

Translation of Minutes of the Annual General Meeting of shareholders of Tele2 AB (publ), reg. no 556410-8917, 6 May 2019 at Hotel At Six in Stockholm.

Time: 15.00 p.m. – 16.35 p.m.

Present: Shareholders and proxy holders, Appendix 1, stating the number of shares and votes, and other attendees, Appendix 2.

Furthermore, noted as present were the Board members Georgi Ganev (also Chairman of the Board and the Nomination Committee), Andrew Barron, Sofia Arhall Bergendorff, Anders Björkman, Cynthia Gordon, Eva Lindqvist, Lars-Åke Norling, Eamonn O'Hare and Carla Smits-Nusteling, the CEO and President of the Tele2 Group Anders Nilsson, Group CFO Mikael Larsson and the auditor-in-charge Pontus Pålsson.

§ 1

Opening of the Annual General Meeting (agenda item 1)

Georgi Ganev opened the Annual General Meeting and welcomed the shareholders.

§ 2

Election of Chairman of the Annual General Meeting (agenda item 2)

The Meeting elected Wilhelm Lüning, member of the Swedish Bar Association, as Chairman of the Meeting, in accordance with the Nomination Committee's proposal.

The Chairman informed that Stefan Backman, Group General Counsel, had been appointed to act as minutes keeper at the Meeting and that an audio and video recording for internal use was made and that other audio or video recording was not permitted.

The Meeting resolved that invited guests were entitled to attend the Meeting, but without the rights to address the Meeting or participate in the Meeting's resolutions.

§ 3

Preparation and approval of the voting list (agenda item 3)

The Meeting approved the procedure for drawing up the voting list and that the list of shareholders who had given notice to attend and were present at the Meeting, Appendix 1, should be the voting list at the Meeting.

The Chairman informed the Meeting that a number of foreign shareholders were represented at the meeting that had submitted certain voting instructions in respect of certain agenda items and that these voting instructions will be accounted for in the minutes if they would have any impact on the meeting's decisions and in cases where the Meeting voted with electronic devices.

§ 4

Approval of the agenda (agenda item 4)

The Meeting approved the proposed agenda of the Meeting, Appendix 3, which had been included in the notice to attend the Meeting.

The Chairman informed that the complete proposals of the Board and Nomination Committee as well as the main contents of the shareholder proposals had been included in the notice.

The Annual Report, the Group Annual Report, the Auditor's Report and the Group Auditor's Report for the financial year 2018 as well as statements and reports of the Board and the Nomination Committee, and also the other documents to the Annual General Meeting, which had been held available to the shareholders in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, were presented.

§ 5

Election of one or two persons to check and verify the minutes (agenda item 5)

The Meeting elected Bengt Kileus, representing AFA Insurance and Ossian Ekdahl, representing the First Swedish National Pension Fund, to check and verify the minutes jointly with the Chairman of the Meeting.

§ 6

Determination of whether the Annual General Meeting had been duly convened (agenda item 6)

The Chairman found that notice had been made in accordance with the provisions in the Swedish Companies Act and the Articles of Association.

The Meeting resolved to approve the notice procedure and declared the Meeting duly convened.

§ 7

Remarks by the Chairman of the Board (agenda item 7)

Georgi Ganev gave his remarks on the work of the Board during 2018 and commented in particular on the Board's work concerning, among other things, strategy review and M&A activities, Tele2's strategic and financial position and commented on the Board's proposals to the Meeting.

§ 8

Presentation by the Chief Executive Officer (agenda item 8)

Anders Nilsson presented Tele2's business and development during 2018 and the first quarter 2019 as well as Tele2's journey to becoming a fully integrated company, the result of 2018, financial guiding for 2019 and in a medium term, and Tele2's dividend policy as well as future priorities.

§ 9

Presentation of the annual report, the auditor's report and the consolidated financial statements and the auditor's report on the consolidated financial statements (agenda item 9)

The Chairman found that the Annual Report of the parent company and the Group and the Auditor's Report in respect of the parent company and the Group for 2018, had been presented.

Auditor-in-charge Pontus Pålsson, Deloitte, reported on the audit work, the mergers and acquisitions in particular, and thereafter commented on the Auditor's Report and the guidelines for remuneration to senior executives in respect of the parent company and the Group for 2018.

After the Chairman had opened for questions, the shareholders asked questions and gave their remarks on, among other things, how climate change can affect Tele2's business, the work on integration after the merger between Tele2 and Com Hem, Tele2's geographical foot print, digital General Meetings, human rights and the customers' privacy in the light of the so-called "Tele2 ruling" and proposals regarding a new data storage legislations. The questions were answered by Anders Nilsson, Georgi Ganev and Stefan Backman.

§ 10

Resolution on the adoption of the income statement and the balance sheet and of the consolidated income statement and the consolidated balance sheet (agenda item 10)

The Meeting adopted the income statements for 2018 and balance sheets per 31 December 2018 for the parent company and the Group.

§ 11

Resolution on the proposed treatment of the company's earnings as stated in the adopted balance sheet (agenda item 11)

The Meeting resolved, in accordance with the Board's proposal, that the unappropriated earnings at the Meeting's disposal should be distributed through a dividend of SEK 4.40 per share to be paid in two equal instalments (i.e. SEK 2.20 per dividend payment) and that the remaining unappropriated earnings should be carried forward.

The Meeting further determined, in accordance with the Board's proposal, that the record date for entitlement to payment of the first dividend payment should be 8 May 2019 and 2 October 2019 for the second dividend payment.

The Chairman informed that the payment of dividend was expected to be paid out to the shareholders on or around 13 May 2019 and 7 October 2019, respectively.

§ 12

Resolution on the discharge of liability for the members of the Board and the Chief Executive Officer (agenda item 12)

The Meeting discharged the Board and the Chief Executive Officer from liability for the management of the company and its affairs during 2018.

It was noted that the members of the Board and the Chief Executive Officer did not take part in the resolution and it was recorded that all shareholders attending the Meeting supported the resolution, except for those shareholders that had given special instructions for no and abstain votes.

§ 13

Determination of the number of members of the Board (agenda item 13)

Georgi Ganev presented the Nomination Committee and its proposals regarding the number of directors of the Board, the election of the directors of the Board and the Chairman of the Board, election of auditor and remuneration to the auditor.

Carla Smits-Nusteling presented herself to the Meeting and thanked Georgi Ganev for his contributions as Chairman of the Board of Tele2.

The Meeting resolved that, for the period until the close of the next Annual General Meeting, the Board of Directors shall consist of seven members.

§ 14

Determination of the remuneration to the members of the Board and the auditor (agenda item 14)

The Meeting resolved in accordance with the Nomination Committee's proposals regarding remuneration to the Board and the auditor as follows:

- SEK 1,700,000 to the Chairman of the Board,
- SEK 850,000 to the Deputy Chairman of the Board,
- SEK 625,000 to each of the other five members of the Board,
- SEK 240,000 to the Chairman of the Audit Committee and SEK 120,000 to each of the other three members, and
- SEK 100,000 to the Chairman of the Remuneration Committee and SEK 50,000 to each of the other three members.

The Meeting resolved in accordance with the Nomination Committee's proposal that remuneration to the auditor was to be paid in accordance with approved invoices.

§ 15

Election of Board members (agenda items 15(a)-(g))

The Chairman informed the Meeting of the assignments the proposed members of the Board held in other companies.

The Meeting voted, by electronic voting devices, on election of each one of the proposed members of the Board under items 15(a)-(g) and resolved in accordance with the proposal of the Nomination Committee to re-elect Andrew Barron, Anders Björkman, Georgi Ganev, Cynthia Gordon, Eva Lindqvist, Lars-Åke Norling and Carla Smits-Nusteling. The result of the counting of votes is stated in the table below:

Board member	Number of votes in favour
Andrew Barron	579,037,586
Anders Björkman	574,187,403
Georgi Ganev	567,579,552
Cynthia Gordon	577,349,444
Eva Lindqvist	578,237,063
Lars-Åke Norling	572,528,009
Carla Smits-Nusteling	568,577,211

§ 16

Election of the Chairman of the Board (agenda item 16)

In accordance with the Nomination Committee's proposal the Meeting elected Carla Smits-Nusteling as Chairman of the Board.

§ 17

Determination of the number of Auditors and election of Auditor (agenda item 17)

The Meeting resolved, in accordance with the proposal from the Nomination Committee, that the company shall have a registered accounting firm as auditor and to re-elect the registered accounting firm Deloitte as the company's auditor for the period until the close of the 2020 Annual General Meeting.

It was noted that Pontus Pålsson will continue as auditor-in-charge.

§ 18

Resolution regarding guidelines for remuneration to senior executives (agenda item 18)

The Chairman of the Remuneration Committee, Georgi Ganev, presented the Board's proposal to resolve on guidelines for remuneration to senior executives, and long-term incentive programme.

The Meeting resolved in accordance with the proposal, Appendix 4, regarding guidelines for remuneration to senior executives.

§ 19

Resolution regarding an incentive programme (agenda items 19(a)-(e))

The Meeting voted, by electronic voting devices, jointly on the proposals in agenda items 19(a)-(e) and resolved with 98.7 percent of the votes cast and 97.3 percent of the shares represented at the Meeting, in accordance with the proposal in Appendix 5, regarding an incentive programme to (a) adopt an incentive programme, (b) authorise issue of Class C shares, (c) authorise to resolve to repurchase own Class C shares, (d) resolve on the transfer of own Class B shares and (e) resolve on the sale of own Class B shares.

§ 20

Resolution to authorise the Board to resolve on repurchase of own shares (agenda item 20)

The Meeting voted, by electronic voting devices, and resolved with 99.7 percent of the votes cast and 99.6 percent of the shares represented at the Meeting, in accordance with the Board's proposal in Appendix 6 to authorise the Board to resolve on repurchase of own shares.

§ 21

Resolution regarding shareholder Martin Green's proposals (agenda items 21(a)-(c))

Carina Lundberg-Markow asked for a comment regarding the background for the recurring proposal from Martin Green. Anders Nilsson and Stefan Backman commented on the background.

The Chairman noted that the shareholder Martin Green was absent and since no other shareholder, after question from the Chairman, wished that the proposals from Martin Green should be presented at the Meeting, the Meeting did not resolve on item 21 on the agenda.

§ 22

Closing of the Annual General Meeting (agenda item 23)

Georgi Ganev thanked the resigning Board members Sofia Arhall Bergendorff and Eamonn O'Hare.

The Chairman declared the Annual General Meeting closed.

At the minutes:

Stefan Backman

Minutes checkers:

Wilhelm Lüning

Bengt Kileus

Ossian Ekdahl

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 list.
4. Approval of the agenda.
5. Election of one or two persons to check and verify the minutes.
6. Determination of whether the Annual General Meeting has been duly convened.
7. Remarks by the Chairman of the Board.
8. Presentation by the Chief Executive Officer.
9. Presentation of the annual report, the auditor's report and the consolidated financial statements and the auditor's report on the consolidated financial statements.
10. Resolution on the adoption of the income statement and the balance sheet and of the consolidated income statement and the consolidated balance sheet.
11. Resolution on the proposed treatment of the company's earnings as stated in the adopted balance sheet.
12. Resolution on the discharge of liability for the members of the Board and the Chief Executive Officer.
13. Determination of the number of members of the Board.
14. Determination of the remuneration to the members of the Board and the auditor.
15. Election of Board members;
 - (a) Andrew Barron (re-election, proposed by the Nomination Committee).
 - (b) Anders Björkman (re-election, proposed by the Nomination Committee).
 - (c) Georgi Ganev (re-election, proposed by the Nomination Committee).
 - (d) Cynthia Gordon (re-election, proposed by the Nomination Committee).
 - (e) Eva Lindqvist (re-election, proposed by the Nomination Committee).
 - (f) Lars-Åke Norling (re-election, proposed by the Nomination Committee).
 - (g) Carla Smits-Nusteling (re-election, proposed by the Nomination Committee).
16. Election of the Chairman of the Board.
17. Determination of the number of Auditors and election of Auditor.
18. Resolution regarding guidelines for remuneration to senior executives.
19. Resolutions regarding an incentive programme (items (a)-(e)).
20. Resolution to authorise the Board to resolve on repurchase of own shares.
21. Resolution regarding shareholder Martin Green's proposals (items (a)-(c)).
22. Closing of the Annual General Meeting.

Guidelines for remuneration to senior executives (agenda item 18)

The Board proposes the following guidelines for determining remuneration for senior executives.

The objectives of Tele2's remuneration guidelines are to offer competitive remuneration packages to attract, motivate, and retain key employees within the context of an international peer group. The aim is to create incentives for the management to execute strategic plans and deliver excellent operating results, and to align management's incentives with the interests of the shareholders. Senior executives covered by the proposed guidelines include the CEO and members of the Leadership Team ("**senior executives**").

Remuneration to the senior executives should comprise annual base salary and variable short-term incentive (STI) and long-term incentive (LTI) programs.

The STI shall be based on the performance in relation to established objectives. The objectives shall be related to the company's overall result and the senior executives' individual performance. The STI can amount to a maximum of 100 percent of the annual base salary.

The structure of the LTI shall ensure a long-term commitment for Tele2's development and value creation, and may be both share and share price related as well as cash based.

Other benefits may include e.g. company cars and for expatriated senior executives e.g. housing benefits for a limited period of time.

The senior executives may also be offered health care insurances. The senior executives are offered defined contribution pension plans. Defined contributions for pensions to the CEO and the other senior executives can amount to a maximum of 20 percent (previously 25 percent for the CEO) of the annual remuneration (base salary and STI).

The maximum period of notice of termination of employment shall be 12 months in the event of termination by the CEO and 6 months in the event of termination by any of the other senior executives. In the event of termination by the company, the maximum notice period during which compensation is payable is 18 months for the CEO and 12 months for any of the other senior executives.

Under special circumstances, the Board may deviate from the above guidelines. In such a case, the Board is obligated to give account of the reason for the deviation during the following Annual General Meeting.

Board Members, elected at General Meetings, may in certain cases receive a fee for services performed within their respective areas of expertise, outside of their Board duties. Compensation for these services shall be paid at market terms and be approved by the Board.

Information regarding the guidelines for remuneration to senior executives

In accordance with the Swedish Corporate Governance Code rule 9.1 the Remuneration Committee within the Board monitors and evaluates the application of the guidelines for remuneration to the senior executives established by the Annual General Meeting. Also, the company's auditor has, pursuant to Chapter 8 Section 54 of the Companies Act (2005:551), provided a statement with

regarding the application of the guidelines for remuneration to the senior executives which have been applied during 2018.

For information of the application of, and the deviations from, the guidelines for remuneration to senior executives please refer the Evaluation of remuneration to the Senior Executives (Report according to the Swedish Corporate Governance Code 9.1, and Chapter 8 Section 51 of the Swedish Companies Act (2005:551)) and the auditor's statement which both are available at Tele2's website www.tele2.com under the heading "Annual General Meeting 2019, found under the section "Governance".

Incentive programme (agenda items 19(a)-(e))

The Board proposes that the Annual General Meeting resolves to adopt a retention and performancebased incentive programme in accordance with items 19(a)-(e) below.

Tele2's Remuneration Committee has prepared the incentive programme in consultation with external advisors and major shareholders. The incentive programme has been reviewed by the Board at board meetings during the end of 2018 and the first months of 2019.

The proposals below are supported by major shareholders.

Adoption of an incentive programme (item 19(a))

Summary of the programme

The Board proposes that the Annual General Meeting resolves to adopt a retention and performancebased incentive programme ("LTI 2019"), based on a similar structure as last year, but with removal of two allocation categories, as well as adjustment of the number of performance shares for one category.

LTI 2019 is proposed to include approximately 225 senior executives and other key employees within the Tele2 Group. The participants in LTI 2019 are required to hold Tele2 shares. These shares can either be shares already held or shares purchased on the market in connection with the notification to participate in LTI 2019. The personal investment will thereafter be matched by the company through free-of-charge granting of retention and performance rights on the terms stipulated below.

In the event delivery of shares under LTI 2019 cannot be achieved at reasonable costs, with reasonable administrative efforts or due to market conditions, participants may instead be offered a cash-based settlement.

The rationale for the proposal

The purpose of LTI 2019 is to create conditions for retaining competent employees in the Tele2 Group. LTI 2019 has been designed based on the view that it is desirable that senior executives and other key employees within the group are shareholders in the company. Participation in LTI 2019 requires a personal investment in Tele2 shares, be it shares already held or shares purchased on the market in connection with the notification to participate in LTI 2019.

By offering an allotment of performance rights which are based on the fulfilment of defined profits and activity-based conditions, the participants are rewarded for increased shareholder value. Further, LTI 2019 rewards employees' loyalty and long-term value growth in the company. Against this background, the Board believes the adoption of LTI 2019 will have a positive effect on the Tele2 Group's future development and thus be beneficial for both the company and its shareholders.

Personal investment

Employees must own Tele2 shares in order to participate in LTI 2019. These shares can either be shares already held, provided that the shares are not used as investment shares under the share-based incentive programmes for the years 2017 or 2018, or shares purchased on the market in connection with notification to participate in LTI 2019. The maximum number of shares that the employee can hold under LTI 2019 will correspond to approximately 15 - 25 per cent of the employee's annual base

salary as further described below. For each Tele2 share held under LTI 2019, the participants will be granted retention and performance rights by the company.

General terms and conditions

Subject to fulfilment of certain retention and performance-based conditions during the period 1 April 2019 – 31 March 2022 (the "Measurement Period") and the participant maintaining the invested shares at the release of the interim report for January – March 2022 and, with certain exceptions, maintaining the employment within the Tele2 Group, each right entitles the participant to receive one Tele2 share free-of-charge. The retention and performance rights do not entitle the holder to receive dividends, but in order to align the participants' and the shareholders' interests, the company will compensate the participants for any dividends paid on the underlying shares during the Measurement Period by increasing the number of shares that each retention and performance right entitles to at the end of the vesting period. It should be noted that the participants in LTI 2019 will not be compensated for dividend proposed at the Annual General Meeting 2019.

Retention and performance conditions

The rights are divided into Series A (retention rights) and Series B (performance rights). The number of Class B shares the respective participant will receive after vesting depends on which category the participant belongs to and on the fulfilment of the following defined retention and performance-based conditions:

Series A The total shareholder return on the Tele2 shares (TSR) during the Measurement Period exceeding 0 per cent as entry level.

Series B The total shareholder return on the Tele2 shares (TSR) during the Measurement Period being equal to the median TSR for a peer group comprising BT Group, Deutsche Telekom, DNA, Elisa, Freenet (Xet), Koninklijke KPN, NOS SGPS, Orange, Proximus, Swisscom, Sunrise Communications, Telecom Italia, Telefonica, Telefonica Deutschland, Telenet Group Holding, Telekom Austria, Telenor, Telia Company and Vodafone as entry level, and exceeding the median TSR for the peer group with 20 percentage points as the stretch level.

The determined levels of the conditions include an "entry" and a "stretch" with a linear interpolation applied between these levels as regards the number of rights that vest. The entry level constitutes the minimum level which must be reached in order to enable vesting of the rights in the relevant series. If the entry level is reached, the number of rights that vests and give right to Class B shares is proposed to be 100 per cent for Series A and 50 per cent for Series B. If the entry level is not reached for a certain series, all retention or performance rights (as applicable) in that series lapse. If the stretch level for Series B is met, all retention and performance rights vest. The Board intends to disclose the outcome of the retention and performance-based conditions in the annual report for the financial year 2022.

Retention and performance rights

The retention and performance rights shall be governed by the following terms and conditions:

- They are granted free-of-charge after the Annual General Meeting 2019.
- They vest three years after grant (vesting period).
- Each right entitles the participant to receive one Tele2 share after the three-year vesting period, if the participant, with certain exceptions, maintains the employment within the Tele2

Group and the invested shares at the release of the interim report for the period January – March 2022.

- In order to align the participants' and the shareholders' interests, the company will compensate the participants for any dividends paid by increasing the number of shares that each retention and performance right entitles to at the end of the vesting period. It can be noted that the participants in LTI 2019 will not be compensated for dividend proposed at the Annual General Meeting 2019.
- They may not be transferred or pledged.

Preparation and administration

The Board, or a committee established by the Board for these purposes, shall be responsible for preparing the detailed terms and conditions of LTI 2019, in accordance with the mentioned terms and guidelines. To this end, the Board shall be entitled to make adjustments to meet foreign regulations or market conditions. The Board may also make other adjustments if significant changes in the Tele2 Group or its operating environment would result in a situation where the decided terms and conditions of LTI 2019 no longer serve their purpose. The Board's possibility to make such adjustments does not include the grant of continued participation for senior executives in the company's long-term incentive programmes after the termination of their respective employments.

Allocation

LTI 2019 is estimated to comprise up to 388,500 shares held by the participants entitling to allotment of up to 1,794,000 rights, whereof 388,500 retention rights and 1,405,500 performance rights. The participants are divided into different categories and in accordance with the above, LTI 2019 will comprise the following number of shares and maximum number of rights for the different categories:

- the CEO: may acquire up to 10,000 shares within LTI 2019, entitling to an allotment of 1 Series A right and 9 Series B rights per invested share, with the possibility to receive a maximum of 100,000 Tele2 shares at vesting;
- senior executives and certain key employees (approximately 13 individuals) are divided into two subcategories where category (i) (approximately 3 individuals) may acquire up to 7,500 shares each within LTI 2019, entitling the holder to allotment of 1 Series A right and 7 Series B rights per invested share, with the possibility to receive a maximum of 60,000 Tele2 shares at vesting. Category (ii) (approximately 10 individuals) may acquire up to 4,500 shares each within LTI 2019, entitling the holder to allotment of 1 Series A right and 5 Series B rights per invested share, with the possibility to receive a maximum of 27,000 Tele2 shares at vesting;
- category 3 (approximately 20 individuals in total): may acquire up to 3,000 shares each within LTI 2019, entitling the holder to allotment of 1 Series A right and 3 Series B rights per invested share, with the possibility to receive a maximum of 12,000 Tele2 shares at vesting;
- category 4 (approximately 60 individuals in total): may acquire up to 2,000 shares each within LTI 2019, entitling the holder to allotment of 1 Series A right and 3 Series B rights per invested share, with the possibility to receive a maximum of 8,000 Tele2 shares at vesting;
- category 5 (approximately 131 individuals in total): may acquire up to 1,000 shares each within LTI 2019, entitling the holder to allotment of 1 Series A right and 3 Series B rights per invested share, with the possibility to receive a maximum of 4,000 Tele2 shares at vesting.

Scope and costs

LTI 2019 will be accounted for in accordance with IFRS 2 which stipulates that the rights should be recorded as a personnel expense in the income statement during the vesting period. Based on the assumptions of a share price of SEK 120.10 (closing share price of the Tele2 Class B share on 6 March 2019 of SEK 122.30 reduced by the proposed dividend of SEK 2.20 per share, which is distributed from underlying share before the launch of LTI 2019), a maximum participation, an annual employee turnover of 10 per cent among the participants, a fulfilment of performance conditions of 50 per cent including a full vesting of retention rights, the cost for LTI 2019, including financing costs, but excluding social security costs, is estimated to approximately SEK 74 million. The cost will be allocated over the years 2019 – 2022. At a 100 per cent fulfilment of the performance conditions the total cost is still approximately SEK 74 million, given the performance conditions are market-related according to IFRS 2.

The calculated social security cost will be recorded as a personnel expense in the income statement by current reservations. The social security cost is estimated to approximately SEK 43 million with the assumptions above (approximately SEK 70 million at a 100 per cent fulfilment of the performance conditions), an average social security charge rate of 30 per cent and an annual share price increase for Tele2's Class B shares of 10 per cent during the vesting period.

The participant's maximum profit per right in LTI 2019 is limited to SEK 463, which equals to four times the average closing share price of the Tele2 Class B share during February 2019 with deduction for the proposed dividend, which is distributed from underlying share before the launch of LTI 2019. If the value of the Tele2 B-share exceeds SEK 463 at vesting, the number of Class B shares that each right entitles the participant to receive at vesting will be reduced correspondingly.

The maximum dilution is up to 0.30 per cent of outstanding shares, 0.23 per cent of votes and 0.12 per cent in terms of costs for LTI 2019. The calculation is made in accordance with IFRS 2, divided by Tele2's market capitalisation, excluding the dividend proposed to the Annual General Meeting 2019. Together with rights granted under the incentive programmes for the years 2016, 2017 and 2018, the maximum dilution is up to 0.73 per cent of outstanding shares and 0.56 per cent of votes.

If the maximum profit of SEK 463 per right is reached, all invested shares are retained under LTI 2019 and a fulfilment of the retention and performance conditions of 100 per cent, the maximum cost, as defined in IFRS 2, is approximately SEK 101 million and the maximum social security cost is approximately SEK 249 million.

For information on Tele2's other equity-related incentive programmes, reference is made to the annual report for 2018, note 33.

Effect on key ratios

If LTI 2019 had been introduced in 2018 with the assumptions above, the impact on basic earnings per share would have resulted in a dilution of 2.0 per cent or from SEK 3.01 to SEK 2.95 on a pro forma basis. The annual cost of LTI 2019, including financing costs and social security costs, is estimated to approximately SEK 40 million given the above assumptions. This cost can be related to the company's total personnel costs, including social security costs, of SEK 3,540 million in 2018.

Delivery of Class B shares

To ensure the delivery of shares under LTI 2019, as well as other outstanding equity-related incentive programmes, the Board proposes that the Annual General Meeting resolves to authorise the Board to resolve on a directed issue of Class C shares to Nordea Bank in accordance with item 19(b), and further to authorise the Board to subsequently resolve to repurchase the Class C shares from Nordea Bank in accordance with item 19(c). The Class C shares will then be held by the company, whereafter the appropriate number of Class C shares will be reclassified into Class B shares and subsequently be delivered to the participants under LTI 2019 as well as other outstanding equity-related incentive programmes.

The Board further proposes that the Annual General Meeting resolves that a maximum of 2,100,000 Class B shares may be transferred to the participants in accordance with the terms of LTI 2019. These shares can either be Class B treasury shares held by the company or Class B shares held by the company after reclassification from Class C shares.

Authorisation to issue Class C shares (item 19(b))

The Board proposes that the Annual General Meeting resolves to authorise the Board, during the period until the Annual General Meeting 2020, to increase the company's share capital by not more than SEK 2,550,000 by the issue of not more than 2,040,000 Class C shares, each with a ratio value of SEK 1.25. With disapplication of the shareholders' preferential rights, Nordea Bank shall be entitled to subscribe for the new Class C shares at a subscription price corresponding to the ratio value of the shares. The purpose of the authorisation and the reason for the disapplication of the shareholders' preferential rights in connection with the issue of shares is to ensure delivery of Class B shares to participants under LTI 2019.

Authorisation to resolve to repurchase own Class C shares (item 19(c))

The Board proposes that the Annual General Meeting resolves to authorise the Board, during the period until the Annual General Meeting 2020, to repurchase its own Class C shares. The repurchase may only be effected through a public offer directed to all holders of Class C shares and shall comprise all outstanding Class C shares. The purchase may be effected at a purchase price corresponding to not less than SEK 1.25 and not more than SEK 1.35 per share. Payment for the Class C shares shall be made in cash. The purpose of the repurchase is to ensure the delivery of Class B shares under LTI 2019.

Resolution on the transfer of own Class B shares (item 19(d))

The Board proposes that the Annual General Meeting resolves that Class C shares that the company purchases by virtue of the authorisation to repurchase its own Class C shares in accordance with item 19(c) above, following reclassification into Class B shares, may be transferred to participants in LTI 2019, to participants in other outstanding equity-related incentive programmes in accordance with the approved terms, or sold on Nasdaq Stockholm as set out in accordance with item 19(e) below.

The Board proposes that the Annual General Meeting resolves that a maximum of 2,100,000 Class B shares may be transferred to participants in accordance with the terms of LTI 2019. These shares can either be Class B treasury shares held by the company or Class B shares held by the company after reclassification from Class C shares.

Resolution on the sale of own Class B shares (item 19(e))

The Board proposes that the Annual General Meeting authorises the Board to resolve, on one or more occasions, for the period up until the Annual General Meeting 2020, to sell Class B shares on Nasdaq Stockholm. The number of Class B shares to be sold may not exceed the number of Class B shares that the company holds at the point in time of the Board's resolution. Sale of Class B shares may only be in consideration of cash payment at a price within the share price interval registered at that time, meaning the interval between the highest purchase price and the lowest selling price.

The purpose of the authorisation is to ensure the company's undertakings, including social security costs and payment of preliminary salary tax, in connection with delivery of shares to the participants in Tele2's long-term incentive programme LTI 2017 – LTI 2019.

Authorisation for the Board to resolve to repurchase own shares (item 20)

The Board proposes that the Board is authorised to resolve on repurchasing the company's own shares if the purpose is to retire shares through a decrease of the share capital, as well as to ensure delivery of B-shares to the participants in the Tele2's long-term incentive programmes LTI 2017 – 2019, in accordance with the following conditions:

- The repurchase of Class A and/or Class B shares shall take place on Nasdaq Stockholm in accordance with Nasdaq Stockholm's rules regarding purchase of own shares.
- The repurchase of Class A and/or Class B shares may take place on one or more occasions for the period up until the next Annual General Meeting.
- So many Class A and/or Class B shares may, at the most, be repurchased so that the company's holding does not at any time exceed 10 percent of the total number of shares in the company.
- The repurchase of Class A and/or Class B shares at Nasdaq Stockholm may occur at a price within the share price interval registered at that time, where share price interval means the difference between the highest buying price and lowest selling price.
- It is the from time to time lowest-priced, available, shares that shall be repurchased by the company.
- Payment for the shares shall be made in cash.

The purpose of the authorisation is both to give the Board flexibility to continuously decide on changes to the capital structure during the upcoming year, and thereby contribute to increased shareholder value, as well as to hedge delivery of B-shares to the participants in Tele2's long-term incentive programmes LTI 2017 – 2019, in accordance with the resolutions under items 19(d) and (e) and previous Annual General Meetings' resolutions.