

## **Report on Tele2 AB Nomination Committee's work in preparation for the Annual General Meeting in 2007**

This report has been drawn up in accordance with the Swedish Code of Corporate Governance (the "Code").

### **Background**

In accordance with the decision of the Annual General Meeting ("AGM") 2006, Cristina Stenbeck convened a Nomination Committee during the autumn 2006 in preparation for the AGM in 2007, consisting of the major shareholders in Tele2 AB. The Nomination Committee consists of Cristina Stenbeck, on behalf of Investment AB Kinnevik and Emesco AB, Peter van Berlekom on behalf of Alecta, Annika Andersson on behalf of 4e AP-Fonden and Mats Guldbrand, on behalf of AMF Pension. The four shareholder representatives in the Nomination Committee jointly represent more than 50 percent of voting rights in the Company. The names of the shareholder representatives were publicised in the Company's third quarterly report in 2006.

The Nomination Committee has been assigned the task of proposing the procedure of electing the Nomination Committee ahead of the AGM 2008, for approval by the AGM in 2007. The Nomination Committee has moreover been assigned the task of nominating a Chairman to lead the AGM and to submit proposals for election of the Board of Directors as well as proposals on Board remuneration and auditor remuneration.

The Board member Cristina Stenbeck has been appointed as Chairman of the Nomination Committee, which deviates from what the Code prescribes. The other members of the Nomination Committee have declared their decision regarding the election of the Chairman of the Nomination Committee as being in all the shareholders' interest and a natural consequence of Cristina Stenbeck representing the company's largest shareholder.

### **The work of the Nomination Committee**

The Nomination Committee has held three minuted meetings, with additional contacts between meetings. As the basis for its work, the Nomination Committee has an evaluation of the Board and its work, among other documents. To assess the degree to which the present Board fulfils the requirements placed on the Board, as a result of the Company's situation and future direction, discussion has focused on the Board's size and composition as regards experience and expertise.

No proposals have been received by the Nomination Committee from persons outside the Nomination Committee.

#### Proposed Board of Directors

The Nomination Committee proposes the following Directors to be elected to Tele2 AB's Board:

#### **Vigo Carlund, Chairman**

Swedish, born 1949 and elected to the Board of Tele2 in 1995.

He has since 1980 been CEO for various companies, such as Svenska Motor AB SMA, SMA Group USA, Korsnäs AB and Transcom WorldWide S.A. Between May 1999 until August

2006 he was the President and CEO of Investment AB Kinnevik. Presently Chairman of the Board of Korsnäs AB, and moreover, Board member of Investment AB Kinnevik, Millicom International Cellular S.A., Modern Times Group MTG AB (will step down as Board member as of the AGM 2007) and Academic Work.

Dependent in relation to the company and its management, and moreover, dependent in relation to the company's major shareholders.

Shareholdings: 24 191 Class B-share

### **Mia Brunell**

Swedish, born 1965 and elected to the Board of Tele2 in 2006.

Studies in Economics. She has held various positions in Modern Times Group MTG AB since 1992 before becoming CFO of the company in 2001 until 2006. Presently the President and CEO of Investment AB Kinnevik, as of August 2006. Board member of Invik & Co. AB, Metro International S.A., Transcom WorldWide S.A. and CTC Media, a Russian broadcast associate company of MTG. Proposed Board member of Modern Times Group MTG AB as of the AGM 2007.

Dependent in relation to the company and its management, and moreover, dependent in relation to the company's major shareholders.

Shareholdings: -

### **John Hepburn**

Canadian, born 1949 and elected to the Board of Tele2 in 2005.

MBA, Harvard Business School and B.Sc. in Engineering, Princeton University. He has held various positions at Morgan Stanley since 1976, amongst other positions, Managing Director, Morgan Stanley & Co. and vice Chairman of Morgan Stanley Europe Ltd. Presently advisory director at Morgan Stanley as well as Chairman of the Board of Sportfact Ltd and vice Chairman of UKRD Ltd., and moreover, Board member of Grand Hotel Holdings AB.

Independent

Shareholdings: 95 015 Class B-shares

### **John Shakeshaft**

UK citizen, born 1954 and elected to the Board of Tele2 in 2003.

MA, Cambridge University. He has worked as Executive Director at Morgan Stanley, 1990-1994, Managing Director and partner of Barings Bank, 1995-2000. Managing Director and partner of Lazard, 2000-2002, Managing director and partner of Cardona Lloyd, 2002-2004, and moreover, Managing Director of Financial Institutions, ABN AMRO Bank, 2004-2006. Presently Chairman of Altis Investment Management, Switzerland, and of the Alternative Theatre Company Ltd, and moreover, board member of the Economy Bank NV and Questair Inc, as well as external Audit Committee member at the University of Cambridge.

Independent

Shareholdings: -

### **Cristina Stenbeck**

US citizen, born 1977 and elected to the Board of Tele2 in 2003.

B. Sc. in Economics. Presently vice Chairman of Investment AB Kinnevik and Board member of Invik & Co. AB, Metro International S.A., Millicom International Cellular S.A., Modern Times Group MTG AB and Transcom WorldWide SA. Proposed Chairman of the Board of Investment AB Kinnevik by the Nomination Committee in the company ahead of the AGM 2007.

Dependent in relation to the company and its management, and moreover, dependent in relation to the company's major shareholders.

Shareholdings: -

**Mike Parton, *new***

UK citizen, born 1954 and proposed new Director of the Board in Tele2.

Trained as Chartered Management Accountant, 1976. Mike Parton is a senior executive with an extensive international career in the telecoms industry. Mike Parton was the CEO of Marconi Plc., a telecommunications business with global operations, between 2001 and 2006. During this period he successfully restructured the business, returning the company to profitability and revenue growth before eventually selling the product business to Ericsson for GBP 1.3 billion, in addition to creating a GBP 300 million telecom services business that now operates as Telent Plc. Mike Parton's early career included finance roles in the Michelin Tyre Company and ICL before he joined GEC (later to become Marconi) where he held a number of senior finance and general management roles culminating in his appointment as Group CEO. He joined the main board of Marconi Plc in 2000.

Independent

Shareholdings: -

**Pelle Törnberg, *new***

Swedish citizenship, born 1956 and proposed new Director of the Board in Tele2.

Studies at the School of Journalism at Gothenburg University. He has established and launched a wide range of media companies within Industriförvaltnings AB Kinnevik before assuming responsibility for Kinnevik's media operations in 1993. He has, upon its demerger from Kinnevik in 1997, been the President and CEO of Modern Times Group MTG AB until 2000. He has since Metro International S.A.'s demerger from Modern Times Group MTG AB in 2000 served as the President and CEO of the company. Presently non-executive Director of Modern Times Group MTG AB, and moreover, Board member of RNB Retail and Brands AB and the Swedish American Chamber of Commerce.

Independent

Shareholdings: -

Independence

The Nomination Committee has further discussed the matter of the Board's independence. The proposal regarding Tele2 AB's Board composition fulfils both the Stockholm Stock Exchange's rules regarding independent directors as well as the Code's demands on independence including the rule that at least two of the Board members who are independent from the company's management also shall be independent from the company's major shareholders.

Remuneration

With respect to Board remuneration, the Nomination Committee has, as last year, proposed a total Board remuneration (including remuneration for the work in the committees of the Board of Directors) of SEK 3,750,000.

Auditor

The Company's auditor was elected at the AGM in 2004 for the period until the AGM in 2008. The Nomination Committee proposes to the AGM that auditor remuneration shall be paid in accordance with an approved bill, which specifies time, persons who worked and tasks performed.

## **The Nomination Committee's proposals**

The Nomination Committee submits the following proposals for resolution at the AGM 2007:

- Lawyer Martin Börresen as Chairman to lead the AGM.
- Election of 7 directors of the Board and no deputies.
- Re-election of Mia Brunell, Vigo Carlund, John Hepburn, John Shakeshaft and Cristina Stenbeck, as Board members.
- Election of Mike Parton and Pelle Törnberg as Board members.
- Vigo Carlund is proposed as Chairman of the Board of Directors.
- Board remuneration (including remuneration for the work in the committees of the Board of Directors) of a total of SEK 3,750,000, of which SEK 1,000,000 shall be allocated to the Chairman of the Board and SEK 400,000 to each of the other directors of the Board. For work within the Audit Committee, SEK 150,000 shall be allocated to the chairman and SEK 50,000 to each of the members and for work within the Remuneration Committee SEK 50,000 shall be allocated to the chairman and SEK 25,000 to each of the members.
- Auditor's remuneration in accordance with an approved bill, which specifies time, person and work performed
- The appointment of a Remuneration Committee and an Audit Committee at the Constituent Board Meeting.
- The Nomination Committee shall consist of at least three members (including Cristina Stenbeck) representing the shareholders of the company and it will be formed during September 2007 in consultation with the largest shareholders in the company at that time. The Nomination Committee shall be elected for a term of office of one year. The majority of the members of the Committee may not be members of the Board of Directors or employed by the company. If a member of the Committee resigns before the work is concluded, a replacement member is to be appointed in the corresponding manner. Cristina Stenbeck shall be a member of the Committee and shall also act as its convenor. The members of the Committee shall appoint the Chairman among themselves. The composition of the Committee shall be communicated in the company's interim report for the third quarter of 2007.

Nomination Committee, April 2007

