



ANNUAL GENERAL MEETING OF SHAREHOLDERS TUESDAY 9 MAY 2017

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1. The Nomination Committee's motivated opinion regarding the proposal for election of the Board at the Annual General Meeting

Nomination Committee

In accordance with the procedure of the Nomination Committee adopted by the 2016 Annual General Meeting, Mike Parton, Chairman of the Board of Directors, convened a Nomination Committee consisting of members appointed by the largest shareholders in Tele2. The Nomination Committee is comprised of Mike Parton as Chairman of the Board of Tele2, Cristina Stenbeck appointed by Kinnevik AB, John Hernander appointed by Nordea Funds, Ossian Ekdahl appointed by Första AP-fonden, and Martin Wallin appointed by Lannebo Fonder. The members of the Nomination Committee appointed Cristina Stenbeck as Chairman of the Nomination Committee at their first meeting.

The Nomination Committee's proposal for election of the Board

The Nomination Committee proposes:

- That the Board shall consist of eight members.
- The re-election of all current members of the Board, with the exception of Lorenzo Grabau who has decided not to seek re-election.
- The election of Anders Björkman as new member of the Board.
- The re-election of Mike Parton as Chairman of the Board.

The Nomination Committee's proposal is thus that the following persons are elected to the Board of Tele2 for a term of office until the end of the next Annual General Meeting:

- Mike Parton, Chairman of the Board
- Sofia Arhall Bergendorff
- Anders Björkman
- Georgi Ganev
- Cynthia Gordon
- Irina Hemmers
- Eamonn O'Hare
- Carla Smits-Nusteling

The Nomination Committee's work

The Nomination Committee has held two meetings, with the customary additional contact between meetings. The Nomination Committee's work has primarily focused on the continued development of the overall Board composition with the aim to strengthen the mix of experiences and competencies present at Board level in order to increasingly match the challenges and opportunities faced by Tele2.

In its assessment of the degree to which the current Board meets the requirements placed on it, the Nomination Committee reviewed the current Board members' ability to devote the necessary time and commitment required, as well as the balance and diversity of contributions of experiences from different areas and geographic regions of the broader digital communications industry. The Committee also had the benefit of a formal evaluation of the Board and its individual members.

The Nomination Committee's motivated opinion regarding its proposals

The Nomination Committee proposes the re-election of all of the current members of the Board, with the exception of Lorenzo Grabau who has decided not to seek re-election. Further, the Nomination Committee identified and managed to attract Anders Björkman, who brings more than twenty years of executive experience from leading, investing in and partnering with business-facing

telecommunication companies. The Nomination Committee believes Anders will further strengthen the Board's strategic capabilities and contribute with a valuable perspective on Swedish businesses and consumers in the rapidly developing telecommunications, media and technology landscape.

Anders Björkman is the Chief Executive Officer of OnePhone Holding, a supplier of cloud based B2B FMC solutions for fixed and mobile network operators, and a board member of Allgon AB, a group of companies focused on wireless communication solutions for industrial and robust environments. Anders has previously also been the Chief Executive Officer of OnePhone's partnerships with British Telecommunications and KPN. Between 2001 and 2008, Anders was the Chief Executive Officer of Argnor Wireless Ventures, a venture capital firm focused on investing in Nordic companies developing wireless communication products and services. During his time at Argnor Wireless Ventures, Anders served on a number of the firm's portfolio company boards. Prior to joining Argnor Wireless Ventures, Anders was the Chief Executive Officer of SEC between 1999 and 2000, and of Tele2 between 1996 and 1999. Anders holds an MSc from Chalmers University of Technology.

The Nomination Committee is of the opinion that the proposed Board composition demonstrates the right skills and commitment needed to accelerate and further strengthen Tele2's strategy and to continue the delivery of long term value creation for the company's shareholders.

In its work, the Nomination Committee applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. Accordingly, the Committee gives particular consideration to the importance of a diverse set of Board members, including their gender, age and nationality, as well as their experiences, professional backgrounds and business disciplines. The Committee believes the composition of the proposed Board is fit-for-purpose in respect of the various dimensions of diversity, and will continue to pursue a high degree of diversity and gender balance in its efforts to compose the most capable Board.

Finally, it is noted that the Nomination Committee has evaluated each Board member's independence in the work of preparing its proposals for the 2017 Annual General Meeting, and has found that the proposed Board is in compliance with relevant requirements for independence.

Information about the proposed members of the Board

Information about the proposed members of the Board, including the Nomination Committee's assessment of each member's independence, may be found on the company's website at www.tele2.com.

April 2017

THE NOMINATION COMMITTEE
TELE2 AB (PUBL)

2. Information about the proposed members of the Board

Mike Parton

Chairman of the Board, elected in 2007

Born: 1954

Nationality: British citizen

Independence: Independent in relation to the company and management as well as in relation to the company's major shareholders

Holdings in Tele2: 22,078 B shares

Committee work: Member of the Remuneration Committee and member of the Audit Committee

Other current assignments: Chairman of the Board of Arqiva, member of the Chartered Institute of Management Accountants and member of the Advisory Board of a UK charity called Youth at Risk

Previous assignments: Chairman of the Board and CEO of Damovo Group Ltd

Education: Trained as Chartered Management Accountant

Sofia Arhall Bergendorff

Board member, elected in 2016

Born: 1969

Nationality: Swedish citizen

Independence: Independent in relation to the company and management as well as in relation to the company's major shareholders

Holdings in Tele2: -

Committee work: -

Other current assignments: Director, Global Operations for Partnerships at Google

Previous assignments: Management consultant and various assignments at Google

Education: BA in Journalism from the University of Oregon and an MBA from INSEAD

Anders Björkman

Proposed new Board member

Born: 1959

Nationality: Swedish citizen

Independence: Independent in relation to the company and management as well as in relation to the company's major shareholders

Holdings in Tele2: -

Committee work: -

Other current assignments: Chief Executive Officer of OnePhone Holding and a board member of Allgon AB.

Previous assignments: Chief Executive Officer of OnePhone's partnerships with British Telecommunications and KPN. Chief Executive Officer of Argnor Wireless Ventures, and a board member of a number of the firm's portfolio company boards. Chief Executive Officer of SEC and of Tele2 (between 1996 and 1999).

Education: MSc from Chalmers University of Technology

Georgi Ganev

Board member, elected in 2016

Born: 1976

Nationality: Swedish citizen

Independence: Independent in relation to the company and management as well as in relation to the company's major shareholders

Holdings in Tele2: -

Committee work: Member of the Remuneration Committee and member of the Audit Committee

Other current assignments: CEO of Dustin Group AB (publ)

Previous assignments: CEO of Bredbandsbolaget and Chief Marketing Officer of Telenor Sweden

Education: M.Sc. in Engineering from Uppsala University

Cynthia Gordon

Board member, elected in 2016

Born: 1962

Nationality: British citizen

Independence: Independent in relation to the company and management but not independent in relation to the company's major shareholders

Holdings in Tele2: -

Committee work: -

Other current assignments: Member of the Board of Josen Partners and Partan Limited

Previous assignments: Executive Vice President and CEO of the Africa Division at Millicom International Cellular, CCO Group of Ooredoo, Vice President of Partnerships & Emerging Markets of Orange

Education: BA in Business Studies from Brighton University

Irina Hemmers

Board member, elected in 2014

Born: 1972

Nationality: Austrian citizen

Independence: Independent in relation to the company and management as well as in relation to the company's major shareholders

Holdings in Tele2: -

Committee work: Member of the Audit Committee

Other current assignments: -

Previous assignments: Non-Executive Director of Trader Corporation, Trader Media Group, Top Right Group and Hit Entertainment as well as partner at Eight Roads and Apax Partners

Education: M.Sc. in International Business and Economic Studies from Universität Innsbruck, Austria, and an MPA from John F. Kennedy School of Government, Harvard University, USA

Eamonn O'Hare

Board member, elected in 2015

Born: 1963

Nationality: Irish and British citizen

Independence: Independent in relation to the company and management as well as in relation to the company's major shareholders

Holdings in Tele2: -

Committee work: -

Other current assignments: Founder, Chairman and CEO of Zegona Communications and a Non-Executive Board Director of Dialog Semiconductor

Previous assignments: CFO and Board Director of Virgin Media

Education: B.Sc. Aeronautical Engineering, from Queen's University, Belfast, and MBA from London Business School

Carla Smits-Nusteling

Board member, elected in 2013

Born: 1966

Nationality: Dutch citizen

Independence: Independent in relation to the company and management as well as in relation to the company's major shareholders

Holdings in Tele2: 1,687 B shares

Committee work: Chairman of the Audit Committee

Other current assignments: Member of the Board of Directors of Nokia Oyj, Non-Executive Director at ASML, member of the management board of the Foundation Unilever NV Trust Office and Lay judge of the Enterprise Court of the Amsterdam Court of Appeal

Previous assignments: CFO of Koninklijke KPN N.V.

Education: M.Sc. Business Economics from Erasmus University, Rotterdam and Executive Master of Finance & Control from Vrije Universiteit Amsterdam

3. The Board reasoned statement pursuant to Ch 18 Sec 4 and Ch 19 Sec 22 of the Swedish Companies Act

The Board hereby presents the following statement in accordance with Ch 18 Sec 4 and Ch 19 Sec 22 of the Swedish Companies Act. The Board's reasons for the proposed dividend and the authorisations to repurchase the company's own shares being in accordance with the provisions of Ch 17 Sec 3 paragraph 2 and 3 of the Swedish Companies Act are as follows:

The company's objects, scope and risks

The company's objects and scope of business are set out in the articles of association and the submitted annual reports. The business operated by the company does not entail any risks in excess of those that exist or may be deemed to exist in the industry or those risks which are generally associated with operating a business.

The financial position of the parent company and the Group

The financial position of the parent company and the Group as per 31 December 2016 is stated in the annual report for 2016. The annual report also states which accounting principles are applied in the valuation of assets, allocations and liabilities.

The proposed dividend of SEK 5.23 per share amounted as per 31 December 2016 to SEK 2,627 million.

The proposed authorisations to repurchase shares means that the Board can acquire a maximum number of shares whereby the company's holding of own shares (treasury stock) amounts to not more than one tenth of all shares in the company.

The non-restricted equity in the parent company and the Group's retained earnings as of 31 December 2016 amounted to SEK 6,026 million and SEK 8,941 million respectively. The proposed dividend constitutes 23 percent of the parent company's equity and 14 percent of the Group's equity. At the same date, the Group's equity/assets ratio was 45 percent.

The proposed dividend and authorisation to repurchase the company's own shares do not limit the company's possibilities to complete on-going, and further make value creating, investments. The company's financial position does not give rise to any other conclusion than that the company can continue its business and that the company can be expected to fulfil its obligations on both a short and long-term basis.

Justification for the proposals regarding dividend and repurchase

With reference to the above and what has otherwise come to the knowledge of the Board, the Board is of the opinion that the proposed dividend, authorisation to repurchase the company's own shares to create flexibility in the work with the company's capital structure and to ensure delivery of shares under the proposed incentive programme are in accordance with the provisions in Ch 17 Sec 3 paragraph 2 and 3 of the Swedish Companies Act, i.e are justified with reference to the requirements that the nature of the operations, its scope and risks place on the parent company's and Group's equity, consolidation requirements, liquidity, financing needs and position in general.

Stockholm, April 2017

THE BOARD OF DIRECTORS
TELE2 AB (PUBL)

4. **Auditors report in accordance with Ch 8 Sec 54 of the Swedish Companies Act regarding whether there has been compliance with the guidelines for remuneration to Executive Management as approved by the Annual General Meeting**



Auditors' report in accordance with Chapter 8, Section 54 of the Swedish Companies Act (2005:551), regarding compliance with the guidelines for remuneration to senior executives approved by the Annual General Meeting

To the Annual General Meeting of Tele2 AB (publ), Corporate Identity Number 556410-8917.

We have audited whether the Board of Directors and the managing director of Tele2 AB (publ) have complied with the guidelines for remuneration to senior executives during the financial year 2016 which were approved by the Annual General Meeting on May 24, 2016 and the Annual General Meeting on May 19, 2015.

Responsibilities of the Board of Directors and the managing director

The Board of Directors and the managing director are responsible for compliance with these guidelines and for such internal control as the Board of Directors and the managing director determine is necessary to enable compliance with these guidelines.

Auditor's responsibility

Our responsibility is to express an opinion, based on our audit, to the Annual General Meeting as to whether the guidelines have been complied with. We conducted our audit in accordance with FAR's standard RevR 8 *Audit of Remuneration to Senior Executives in Listed Companies*. This standard requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the guidelines have, in all material aspects, been complied with. We apply the international standard on quality control, ISQC 1, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of Tele2 AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Our audit has included a review of the organization for and the documentation supporting the remuneration to senior executives as well as new decisions related to compliance with the guidelines. Our procedures have also included testing a sample of payments during the year to senior executives. The procedures selected depend on the auditor's judgment, including the assessment of the risks of whether the guidelines have not, in all material aspects, been complied with. In making those risk assessments, the auditor considers internal control relevant to the compliance of the guidelines in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

We believe that our audit procedures provide a reasonable basis for our opinion, as set out below.

Opinion

In our opinion, the Board of Directors and the managing director of Tele2 AB (publ) have, during the financial year 2016 complied with the guidelines for remuneration to senior executives which were approved by the Annual General Meeting on May 24, 2016 and the Annual General Meeting on May 19, 2015.

Stockholm, March 17, 2017

Deloitte AB

Signature on Swedish original

Thomas Strömberg
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

5. Evaluation of remuneration to the CEO and other members of the management group (Report according to the Swedish Code of Corporate Governance, 9.1 and 10.3)

Introduction

The Remuneration Committee, of the Board of Tele2 AB (publ) ("**Tele2**"), comprises the Chairman of the Board Mike Parton and the Board members Lorenzo Grabau and Georgi Ganev. Lorenzo Grabau is the Chairman of the Remuneration Committee.

In accordance with the Swedish Code of Corporate Governance (the "**Code**"), 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 structures and levels of remuneration in the company. The following is the Board's report of the results of the evaluation.

General information with respect to the remuneration to the executive management of Tele2

The remuneration to Tele2's executive management comprises an annual base salary and variable short-term incentive paid in cash ("**STI**") and long-term share-based incentive programmes. 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 the executive management to execute strategic plans and deliver excellent operating results and at the same time align management's incentives with the interests of the shareholders.

Variable remuneration

The STI is performance based 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.

Tele2 offers long-term share-based incentive programmes for the executive management and other key employees. The programmes are performance based and require participants to own Tele2 shares and remain in Tele2 employment during the term of 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 variable remuneration, for example outcome, uptake, the number of issued rights etc. is found in the Annual Report 2016.

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 and discussed at Board meetings. The Remuneration Committee also monitors to what extent the executive management participates in the long-term 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 Tele2 group, and
- long-term share-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.

The Board will, based on the results of the evaluation, propose a long-term incentive programme with the same structure as adopted the past years. In order to further incentivise Tele2 employees that have a direct impact on the value creation of Tele2's internet-of-things business ("**IoT**"), the Board has resolved to propose to implement a long-term, cash based, incentive programme carried out through the issuance of transferable synthetic options linked to the long-term value creation in IoT. This programme will, except for Tele2 senior executives working with IoT, replace the share-based long-term incentive programme for the participants, which will also have their maximum outcome of the

STI, if any, reduced by 50 per cent in order to achieve a better balance between short-term and long-term variable remuneration for IoT employees.

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 Meetings 2015 and 2016 established have been applied on such remunerations in the company during 2016.

Evaluation of the current remuneration structures and levels in Tele2

The Board of Director's view is that the current remuneration structures and levels in Tele2 strikes an appropriate balance between motivating the employees to execute strategic plans and deliver excellent operating results and achieving a competitive compensation that aligns the employees' incentives with the interests of the shareholders. In order for Tele2 to be able to recruit, motivate and retain the best talents to drive the development of IoT, which is an important strategic priority for Tele2, key individuals in IoT shall be offered a possibility to take part of the long-term value creation of IoT, if they make an own investment and the IoT business delivers shareholder value in line with or above certain predefined thresholds following a liquidity event.

Stockholm, April 2017

THE BOARD OF DIRECTORS
TELE2 AB (PUBL)