst Allé 4, 0278 Oslo on

**Thursday 13 June 2019 at 12:00 (local time)**

The Annual General Meeting will be opened by the Chairman of the Board of Directors of the Company (the **Board**).

Agenda:

**1 Election of a chairperson of the meeting and one person to co-sign the minutes**

The Board proposes that the Chairman is elected as chairman of the meeting and that an individual of the attending shareholders is elected to co-sign the minutes together with the chairman of the meeting.

**2 Approval of the notice and agenda**

**3 Approval of the 2018 annual accounts for the Company, the group's consolidated annual accounts and the board of directors' report**

The Board proposes that the annual general meeting approves the 2018 annual report.

It is the opinion of the Board that that the Company will achieve a more optimised capital structure by reducing the Company's share premium account (NOK 1,029,041,000 as of 31 December 2018) and offsetting this, in full, against other uncovered losses (NOK 1,379,545,000 as of 31 December 2018). Such a reduction and corresponding offset will not have any cash effect or otherwise affect the Company's liquidity.

Based on the above, the Board recommends that the general meeting passes the following resolution:

*The Company's annual accounts, the group's consolidated annual accounts and the board of directors' report for 2018 are approved, however so that the full value of the share premium account as of the balance date shall be reduced to zero and the value shall be offset against other equity (uncovered loss).*

**4 Statement on the determination of salaries and other remuneration for leading personnel**

The board of director's statement regarding the principles for determination of salaries and other benefits for executive management is included in the Company's annual report for 2018.

The Board recommends that the general meeting passes the following resolution:

*The general meeting endorses the advisory guidelines in the statement from the Board regarding the determination of salary and other benefits.*

*The general meeting approves the binding guidelines in the statement from the Board for remuneration related to the shares or the development of the share price of the Company.*

**5 Corporate governance statement**

(non-voting item)

The corporate governance statement is included in the Company's annual report for 2018.

**6 Auditor's fees for 2018**

It is proposed that the annual auditor's fees for the Company totalling NOK 1.2 million (approximately USD 137,000) for 2018 are approved.

Proposed resolution:

*The Annual General Meeting approves the annual auditor's fees for 2018.*

**7 Board of directors**

The service period for the two following shareholder elected directors expires at the annual general meeting in 2019:

|                  |   |                                    |
|------------------|---|------------------------------------|
| Eystein Eriksrud | - | chairman of the board of directors |
| Anne Øian        | - | member of the board of directors   |

As previously announced, both of Mr Eriksrud and Ms Øian has informed that they will not seek re-election, and they will hence both step down from the Board at the annual general meeting.

The nomination committee has proposed that the annual general meeting elects Mr Johan Kr. Mikkelsen, a current member of the Board, as new chairman of the Board for the remainder of his current service period.

The nomination committee has further recommended that Ms Alexandra A. Herger is elected as a new board member for a service period of two years.

Each of the two proposed resolutions will be subject to a separate vote, as follows:

| <b>Item</b> | <b>Name</b>         | <b>Position</b>                    | <b>Service period</b>                          |
|-------------|---------------------|------------------------------------|--|
| 7.1         | Johan Kr. Mikkelsen | chairman of the board of directors | One year (remainder of current service period) |
| 7.2         | Alexandra A. Herger | member of the board of directors   | Two years                                      |

## **8 Employee option program**

At the annual general meeting of the Company in 2017, an employee options program was approved and the Board was given authorisation to implement the program at their discretion.

The purpose of the program is to serve as a long term incentive scheme for the Company's employees (the **Employee Options Program**).

The authorisation had a term of two years, until the annual general meeting in 2019, and will hence expire at the annual general meeting. The Board proposes that the program and the authorisation is renewed with identical terms.

The Board recommends that the general meeting passes the following resolution:

*During the period from the annual general meeting in 2019 to the annual general meeting in 2021, the Board may grant options in an amount which, together with all other employee incentive related outstanding options, never exceed 7.5% of the registered number of shares in the Company in the aggregate under the Employee Option Program. The maximum outstanding options shall not at any time exceed 7.5% of the registered number of shares in the Company. When options are cancelled (e.g. because an employee leaves the Company), such options shall be considered cancelled also in relation to the number of options the Board is authorised to issue, thereby allowing the Board to re-issue such options. The Board is delegated the authority to issue options where the*

*vesting starts minimum 12 months after grant date and is subject to a target defined by the Board of Directors on the grant date with a maximum of 25% vesting on each anniversary of the grant date.*

## **9 Board compensation**

The nomination committee has, as it did in 2017, recommended that the remuneration levels for the Board is kept at the level resolved at the annual general meeting in 2016.

Based on this recommendation, the Board proposes the following resolution:

*For the period from the annual general meeting in 2019 and until the annual general meeting in 2020, the following shall be applicable:*

*For the shareholder elected directors (including the Chairman of the Board), a fixed quarterly remuneration of USD 8,750 per quarter (which equals an annual remuneration of USD 35,000), and*

- *an additional remuneration to the ordinary members of the Audit Committee of USD 2,500 per quarter (which equals an annual remuneration of USD 10,000) and, for the chairman of the audit committee, USD 3,500 per quarter (which equals an annual remuneration of USD 14,000); and*
- *an additional remuneration to the ordinary members of the Compensation Committee of up to USD 2,500 per quarter (which equals an annual remuneration of USD 10,000), and, for the chairman of the Compensation Committee, up to USD 3,125 per quarter (which equals an annual remuneration of USD 12,500).*

*The employee elected directors do not receive any compensation for their services as board members in addition to their ordinary remuneration as employees.*

## **10 Compensation to the members of the Nomination Committee**

The Board proposes not to pay any remuneration to the members of the Nomination Committee for the period between the annual general meeting in 2019 and the annual general meeting in 2020.

Proposed resolution:

*The members of the Nomination Committee shall not receive remuneration for the period between the annual general meeting in 2019 and the annual general meeting in 2020.*

## **11 Board authorisations to issue new shares**

The Board proposes to renew the two authorisations to increase the share capital of the Company which the Board currently holds.

In compliance with corporate governance principles, the Board proposes to continue the policy of having two separate authorisations:

- a) One authorisation which inter alia can be used in relation to potential transactions and/or to finance general corporate purposes; and
- b) one authorisation solely linked to the issuance of new shares in connection with the Company's employee share option program (see item 8 of this calling notice).

The Board is of the opinion that the general authorisation is necessary to provide flexibility in terms of potential acquisitions and other corporate transactions and settlements thereof, and, therefore, is in the best interest of the Company and its shareholders. It is further proposed to authorise the Board to waive existing shareholders' pre-emptive rights in order to allow the possibility for new shareholders subscribing shares provided that this is deemed by the Board to be in the best interest of the Company and its shareholders.

The general authorisation is proposed to authorise an increase of up to 10% of the share capital of the Company.

### **11.1 Board authorisation – transactions and general corporate purposes**

Based on the above, the Board proposes the following resolution:

*The Board is granted authorisation to increase the share capital of the Company by up to NOK 13,096,969, but in no event higher than 10 per cent of the registered share capital of the Company, through one or more share capital increases.*

*The Board is authorized to determine the price and terms of such share capital increases.*

*The existing shareholders' pre-emptive rights to subscribe for new shares may be set aside.*

*The authorization includes resolution to issue new shares in connection with mergers and acquisitions, non-cash share contributions and the right to assume special obligations on the Company.*

*The authorisation may be utilized to raise financing or issue consideration shares in connection with potential acquisitions of companies or businesses within the oil and energy sector, including the oil service sector, and/or to finance general corporate purposes.*

*The authorization shall be effective from the date it is registered in the Norwegian Register of Business Enterprises and shall be valid until the annual general meeting in 2020, but in any event no later than 30 June 2020.*

*If the authorisation is utilised, the Board may amend the Company's articles of association to reflect the new share capital following the share capital increase.*

## **11.2 Board authorization – employee option program**

Based on the above, the Board proposes the following resolution:

*The Board is granted authorisation to increase the share capital of the Company by up to NOK 9,822,726, but in no event higher than 7.5 per cent of the registered share capital of the Company, through one or more share capital increases.*

*The existing shareholders' pre-emptive rights to subscribe for new shares may be set aside.*

*The authorization shall be effective from the date it is registered in the Norwegian Register of Business Enterprises and shall be valid until the annual general meeting in 2020, but in any event no later than 30 June 2020.*

*If the authorisation is utilised, the Board may amend the Company's articles of association to reflect the new share capital following the share capital increase.*

## **12 Two week calling notice**

The Board proposes that the Annual General Meeting makes the following resolution for a two-week calling notice for extraordinary general meetings, cf Section 8 of the Company's articles of association:

*Up to the next annual general meeting, the Company can call for extraordinary general meetings with two weeks' notice, provided that the shareholders can participate electronically.*

\*\*\*

The Company accepts votes in advance for this Meeting. Such advance votes must be registered no later than 11 June 2019 at 16.00 (Norwegian time). Advance votes may be executed electronically via VPS Investor Services.

The annual report for 2018 is available for download on the Company's website ([www.emgs.com](http://www.emgs.com)). It can also be obtained from the Company directly at the Company's offices in Oslo (Karenslyst Allé 4, 4<sup>th</sup> floor, 0278 Oslo) and Trondheim (Stiklestadveien 1, 3<sup>rd</sup> floor, 7041 Trondheim), or by contacting the Company on [emgs@emgs.com](mailto:emgs@emgs.com).

At the date of this calling notice, there are 130,969,690 shares outstanding in the Company. As of the date of this calling notice, the Company does not own any treasury shares.

At the Company's general meeting, each share has one vote. A shareholder with shares registered through an approved share manager or custodian (nominee account) pursuant to section 4-10 of the Norwegian Public Limited Companies Act has voting rights equivalent to the number of shares covered by the share management assignment/custodian arrangement provided that the shareholder within two business days before the general meeting provides the Company with his name and address and presents confirmation from the share manager that the shareholder is the beneficial owner of the shares that are being managed or held in custody, and provided further that the Board does not disapprove such beneficial ownership after receipt of such notification.

Shareholders who wish to take part in the general meeting must not later than two business days before the general meeting, i.e. by 16:00. (Norwegian time) on 11 June 2019 either (i) register at the website: [www.emgs.com](http://www.emgs.com) using the pin code included in the cover letter; (ii) give notice to DNB Bank ASA, Registrar's Department, P.O. Box 1600 Sentrum, 0021 Oslo, Norway or (iii) give written notice e-mail: [genf@dnb.no](mailto:genf@dnb.no) or by regular mail to DNB Bank ASA, Registrar's Department, P.O.Box 1600 Sentrum, 0021Oslo, Norway. A registration form is attached hereto as Appendix 1.

A power of attorney for the shareholders who wish to grant a proxy to represent their shares at the general meeting is attached hereto as Appendix 2.

### **Shareholder rights**

A shareholder cannot demand that new items are added to the agenda when the deadline for such request has expired, cf. section 5-11 second sentence of the Norwegian Public Limited Liability Companies Act.

A shareholder has the right to make proposals for a resolution regarding the items which will be considered by the general meeting.

A shareholder has the right to require board members and the general manager to provide necessary information to the general meeting that may influence: 1. the approval of the annual accounts and the annual report; 2. items which have been presented to the shareholders for decision; and 3. the Company's financial position, including information on other companies in which the company participates, and other items to be considered at the general meeting, unless the information requested may not be disclosed without

causing disproportionate damage to the Company. If additional information is necessary, and an answer cannot be given at the general meeting, a written answer shall be prepared within two weeks from the date of the general meeting. Such answer shall be available to the shareholders at the Company's premises and be sent to shareholders requesting the information. If the answer is considered material for evaluation of the circumstances mentioned in the previous paragraph, the answer should be sent to all shareholders with known address.

**Oslo, 21 May 2019**

*Sign*

*Eystein Eriksrud  
Chairman*

Attachments:

Appendix 1: *Registration form*

Appendix 2: *Form of power of attorney*