



NOTICE TO ATTEND THE ANNUAL GENERAL MEETING

The shareholders of Tele2 AB (publ) are hereby invited to the Annual General Meeting on Tuesday 9 May 2017 at 3.00 p.m. CET at the Hotel Rival, Mariatorget 3 in Stockholm.

NOTICE ETC.

Shareholders who wish to attend the Annual General Meeting shall

- be entered in the share register maintained by Euroclear Sweden on Wednesday 3 May 2017,
- give notice of their attendance no later than Wednesday 3 May 2017. Notice to attend is to be made on the company's website at www.tele2.com, by telephone to +46 (0) 771 246 400 or by mail to Computershare AB "AGM Tele2", P.O. Box 610, SE-182 16 Danderyd, Sweden.

Shareholders shall in their notice to attend state name, personal identification number or company registration number, address, phone number and advisors, if applicable. Shareholders whose shares are registered in the names of nominees must temporarily re-register such shares in their own name in order to be entitled to attend the Annual General Meeting. In order for such re-registration to be completed on Wednesday 3 May 2017 the shareholder must inform their nominees well before that day. Shareholders attending by a proxy or a representative should send documents of authorisation to the mail address above well before the Annual General Meeting. A template proxy form is available on the company's website www.tele2.com. Shareholders cannot vote or, in other way, attend the Annual General Meeting by remote access.

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) Sofia Arhall Bergendorff (re-election, proposed by the Nomination Committee),
 - (b) Georgi Ganev (re-election, proposed by the Nomination Committee),
 - (c) Cynthia Gordon (re-election, proposed by the Nomination Committee),
 - (d) Irina Hemmers (re-election, proposed by the Nomination Committee),
 - (e) Eamonn O'Hare (re-election, proposed by the Nomination Committee),
 - (f) Mike Parton (re-election, proposed by the Nomination Committee),
 - (g) Carla Smits-Nusteling (re-election, proposed by the Nomination Committee), and
 - (h) Anders Björkman (new 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. Approval of the procedure of the Nomination Committee.
 19. Resolution regarding guidelines for remuneration to senior executives.
 20. Resolutions regarding a long-term, share based, incentive programme (items 20(a)-(d)).
 21. Resolution regarding a long-term, cash based, incentive programme.
 22. Resolution to authorise the Board to resolve on repurchase of own shares.
 23. Resolutions regarding shareholder Thorwald Arvidsson's proposals (a)-(r).
 24. Resolution regarding shareholder Martin Green's proposal.
 25. Closing of the Annual General Meeting.

RESOLUTIONS PROPOSED BY THE NOMINATION COMMITTEE

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

The Nomination Committee proposes that Wilhelm Lünig, member of the Swedish Bar Association, is elected to be the Chairman of the Annual General Meeting.

Determination of the number of members of the Board and election of the members of the Board and the Chairman of the Board (items 13, 15(a)-(h) and 16)

The Nomination Committee proposes that the Board shall consist of eight members.

The Nomination Committee proposes that Sofia Arhall Bergendorff, Georgi Ganev, Cynthia Gordon, Irina Hemmers, Eamonn O'Hare, Mike Parton and Carla Smits-Nusteling shall be re-elected as members of the Board, and that Anders Björkman shall be elected as new member of the Board.

The Nomination Committee proposes that Mike Parton shall be re-elected as Chairman of the Board.

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

The Nomination Committee proposes remuneration to the Board with a total amount of SEK 6,330,000 (2016: 6,004,000).

The proposed remuneration for ordinary Board work for the period until the end of the next Annual General Meeting amounts to a total of SEK 5,600,000 (2016: 5,280,000) and shall be allocated in accordance with the following:

- SEK 1,575,000 (2016: 1,430,000) to the Chairman of the Board, and
- SEK 575,000 (2016: 550,000) to each of the seven other members of the Board.

The proposed remuneration for work within the committees of the Board for the period until the end of the next Annual General Meeting amounts to a total of SEK 730,000 (2016: 724,000) and shall be allocated in accordance with the following:

- SEK 220,000 (2016: 210,000) to the Chairman of the Audit Committee and SEK 110,000 (2016: 105,000) to each of the other three members, and
- SEK 90,000 (2016: 79,000) to the Chairman of the Remuneration Committee and SEK 45,000 (2016: 40,000) to each of the other two members.

The Nomination Committee proposes that remuneration to the auditor shall be paid in accordance with approved invoices.

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

In accordance with the Audit committee's recommendation, the Nomination Committee proposes that the company shall have one registered accounting firm as auditor, and that the registered accounting firm Deloitte AB shall be re-elected as auditor until the close of the 2018 Annual General Meeting. Deloitte AB has informed Tele2 that the authorised public accountant Thomas Strömberg will continue as auditor-in-charge if Deloitte AB is re-elected as auditor.

Approval of the procedure of the Nomination Committee (item 18)

The Nomination Committee proposes that the work of preparing proposals to the 2018 Annual General Meeting regarding the Board and auditor, in the case that an auditor should be elected, and their remuneration, Chairman of the Annual General Meeting and the procedure for the Nomination Committee shall be performed by a Nomination Committee.

The Nomination Committee will be formed during September 2017 in consultation with the largest shareholders of the company on 31 August 2017. The Nomination Committee will consist of at least three members appointed by the largest shareholders of the company who have wished to appoint a member. The Chairman of the Board will also be a member of the Committee, and will act as its convenor. The members of the Committee will appoint the Committee's Chairman at their first meeting.

The Nomination Committee is appointed for a term of office commencing at the time of its formation and ending when a new Nomination Committee is formed. If a member resigns during the Committee term, the Nomination Committee may choose to appoint a new member. The shareholder that appointed the resigning member shall in such case be asked to appoint a new member, provided that the shareholder still is one of the largest shareholders in the company. If that shareholder declines participation on the Nomination Committee, the Committee may choose to ask the next largest qualified shareholder to participate. In the event of changes to the ownership structure of the company, the Committee may choose to amend its composition in order to ensure that the Committee appropriately reflects the ownership of the company. However, unless there are special circumstances, the composition of the Nomination Committee may remain unchanged following changes in the ownership structure of the company that are either minor or occur less than three months prior to the 2018 Annual General Meeting.

The Nomination Committee shall have the right to upon request receive personnel resources such as secretarial services from the company, and to charge the company with costs for recruitment consultants and related travel if deemed necessary.

RESOLUTIONS PROPOSED BY THE BOARD

Dividend (item 11)

The Board proposes a dividend of SEK 5.23 per share. The record date for dividend is proposed to be on Thursday 11 May 2017. If the Annual General Meeting resolves in accordance with the proposal the dividend is estimated to be paid out to the shareholders on Tuesday 16 May 2017.

Guidelines for remuneration to senior executives (item 19)

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 performance conditions 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. The performance conditions for share or share price related LTI shall be related to Tele2's long-term value creation and / or shareholder return on the Tele2 share and the performance conditions for cash based LTI shall be related to the value creation in Tele2's IoT-business.

Over time, it is the intention of the Board to increase the proportion of variable performance-based compensation as a component of the senior executives' total compensation.

Other benefits may include e.g. company car 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 can amount to a maximum of 25 percent of the annual remuneration (base salary and STI). For the other senior executives defined contributions for pensions can amount to a maximum of 20 percent of the senior executive's 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 six 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.

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 Ch 8 Sec 54 of the Companies Act (2005:551), provided a statement with respect to whether there has been compliance with the guidelines for remuneration to the senior executives which have been applied during 2016. Both the Remuneration Committee's evaluation and the auditor's review states that Tele2 has complied with the guidelines for remuneration to senior executives during 2016.

Long-term, share based, incentive programme (items 20(a)-(d))

The Board proposes that the Annual General Meeting resolves to adopt a retention and performance based incentive programme in accordance with items 20(a)-(d) below. Since the resolutions are conditional upon each other they are proposed to be adopted in connection with each other.

Adoption of an incentive programme (item 20(a))

Summary of the programme

The Board proposes that the Annual General Meeting resolves to adopt a retention and performance based incentive programme ("LTI 2017"), based on the same structure as last year. LTI 2017 is proposed to include in total approximately 200 senior executives and other key employees within the Tele2 group. The participants in LTI 2017 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 2017. 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 2017 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 2017 is to create conditions for retaining competent employees in the Tele2 group. LTI 2017 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 2017 requires a personal investment in Tele2 shares, be it shares already held or shares purchased on the market in connection with the application to participate in LTI 2017.

By offering an allotment of performance rights which are based on profits and other retention and performance based conditions, the participants are rewarded for increased shareholder value. Further, LTI 2017 rewards employees' loyalty and long-term value growth in the company. Against this background, the Board is of the opinion that the adoption of LTI 2017 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 have to own Tele2 shares in order to participate in LTI 2017. 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 2015 or 2016, or shares purchased on the market in connection with notification to participate in LTI 2017. The maximum number of shares that the employee can hold under LTI 2017 will correspond to approximately 9-16 per cent of the employee's annual base salary as further described below. For each Tele2 share held under LTI 2017, 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 2017 – 31 March 2020 (the "**Measurement Period**") and the participant maintaining the invested shares at the release of the interim report for January – March 2020 and, with certain exceptions, maintaining the employment within the Tele2 group, each right entitles the participant to receive one Tele2 Class B share. 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 share 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 2017 will not be compensated for dividend proposed at the Annual General Meeting 2017.

Retention and performance conditions

The rights are divided into Series A (retention rights) and Series B and C (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 share (TSR) during the Measurement Period exceeding 0 per cent as entry level.

Series B Tele2's average normalised return of capital employed (ROCE) during the Measurement Period being at least 5.5 per cent as entry level and at least 8 per cent as the stretch target.

Series C The total shareholder return on the Tele2 shares (TSR) during the Measurement Period being equal to the median TSR for a peer group comprising Elisa, Iliad, Millicom International Cellular, TalkTalk Telecom Group, Telenor, TeliaSonera and TDC as entry level, and exceeding the median TSR for the peer group with 10 percentage points as the stretch target.

The determined levels of the conditions include an "entry" level and a "stretch" target with a linear interpolation applied between those 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, 20 per cent for Series B and 50 per cent for Series C. If the entry level is not reached for a certain series, all retention or performance rights (as applicable) in that series lapse. If stretch target for Series B and Series C is met, all retention or performance rights (as applicable) vest in the relevant series. The Board intends to disclose the outcome of the retention and performance based conditions in the annual report for the financial year 2020.

Retention and performance rights

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

- The retention and performance rights are granted free of charge after the Annual General Meeting 2017.
- The retention and performance rights vest three years after grant (vesting period).
- Each right entitles the participant to receive one Tele2 Class B 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 2020.
- 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 Class B 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 2017 will not be compensated for dividend proposed at the Annual General Meeting 2017.
- The retention and performance rights 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 2017, 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 2017 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

In total, LTI 2017 is estimated to comprise up to 354,000 Tele2 shares held by the participants entitling to allotment of up to 1,650,000 rights whereof 354,000 retention rights and 1,296,000 performance rights. The participants are divided into different categories and in accordance with the above, LTI 2017 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 2017, entitling the holder to allotment of 1 Series A right and 4.5 rights each of Series B and C per invested share, which entitles the holder to receive a maximum of 10,000 Series A rights and 45,000 rights each of Series B and C;
- senior executives and certain key employees (approximately 8 individuals) are divided into two subcategories where category (i) (approximately 4 individuals) may acquire up to 7,500 shares each within LTI 2017, entitling the holder to allotment of 1 Series A right and 3.5 rights each of Series B and C per invested share, which entitles the holder to receive a maximum of 7,500 Series A rights and 26,250 rights each of Series B and C. Category (ii) (approximately 4 individuals) may acquire up to 4,500 shares each within LTI 2017, entitling the holder to allotment of 1 Series A right and 3 rights each of Series B and C per invested share, which entitles the holder to receive a maximum of 4,500 Series A rights and 13,500 rights each of Series B and C;
- category 1 (approximately 50 individuals in total): may acquire up to 2,000 shares each within

LTI 2017, entitling the holder to allotment of 1 Series A right and 1.5 rights each of Series B and C per invested share, which entitles the holder to receive a maximum of 2,000 Series A rights and 3,000 rights each of Series B and C;

- category 2 (approximately 60 individuals in total): may acquire up to 1,500 shares each within LTI 2017, entitling the holder to allotment of 1 Series A right and 1.5 rights each of Series B and C per invested share, which entitles the holder to receive a maximum of 1,500 Series A rights and 2,250 rights each of Series B and C; and
- category 3 (approximately 106 individuals in total): may acquire up to 1,000 shares each within LTI 2017, entitling the holder to allotment of 1 Series A right and 1.5 rights each of Series B and C per invested share, which entitles the holder to receive a maximum of 1,000 Series A rights and 1,500 rights each of Series B and C.

Scope and costs of LTI 2017

LTI 2017 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 78,47 (closing share price of the Tele2 Class B shares on 23 March 2017 of SEK 83,70 less the deduction for the proposed dividend of SEK 5.23 per share), a maximum participation, an annual employee turnover of 7 per cent among the participants of LTI 2017, an average fulfilment of performance conditions of approximately 50 per cent, and full vesting of retention rights, the cost for LTI 2017, excluding social security costs, is estimated to approximately SEK 62 million. The cost will be allocated over the years 2017 - 2020. At a 100 per cent fulfilment of the performance conditions the cost is approximately SEK 78 million.

Social security costs will also be recorded as a personnel expense in the income statement by current reservations. The social security costs are estimated to approximately SEK 23 million with the assumptions above (approximately SEK 35 million at a 100 per cent fulfilment of the performance conditions), an average social security tax rate of 33 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 2017 is limited to SEK 315, which equals to four times the average closing share price of the Tele2 Class B shares during February 2017 with deduction for the proposed dividend. If the value of the Tele2 Class B shares exceeds SEK 315 at vesting, the number of Class B shares that each right entitles the participant to receive will be reduced correspondingly. The maximum dilution is up to 0.40 per cent of outstanding shares, 0.28 per cent of votes and 0.25 per cent in terms of costs for LTI 2017 as defined in IFRS 2 divided by Tele2's market capitalisation, excluding the dividend proposed to the Annual General Meeting 2017. Together with rights granted under the share based incentive programmes for the years 2014, 2015 and 2016, the maximum dilution is up to 0.94 per cent of outstanding shares and 0.66 per cent of votes.

If the maximum profit of SEK 315 per right is reached, all invested shares are retained under LTI 2017 and a fulfilment of the performance conditions of 100 per cent, the maximum cost of LTI 2017 as defined in IFRS 2 is approximately SEK 97 million and the maximum social security cost is approximately SEK 121 million.

For information on Tele2's other equity-related incentive programmes, reference is made to the annual report for 2016, note 33.

Effect on key ratios

If LTI 2017 had been introduced in 2016 with the assumptions above, the impact on basic earnings per share would have resulted in a dilution of 1.2 per cent or from SEK -4.12 to SEK -4.17 on a pro forma basis.

The annual cost of LTI 2017 including financing costs and social charges is estimated to approximately SEK 29 million given the above assumptions. This cost can be related to the company's total personnel costs, including social charges, of SEK 3,809 million in 2016.

Delivery of shares under LTI 2017

To ensure the delivery of Tele2 Class B shares under LTI 2017 as well as other outstanding share based 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 AB (publ) in accordance with item 20(b), and further to authorise the Board to subsequently resolve to repurchase the Class C shares from Nordea Bank AB (publ) in accordance with item 20(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 2017 as well other outstanding equity-related incentive programmes.

The Board further proposes that the Annual General Meeting resolves that a maximum of 2,000,000 Class B shares may be transferred to the participants in accordance with the terms of LTI 2017. 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.

Preparation

Tele2's Remuneration Committee has prepared this LTI 2017 in consultation with external advisors and major shareholders. LTI 2017 has been reviewed by the Board at board meetings during the end of 2016 and the first months of 2017.

The above proposal is supported by major shareholders.

Authorisation to issue Class C shares (item 20(b))

The Board proposes that the Annual General Meeting resolves to authorise the Board, during the period until the Annual General Meeting 2018, to increase the company's share capital by not more than SEK 562,500 by the issue of not more than 450,000 Class C shares, each with a ratio value of SEK 1.25. With disapplication of the shareholders' preferential rights, Nordea Bank AB (publ) 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 2017.

Authorisation to resolve to repurchase own Class C shares (item 20(c))

The Board proposes that the Annual General Meeting resolves to authorise the Board, during the period until the Annual General Meeting 2018, 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 2017.

Resolution on the transfer of own Class B shares (item 20(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 20(c) above, following reclassification into Class B shares, may be transferred to participants in LTI 2017 as well as participants in other outstanding equity-related incentive programmes in accordance with the approved terms.

The Board further proposes that the Annual General Meeting resolves that a maximum of 2,000,000 Class B shares may be transferred to participants in accordance with the terms of LTI 2017. 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.

Adoption of a long-term cash based incentive programme (item 21)

The Board proposes a new long-term, cash based, incentive plan, ("IoTP") for Tele2 employees that have a direct impact on the value creation of Tele2's internet-of-things business ("IoT"). Participants in IoTP will in general not be offered to participate in the LTI, with exception for members of Tele2's

Leadership Team. The maximum STI-levels, if any, will for the participants in the IoTP be reduced with 50 percent.

The objective of IoTP is to link the remuneration and incentives for the participants to the long-term value creation of IoT. Tele2's Board is of the opinion that IoTP will be an important tool for Tele2 to recruit, motivate and retain the best talents to drive the development of IoT, which is important both in order for IoT to reach its established target growth, and for Tele2 to continue to create a long-term value for Tele2's shareholders.

IoTP; structure and participants

IoTP is a long-term, cash based, option program based on the value creation in IoT, and will be carried out through the issuance of transferable synthetic options (the "**Options**"). Accordingly, settling of the Options will not increase the number of shares in Tele2.

Employees that have a direct impact on the value creation of IoT (approximately 12 persons) are entitled to participate in IoTP, by purchasing Options, at market value. Tele2 will partly subsidise the purchase of the Options. The Options will entitle the holder to a cash payment if the value of IoT is realised through a liquidity event and the realised value has reached or exceeds a predefined exercise level. The Options have no value for the holder if such liquidity event does not take place within six (6) years.

The Board shall be responsible for the detailed design and management of the IoTP, the main terms and conditions however shall be in accordance with the Annual General Meeting's resolution.

Main conditions for the Options

The participants in IoTP shall during a period following the 2017 Annual General Meeting, notify their intention to participate in the program and purchase the Options, at market value (the "**Start Day**").

Allotment of the Options is made by the Board or Remuneration Committee. The participants in the IoTP may, at market value, purchase Options for between SEK 50,000 and SEK 1,000,000 per person, depending on the employee's competence and area of responsibility. The market value for the Options shall be calculated by an independent valuation institute, applying a standard valuation model (Black-Scholes).

Each Option entitles the holder to a cash compensation, if the value of IoT is realised by Tele2, in whole or in part not less 20 percent of IoT, through a liquidity event (e.g. through a divestment of whole or part of IoT, a directed issue in which one or more investors become reference shareholders in IoT, or an IPO of IoT), and the realised value of IoT is at least 150 percent of the value at the Start Date ("**Liquidity Event**"). If Tele2 during the Options' term should realise less than 20 percent of IoT or the realised value is below 150 percent of the value at the Start Day, such realisation does not constitute a Liquidity Event. If a Liquidity Event has not occurred six years after the Start Day, the Options will lapse. The valuation of IoT at the Start Day have been made by an independent valuation institute, applying standard valuation models. The value of IoT at a Liquidity Event will be based on the actual realised value.

Tele2 will subsidise the purchase of the Options by granting the participants a cash compensation corresponding to 50 percent, net after taxes, of the Option premium. Such subsidy will be paid out at the time of purchase of the Options. Tele2 shall have the right to reclaim the subsidy, in whole or in part, during the first three years of the term of IoTP, if the participant's employment at Tele2 expires, or if the participant has notified Tele2 that he or she wishes to transfer the Options.

Tele2 shall also have the right to buy-back the Options, at market value.

The issue of Options will take place by entering into an agreement between Tele2 and the employee, principally on the terms set out above.

Scope and cost

The Options are transferred to the participants at market value. Tele2's initial cost for IoTP is paid subsidies to the participants of approximately SEK 2.04 millions, and (SEK 2.7 millions including social security costs), based on that all participants purchase the maximum number of Options.

The future cost, or revenue, attributable to the IoTP for Tele2 depends on the value growth of IoT. If a Liquidity Event does not occur during the Options' six year term, the Options will become worthless and paid premiums (reduced by paid subsidies) will be a revenue for Tele2. At a Liquidity Event the Options will have a value. The total value of the Options at a Liquidity Event will be a maximum of 10 percent of the difference between the actual realised value for IoT and 150 percent of the value at the Start Date.

If Tele2 allows employees in certain jurisdictions to participate in IoTP, by awarding them employee stock options (see below), there will be additional social security costs attributable to the cash compensation to such participants of approximately 10 percent.

IoTP participants outside of Sweden

Due to tax legislation and market pre-requisites in certain jurisdiction outside of Sweden it is proposed that potential new hired participants outside Sweden could be invited to participate in IoTP without purchasing Options, and that Tele2 as an alternative shall award such participants, free of- charge, employee stock options.

The employee stock options shall retain the same economic characteristics and incentives for the participants as the Options. However, the Board shall be responsible for that the agreements with such participants shall include provisions that:

- the employee stock options may not be transferred or pledged;
- the employee stock options lapse on the day on which a participant gives or receives notice of termination of employment with Tele2; and
- the cash amount payable to the participants per employee stock option at a Liquidity Event, shall be capped to the difference between 500 percent of the value of IoT at the Start Day and 150 percent of the value of the Start Day.

Preparation of the proposal and administration

IoTP has been prepared by the Remuneration Committee, together with external advisors and adopted by the Board.

The Board, or the Remuneration Committee, shall resolve upon the employees to be invited to purchase the Options as well as the detailed terms of the agreements to subsequently be entered into with the participants. Further, the Remuneration Committee will be responsible for the detailed design and administration of IoTP within the framework of the main terms and guidelines as resolved by the 2017 Annual General Meeting.

Authorisation for the Board to resolve to repurchase own shares (item 22)

The Board proposes that the Board is authorised to pass a resolution on repurchasing the company's own shares if the purpose is to retire shares through a decrease of the share capital, but also in order to ensure delivery of B-shares to the participants in the company's share or share price related incentive plans, 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 in cash.

The purpose of the authorisation is 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 hedge delivery of B-shares to the participants in the company's share or share price related incentive plans.

RESOLUTIONS PROPOSED BY THE SHAREHOLDERS

Proposals from shareholder Thorwald Arvidsson (item 23 (a)-(r))

Shareholder Thorwald Arvidsson proposes that the Annual General Meeting resolves:

- (a)* to adopt a zero tolerance policy regarding accidents at work for the company;
- (b)* to instruct the Board to set up a working group to implement this zero tolerance policy;
- (c)* to submit a report of the results in writing each year to the Annual General Meeting, as a suggestion, by including the report in the printed version of the Annual Report;
- (d)* to adopt a vision on absolute equality between men and women on all levels in the company;
- (e)* to instruct the Board to set up a working group with the task of implementing this vision in the long term and closely monitor the development both regarding gender equality and ethnicity;
- (f)* to submit a report in writing each year to the Annual General Meeting, as a suggestion, by including the report in the printed version of the Annual Report;
- (g)* to instruct the Board to take necessary actions to set-up a shareholders' association in the company;
- (h)* that members of the Board shall not be allowed to invoice their Board remuneration through a legal person, Swedish or foreign;
- (i)* that the Nomination Committee during the performance of their tasks shall pay particular attention to questions related to ethics, gender and ethnicity;
- (j)* in relation to item (h) above, instruct the Board to approach the appropriate authority, the Swedish government or the Swedish Tax Agency to draw their attention to the desirability of changes in the legal framework in this area;
- (k)* to amend the Articles of Association (§5 first paragraph) shares of series A as well as series B and C, shall entitle to one vote;
- (l)* to instruct the Board to approach the Swedish government, and draw the government's attention to the desirability of changing the Swedish Companies Act in order to abolish the possibility to have differentiated voting powers in Swedish limited liability companies;
- (m)* to amend the Articles of Association (§6) by adding two new paragraphs (the second and third paragraph) in accordance with the following. Former ministers of state may not be elected as members of the Board until two years have passed since he / she resigned from the assignment. Other full-time politicians, paid by public resources, may not be elected as members of the Board until one year has passed from the time that he / she resigned from the assignment, if not extraordinary reasons justify a different conclusion;
- (n)* to instruct the Board to approach the Swedish government and draw its attention to the need for a national provision regarding so called cooling off periods for politicians;
- (o)* to instruct the Board to prepare a proposal regarding representation on the Board and Nomination Committees for the small and medium sized shareholders to be resolved upon at the 2018 Annual General Meeting or at an Extraordinary General Meeting if such meeting is held before;
- (p)* to instruct the Board to approach the Swedish government and emphasize the desirability

of a reform of this area,

- (q) special examination of the internal as well as the external entertainment in the company; and
- (r) to instruct the Board to prepare a proposal of a policy in this area, a policy that shall be modest, to be resolved upon at the 2018 Annual General Meeting, or if possible an Extraordinary General Meeting prior to such Meeting.

Proposals from shareholder Martin Green (item 24)

Shareholder Martin Green proposes that an investigation is carried out regarding the company's procedures to ensure that the current members of the board and Leadership Team fulfil the relevant legislative and regulatory requirements, as well as the demands that the public opinions ethical values places on persons in leading positions. In addition, the investigation shall include the current attitude and practical handling performed by the company's administrators and executives.

MISCELLANEOUS

Shares and votes

There are a total number of 506,900,012 shares in the company, whereof 22,793,523 Class A shares, 482,207,489 Class B shares and 1,899,000 Class C shares, corresponding to a total of 712,041,719 votes. The company currently holds 2,650,947 of its own Class B shares and 1,899,000 of its own Class C shares corresponding to 4,549,947 votes which cannot be represented at the Annual General Meeting.

Special majority requirements and conditions with respect to the proposed resolutions in items 20, 22 and 23

Resolutions under items 20(b), 20(c), 22 and 23(m) are valid only if supported by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

Resolution under item 20(d) is valid only if supported by shareholders holding not less than nine-tenth of both the votes cast and the shares represented at the Annual General Meeting. Items 20(a)-20(d) are conditional upon each other and are therefore proposed to be adopted as one resolution supported by a majority of shareholders holding not less than nine-tenths of both the votes cast and the shares represented at the Annual General Meeting.

A valid resolution under item 23(k) requires support by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the Annual General Meeting as well as one-half of all the Class A shares in the Company and not less than nine-tenths of the Class A shares represented at the Annual General Meeting.

In order for a resolution under item 23(q) to result in special examination it is required that the proposal is supported by shareholders holding either at least one-tenth of all shares in the company or at least one-third of the shares represented at the Annual General Meeting.

Authorisation

The Board, or the person that the Board will appoint, shall be authorised to make the minor adjustments in the Annual General Meeting's resolutions as may be required in connection with registration at the Swedish Companies Registration Office and Euroclear Sweden.

Documentation

The nomination committee's motivated statement regarding its proposal to Board and information about the proposed board members are available on the company's website, www.tele2.com.

The annual report, the reasoned statement of the Board pursuant to Ch 18 Sec 4 and Ch 19 Sec 22 of the Companies Act (2005:551), the report on the results of the Remuneration Committee's evaluation according to the Swedish Code of Corporate Governance, the Auditor's statement pursuant to Ch 8 Sec 54 of the Companies Act (2005:551) will no later than 18 April 2017 be available at the company's website www.tele2.com, at the company's premises at Skeppsbron 18 in Stockholm and will be sent to those shareholders who so request and state their postal address or email address.

The documentation can be ordered by telephone at +46 (0) 771-246 400 or in writing at the address Computershare AB "AGM Tele2", P.O. Box 610, SE-182 16 Danderyd, Sweden.

Shareholders' right to request information

The Board and the Chief Executive Officer shall, if any shareholder so requests and the Board believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the group and the consolidated accounts.

Stockholm, April 2017

TELE2 AB (PUBL)

THE BOARD

Other information

Schedule for the Annual General Meeting:

The doors open for shareholders at 2.00 p.m. CET.

The Annual General Meeting commences at 3.00 p.m. CET.

Interpretation

The Annual General Meeting will mainly be held in Swedish. As a service to the shareholders, simultaneous interpretation from Swedish to English as well as from English to Swedish will be provided. This service may be requested when attendance to the Annual General Meeting is notified.
