

Monitoring and evaluation of (i) the programmes for variable remuneration to the executive management, (ii) the application of guidelines on remuneration for the senior executives and (iii) the current remuneration structure and levels of remuneration in Tele2 in accordance with rule 10 paragraph 3 and rule 9 paragraph 1 in the Swedish Code of Corporate Governance.

Introduction

The Remuneration Committee of the Board of Directors of Tele2 AB (publ) (“**Tele2**”), comprises the Chairman of the Board Mike Parton and the Board Members John Hepburn, Jere Calmes and Mia Brunell Livfors. John Hepburn is the Chairman of the Remuneration Committee. In accordance with the Swedish Code of Corporate Governance, the Remuneration Committee has monitored and evaluated programmes for variable remuneration (both ongoing and those that have ended during the year), how the guidelines for remuneration to the senior executives adopted at the Annual General Meeting have been applied as well as the current remuneration structure and levels of remuneration in the company. The following is the Board’s report of the results of the evaluation.

General

The remuneration to Tele2’s executive management comprises an annual base salary and variable short-term incentive (STI) and long-term incentive (LTI) programs. The objective of the remuneration is to attract, motivate and retain key employees. The remuneration shall be competitive within the context of an international peer group and create incentives for management to execute strategic plans and deliver excellent operating results and to align management’s incentives with the interests of the shareholders.

Variable remuneration

The STI is based performance in relation to established objectives regarding Tele2’s overall result and the individual performance. The maximum outcome of the STI is 100 percent of the annual base salary. Further information on the variable remuneration paid in cash is found in the Annual Report 2010, note 34, Personnel costs.

Tele2 offers long-term share-based incentive programmes for the executive management and other key employees. Those programmes are performance based and requires participants to own Tele2 shares and remain in Tele2 employment during the programme. Thus, the participants' remuneration are tied to the development of Tele2's result and value, which promotes continued loyalty with Tele2 and contributes to the long-term value growth of Tele2. Further information on the long-term incentive programmes such as outcome, participation ratio, number of issued and outstanding instruments etc. is found in the Annual Report 2010, note 34, Personnel costs.

Evaluation of programmes for variable remuneration

The development of the programmes for variable remuneration is evaluated by the Remuneration Committee on a continuous basis throughout the year and the programmes’ expected outcome are reported to the Board of Directors and discussed at Board meetings. The Remuneration Committee also monitors in which extent the executive management participates in the programmes. The evaluation of the programmes for variable remuneration has shown that:

- the programmes are well aligned with the shareholders’ interests,

- the programmes are important for attracting, motivating and retaining the competence needed in the executive management,
- long-term equity based incentive programmes that are performance based and requires an own investment in Tele2's shares are well functioning and are achieving the sought results.

Evaluation of the guidelines for remuneration

The evaluation has resulted in the conclusion that the guidelines for remuneration to senior executives that the Annual General Meeting 2010 established have been applied on such variable remunerations in the Company, both ongoing and those that have ended during the year.

The external auditor have given a statement to the Board of Directors on that Tele2 has complied with the guidelines on salary and other remuneration to the senior executives adopted by the Annual General Meeting 2010.

The Board of Director's view is that the remuneration for the CEO and the other members in the executive management strikes an appropriate balance between motivating the members of the executive management to execute strategic plans and deliver excellent operating results and achieving a competitive compensation that aligns the management's incentives with the interests of the shareholders.

Stockholm in April 2011

Tele2 AB (publ)

The Board of Directors