Minutes of the Annual General Meeting of TeliaSonera AB (publ) (Corporate Reg. No. 556103-4249) held in Stockholm on April 6, 2011

Present

Listed shareholders as per Appendix 1

Opening of the AGM

The AGM was opened by Chairman of the Board, Mr. Anders Narvinger.

§ 1 Election of chairperson for the AGM

Anders Narvinger presented the proposal by the nomination committee for electing Attorney-at-Law Mr. Claes Beyer as the Chairman for the current AGM.

Resolution

The AGM elected Attorney-at-Law Mr. Claes Beyer as Chairman of the AGM.

It was recorded that the Company's General Counsel Mr. Jan Henrik Ahnell was asked to act as the secretary for the AGM.

Resolution

The AGM resolved to allow the guests to attend the meeting.

§ 2 Preparation and adoption of the list of voting rights

The meeting was presented with a list of registered shareholders, showing for each the number of shares forming the basis of their voting rights. The list had been adjusted with respect to shareholders who had registered but did not attend.

Resolution

The AGM resolved to adopt the list of registered shareholders, adjusted with respect to those shareholders who had registered but did not attend, as the list of voting rights for the AGM, Appendix 1.

It was recorded that a total of 345 persons attended the AGM, including accompanying persons, guests and officers.

It was further recorded that the AGM was also attended by all the members of the Board of Directors except Magnus Brattström as well as Chartered Auditor Mr. Bo Hjalmarsson.
§ 3 Adoption of the agenda

The Board’s proposal for the agenda, attached to the notice for the meeting, was presented.

Resolution

The AGM resolved to adopt the Board’s proposal for the agenda.

§ 4 Electing two scrutinisers of the minutes

The representative of the Swedish Government, Mrs. Kristina Ekengren, proposed that Mr. Johan Strandberg, the representative of SEB Fonder and Mr. Lars Holgersson, the representative of Skandia Liv, would act as the scrutinisers of the minutes for the current AGM.

Resolution

The AGM resolved that Mr. Johan Strandberg and Mr. Lars Holgersson would scrutinise the minutes together with the Chairman.

§ 5 Establishing the legitimacy of the AGM

It was recorded that the notice of the AGM had been displayed on TeliaSoneras’s homepage since 22 February, 2011. The notice to the AGM was posted as an advertisement in Post- och Inrikes Tidningar on 24 February, 2011. On 24 February, 2011, it was also announced in the newspapers Dagens Nyheter and Svenska Dagbladet that the notice had been posted.

Resolution

The AGM found that the meeting is legitimate.

§ 6 Presenting the Annual Report and Auditor’s Report, Consolidated Financial Statements and Group Auditor’s Report for 2010

The Annual Report, the Auditor’s Report, Consolidated Financial Statements and Group Auditor’s Report for 2010, Appendix 2, and the Auditor’s statement according to chapter 8 section 54 of the Swedish Companies Act, Appendix 3 were presented to the AGM.

CEO Mr. Lars Nyberg reported the Group’s operations and developments.

Chairman of the Board Mr. Anders Narvinger commented on the work undertaken by the Board during the past year.

Chairman of the Board’s audit committee Mrs. Maija-Liisa Friman commented on the work undertaken by the audit committee during the past year.
Chartered auditor Mr. Bo Hjalmarsson commented on the contents of the auditors’ report.

Questions were put forward and opinions expressed by a number of shareholders. The questions were commented by Mr. Anders Narvinger and Mr. Lars Nyberg.


Resolution


It was recorded that shareholders specified in Appendix 4 abstained from voting under this item.

§ 8 Distribution of profits and establishment of record date for the right to receive dividend

The proposal by the Board and the CEO regarding the distributable funds was presented, whereby the amount of SEK 78,349,006,865 before the payback process to the shareholders of maximum 9,943 million SEK, is to be distributed in such manner that an dividend of SEK 2.75 per share is paid to the shareholders, amounting to a total of SEK 12,348,757,335.75. If the meeting decides in accordance with the proposal from the Board a total of SEK 12,348,757,335.75 will be paid to the shareholders and the balance of distributable funds is transferred to retained earnings. The AGM was also presented with the Board’s proposal according to which the record date for the right to receive dividends would be 11 April, 2011.

Resolution

It was decided that a dividend of SEK 2.75 per share is to be paid and the remaining profit is to be entered into retained earnings, and that the record date for the right to receive dividends is 11 April, 2011.

§ 9 Discharge from liability

Resolution

The AGM discharged the members of the Board and the CEO from liability regarding the financial year of 2010 in accordance with the Auditors’ recommendations.

It was recorded that the members of the Board and the CEO did not participate in making this resolution.
It was recorded that shareholders specified in Appendix 4 abstained from voting under this item.

It was recorded that shareholders listed in Appendix 4 voted against the proposal under this item.

It was recorded that Mr. Kjell Westberg made a reservation against the decision.

§ 10 The number of members and deputy members of the Board

The Chairman of the nomination committee Mrs. Kristina Ekengren reported on the work carried out by the nomination committee during the past year and presented the committee’s proposal regarding the number of members of the Board, the remuneration to the members of the Board, the election of the members of the Board, the election of the Chairman of the Board, the number of auditors, the remuneration to the auditors, the election of auditors as well as election of the nomination committee.

Resolution

The AGM resolved that the Board would consist of eight ordinary members and that no deputy members would be appointed.

§ 11 Remuneration of the Board

Resolution

The AGM resolved that the remuneration payable to the Board of Directors until the next AGM would be SEK 1,100,000 to the Chairman and SEK 450,000 to each other board members elected by the AGM. The AGM also resolved that the Chairman of the Board’s audit committee would receive remuneration amounting to SEK 150,000 and the other members of the Board’s audit committee would receive SEK 100,000 each, and that the Chairman of the Board’s remuneration committee would receive remuneration amounting to SEK 55,000 and other members of the Board’s remuneration committee would receive SEK 35,000 each.

It was recorded that shareholders specified in Appendix 4 abstained from voting under this item.

It was recorded that shareholders listed in Appendix 4 and 5 voted against the proposal under this item.

§ 12 Election of Board members

Mr. Arne Svaehn encouraged the nomination committee to consider to propose a qualified customer as a member in the Board next year.
Resolution

The AGM elected the following persons as members of the Board until the following AGM: Re-election of Mrs. Maija-Liisa Friman, Mrs. Ingrid Jonasson Blank, Mr. Conny Karlsson, Mr. Anders Narvinger, Mr. Timo Peltola, Mr. Lars Renström, Mr. Jon Risfelt and Mr Per-Arne Sandström.

It was recorded that shareholders listed in Appendix 4 and 5 voted against the proposal under this item.

§ 13 Election of Chairman of the Board

Resolution

The AGM elected Mr. Anders Narvinger as the Chairman of the Board.

It was recorded that shareholders specified in Appendix 4 abstained from voting under this item.

It was recorded that shareholders listed in Appendix 4 and 5 voted against the proposal under this item.

§ 14 The number of auditors

Resolution

The AGM resolved that the number of auditors shall, until the end of the AGM 2012, be one (1).

§ 15 Remuneration to the auditors

Resolution

The AGM resolved that remuneration to the auditors shall be paid as per invoice.

It was recorded that shareholders specified in Appendix 4 abstained from voting under this item.

§ 16 Election of auditors and deputy auditors

Resolution

The AGM elected PricewaterhouseCoopers as auditors, until the end of the AGM 2012.

§ 17 Election of nomination committee

Folke Höjmar, accompanying person to shareholder Solveig Nordlander, expressed his opinion that also shareholders holding a smaller amount of shares should have a representative in the nomination committee and
encouraged the nomination committee to contact Aktiespararna or TeliaSonera’s Aktieägarförening.

Resolution

The AGM resolved that the following persons would be members of the nomination committee until the next AGM: Mrs. Kristina Ekengren (Swedish state), Mr. Kari Järvinen (Finnish state via Solidium Oy), Mr. Thomas Eriksson (Swedbank Robur funds), Mr. Per Frennberg (Alecta) and Mr. Anders Narvinger (Chairman of the Board of Directors).

It was recorded that shareholders specified in Appendix 4 abstained from voting under this item.

It was recorded that shareholders listed in Appendix 4 and 5 voted against the proposal under this item.

§ 18 Principles of remuneration policy for the Executive Management

The board’s proposal for Principles of remuneration policy for the Executive Management was presented, Appendix 6.

Resolution

The AGM resolved to approve the proposal for Principles of remuneration policy for the Executive Management presented by the Board.

It was recorded that shareholders specified in Appendix 4 abstained from voting under this item.

It was recorded that shareholders listed in Appendix 4 and 5 voted against the proposal under this item.

§ 19 Amendment of the articles of association

The board’s proposal to amend the articles of association was presented, Appendix 7. It was noted that the words “on the cost of the company” in the present § 13 (to be changed to § 11) should be deleted as stated in the notice.

Resolution

The AGM resolved to amend the articles of association in accordance with the Board’s proposal.

It was recorded that the resolution was unanimous.

The Board proposed to authorize the CEO to make minor adjustments in the resolution above that may be necessary for registration with the Swedish Companies Office. (Sw. Bolagsverket).
Resolution

The AGM resolved to authorize the CEO to make minor adjustments that may be necessary for registration with the Swedish Companies Office (Sw. Bolagsverket).

It was recorded that the resolution was unanimous.

It was recorded that shareholders specified in Appendix 4 abstained from voting under this item.

§ 20 Authorisation for the Board to resolve on acquisitions of own shares

Mr. Anders Narvinger presented the board’s proposal to authorise the Board to resolve on acquisitions of own shares, Appendix 8.

Tore Liedholm, representative of Aktiespararna Topp Sverige and Sveriges Aktiesparares Riksförbund, stated that the capital drain of the company was not acceptable and that the proposal therefore should be dismissed.

Mats Blomberg encouraged the shareholders to vote for Tore Liedholm’s proposal to dismiss the Board’s proposal.

It was clarified that two shareholders, together representing 71,6 percent of the shares represented at the AGM, voted for the Board’s proposal, the resolution was thereby supported by the necessary majority of at least two-thirds of the votes casted and shares represented at the meeting.

Resolution

The AGM resolved to adopt the Board’s proposal.

It was recorded that shareholders listed in Appendix 5 voted against the proposal under this item.

§ 21 Proposal for (a) implementation of a long-term incentive program 2010/2013 and (b) hedging arrangements for the program

Mr. Anders Narvinger presented the board’s proposal for implementation of a long-term incentive programme 2011/2014 and hedging arrangements for the programme, Appendix 9.

Resolution (a)

The AGM resolved to adopt the board’s proposal for implementation of a long-term incentive programme 2011/2014.

Resolution (b)

The AGM resolved to adopt the board’s proposal for hedging arrangements for the programme.

It was recorded that the resolution, except for the two exemptions stated below in the sections below was unanimously, and that the resolution in item 21(b) was
supported by shareholders with no less than nine-tenths of both the votes casted and shares represented at the AGM.

It was recorded that shareholders specified in Appendix 4 abstained from voting under this item.

It was recorded that shareholders listed in Appendix 4 and 5 voted against the proposal under this item.

§ 22 Proposal for reduction of the share capital

The board’s proposal for reduction of the share capital was presented, Appendix 10.

Resolution

The AGM resolved to adopt the board’s proposal.

It was recorded that the resolution was unanimously.

Resolution

The AGM resolved to authorize the CEO to make minor adjustments in the above mentioned decision that may be necessary for registration with the Swedish Companies Office (Sw. Bolagsverket).

It was recorded that the resolution was unanimously.

It was recorded that shareholders specified in Appendix 4 abstained from voting under this item.

§ 23 Proposal from the shareholder Torwald Arvidsson for special examination

Mr. Torwald Arvidsson first withdraw his proposal concerning item (b) and (c) and thereafter presented his proposal that the AGM should decide that a special examination should be done regarding (a) the consequences of the company’s independence and freedom of action having the Swedish State as an owner, Appendix 11.

Mr. Anders Narvinger and Mr. Lars Nyberg commented on Mr. Torwald Arvidsson’s proposal.

The representative of Swedbank Robur Fonder, Mr. KG Lindvall, proposed that Mr. Torwald Arvidsson’s proposal should be dismissed.

At the request of Mr. Torwald Arvidsson the chairman conducted a vote of the 19 largest in meeting present owners, whereby it was revealed that all supported KG Lindvall’s proposal.

Resolution

The AGM resolved to dismiss Mr. Torwald Arvidsson’s proposal.
It was recorded that shareholders specified in Appendix 4 and 5 abstained from voting under this item.

It was recorded that shareholders listed in Appendix 4 and 5 voted against the proposal under this item.

It was recorded that Mr. Torwald Arvidsson made a reservation against the decision.

§ 24 Proposal from the shareholder Torwald Arvidsson regarding authorization to transfer Skanova

Mr. Torwald Arvidsson presented his proposal that the AGM should authorize the Board to initiate negotiations regarding a transfer of Skanova on commercial terms, Appendix 12.

Mr. Anders Narvinger commented on Mr. Torwald Arvidsson’s proposal and announced that the Board proposed that the proposal should be dismissed.

At the request of Mr. Torwald Arvidsson the chairman conducted a vote of the two largest in meeting present owners, whereby it was revealed that both these shareholders supported the Board’s proposal.

Resolution

The AGM resolved to dismiss Mr. Torwald Arvidsson’s proposal.

It was recorded that shareholders specified in Appendix 4 and 5 abstained from voting under this item.

It was recorded that shareholders listed in Appendix 4 and 5 voted against the proposal under this item.

It was recorded that Mr. Torwald Arvidsson made a reservation against the decision.

Closing of the AGM

The Chairman of the AGM declared the AGM of 2011 closed.

Secretary Scrutinisers of the minutes

Jan Henrik Ahrnell Claes Beyer
Johan Strandberg

Lars Holgersson
The Board of Directors' proposal regarding guidelines for remuneration to the executive management

Remuneration to the Executive Management in TeliaSonera

This document is describing TeliaSonera’s remuneration policy for the Executive Management.

Remuneration principles

TeliaSonera’s objective is to offer remuneration levels and other employment conditions required to attract, retain and motivate high calibre executives needed to maintain the success of the business.

Remuneration should be built upon a total reward approach allowing for a market relevant – but not market leading – and cost effective executive remuneration based on the following compensation components.

1. Base salary
2. Pension
3. Other benefits

Remuneration structure

Base salary

The base salary should reflect the competence required in the position and the responsibility, complexity and the business contribution of the Executive. The base salary should also reflect the performance of the Executive and consequently be individual and differentiated.

Pension

Pension and other retirement benefits should be based on the defined contribution method.
Other benefits

The termination period may be up to six months when given by the Executive and up to 12 months when given by the Employer (in relation to the CEO six months). In case of termination given by the Employer, the Executive may be entitled to a severance payment of up to 12 months (in relation to the CEO 24 months). The severance payment shall not constitute a basis for calculation of vacation pay or pension benefits and shall be reduced should the Executive be entitled to pay from a new employment or from conducting his own business during the period under which the severance is payable to the Executive.

The Executive may be entitled to a company car benefit, health care provisions, travel insurance etc. in accordance with local labour market practice.

The Board is allowed to make minor deviations on an individual basis from the principles stated above.
The Board of Directors’ proposal regarding amendment of the Articles of Association

The Board of Directors proposes that the 2011 Annual General Meeting resolves that the Articles of Association will be amended as follows:
- § 9 in the Articles of Association shall have the below new wording,
- the present § 10 in the Articles of Association shall be deleted,
- a new § 10 shall be added in the Articles of Association with the wording specified below,
- the present §§ 11, 12 and 13 shall receive new numbering and thereafter as a consequence put in a new order and
- the present § 13 (new § 11) in the Articles of Association shall have the below new wording.

The Board of Directors proposal is based among others to conform the Articles of Association to the amendments that entered into force January 1st, 2011 in the Swedish Companies Act.

Amendments made in the present wording of the Articles of Association are marked with italics.

<table>
<thead>
<tr>
<th>The present wording</th>
<th>Proposed wording</th>
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<tr>
<td>§ 9 General meetings</td>
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<tr>
<td>In order to be entitled to participate in a general meeting, shareholders must notify the Company of their intention to attend the meeting no later than 4 p.m. on the day stated in the notice of the meeting. This day must not be a Sunday, other public holiday, a Saturday, Midsummer Eve, Christmas Eve or New Year’s Eve and must not fall earlier than the fifth working day before the meeting.</td>
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Shareholders may be accompanied at the meeting by one or two persons to assist them, but only if the shareholder notifies the Company of the number of accompanying persons in the manner stated in the previous paragraph.

The annual meeting shall transact the following matters:

1. Elect a chairman for the general meeting.
2. Prepare and approve the voting list.
3. Approve the agenda.
4. Elect two persons to check the minutes.
5. Confirm that the general meeting has been duly summoned.
6. Consider the annual accounts and the auditors’ report as well as the consolidated annual accounts and auditors’ report for the group.
7. Resolve
   a. whether to approve the profit and loss account and balance sheet as well as the consolidated profit and loss account and consolidated balance sheet,
   b. how the Company’s profit or loss according to the approved balance sheet is to be appropriated,
   c. whether the members of the Board of Directors and the Managing Director should be discharged from liability

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7. Resolve
   a. whether to approve the profit and loss account and balance sheet as well as the consolidated profit and loss account and consolidated balance sheet,
   b. how the Company’s profit or loss according to the approved balance sheet is to be appropriated,
   c. whether the members of the Board of Directors and the Managing Director should be discharged from liability
towards the company for the period covered by the accounts.

8. Determine the number of Board members and deputy members, who are to be elected by the meeting.

9. Determine the amounts of fees of the Board of Directors.

10. Elect the Board of Directors and any deputy members.

11. When required, determine the number of auditors and deputy auditors.

12. When required, determine the remuneration to the auditors.

13. When required, elect the auditors and deputy auditors.

14. Consider any other business which is incumbent upon the general meeting under the Swedish Companies Act.

Persons who do not have the right pursuant to Chapter 7 Section 2 of the Companies Act to participate in an general meeting shall, subject to conditions stipulated by the Board of Directors, have the right to attend or in an other way, eg. through electronic connection, follow the meeting.

§ 10 Voting rights

Each shareholder is at the general meeting entitled to vote for the total number of shares he or she owns or represents.

§ 10 Voting by mail

The Board of Directors has the right before a general meeting to
<table>
<thead>
<tr>
<th>§ 11 Financial year</th>
<th>§ 12 Financial year</th>
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<tr>
<td>The Company’s financial year is the calendar year.</td>
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<tr>
<th>§ 12 Record day provision</th>
<th>§ 13 Record day provision</th>
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<tr>
<td>The shares of the company shall be registered in a record day register pursuant to the Financial Instrument Accounts Act (1998:1479).</td>
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<tr>
<th>§ 13 Power of Attorneys</th>
<th>§ 11 Power of Attorneys</th>
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<tr>
<td>The Board of Directors has the right to collect power of attorneys on the cost of the company pursuant to the procedure in Chapter 7 Section 4 Paragraph 2 Companies Act (2005:551).</td>
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</table>

The Board of Directors proposes that the 2011 Annual General Meeting resolves to authorize the CEO to make minor adjustments in the resolutions above that may be necessary for registration with the Swedish Companies Office (Sw. Bolagsverket).

Valid resolution by the Annual General Meeting requires the support of at least two thirds of the votes cast as well as the shares represented at the General Meeting.
The Board of Directors’ proposal for authorization for the Board of Directors to resolve on acquisitions of own shares

**Background and reasons**
In order to provide the Board of Directors with an instrument to adapt and improve the company's capital structure and thereby create added value for the shareholders, and to enable the company to transfer own shares under long-term incentive programmes approved by a general meeting, the Board of Directors proposes that the Annual General Meeting authorise the Board of Directors to carry out acquisitions of own shares on the terms and conditions set forth below. In order to obtain an efficient instrument to enable the fulfilment of this purpose, the Board of Directors also intends to propose that future Annual General Meetings of the company authorise the Board of Directors to resolve on acquisitions of own shares on terms and conditions that are materially equivalent to those set forth below. At present, the company does not hold any own shares.

**Authorisation for the Board to resolve on acquisitions of own shares**
The Board of Directors proposes that the Annual General Meeting authorise the Board of Directors to resolve on acquisitions of own shares on the terms and conditions set forth below.

1. Acquisitions of shares may be effected on (i) Nasdaq OMX Stockholm and/or Nasdaq OMX Helsingfors or (ii) in accordance with an offer to acquire shares directed to all shareholders or through a combination of these two alternatives.

2. The authorisation may be exercised at one or more occasions prior to the Annual General Meeting 2012.

3. The maximum number of shares acquired shall be such that the company’s holding from time to time does not exceed 10 percent of all shares in the company.

4. Acquisitions of shares on Nasdaq OMX Stockholm and/or Nasdaq OMX Helsingfors may only be made at a price within the spread between the highest bid price and lowest ask price prevailing from time to time on Nasdaq OMX Stockholm and/or Nasdaq OMX Helsingfors.
5. Acquisitions of shares by way of offers to acquire shares directed to all the company’s shareholders may, if the company considers this to be appropriate and suitable, take place at an acquisition price which exceeds the prevailing market price. It will thereupon be possible, by means of detachable sales rights (Sw. säljrättar), for the shareholders to enjoy the value of the premium which may arise as a consequence of the company acquiring shares at a price in excess of the market price for the share. Should this be the case, it is intended that the sales rights be traded on Nasdaq OMX Stockholm and Nasdaq OMX Helsingfors, respectively.

In order to avoid shareholders not enjoying the financial value that an acquisition offer may represent if made at a premium, by reason of such shareholders neither selling sales rights nor participating in the acquisition offer, the company may appoint a bank or another financial institution (the “bank”) that, provided that the bank pays compensation to the shareholders who upon expiry of the application period hold non-exercised sales rights, shall be entitled to transfer to the company a number of shares corresponding to the number of sales rights that would have entitled to a transfer of such shares and for which compensation is paid. The bank may in such case acquire the shares to be transferred to the company, as set forth above, on the market. The bank appointed by the Board of Directors shall be identified in the Board of Directors’ resolution regarding a possible acquisition offer.

The compensation that the bank, where appropriate, is to pay to the shareholders concerned for each non-exercised sales right shall correspond to the lowest of (i) the difference in the price at which the company has acquired shares within the scope of the acquisition offer and the average price per share that the bank has paid for its acquisition of shares in question divided by the current acquisition ratio\(^1\) in the acquisition offer, less the bank’s actual handling cost, and (ii) the compensation that may be paid per sales right in the event of an offer of commission-free sale of sales rights.

With respect to the sales rights for which the bank may pay compensation as set out above, the bank is entitled to transfer shares to the company. An application for such a transfer of shares shall be made no later than the day, upon expiry of the application period for the acquisition offer, that the Board of Directors determines. The terms and conditions for the acquisition offer also applies to the bank’s transfer of shares.

6. In the event foreign legal and/or administrative rules significantly impede implementation of an acquisition offer in a particular country, the Board of Directors or a party appointed by the Board of Directors, shall be entitled to effect a sale of sales rights on behalf of the

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\(^1\) The number of shares (and thereby normally also the number of sales rights) required for the transfer of one share to the company.
shareholders concerned and shall, instead, pay the cash amount received upon a sale carried out with due care, less costs incurred.

7. The Board of Directors shall be entitled to decide on other terms and conditions for the acquisition.

In order for the resolution by the Annual General Meeting pursuant to the Board of Directors’ proposal above to be valid, shareholders with at least two-thirds of the votes cast and shares represented at the Meeting must vote in favour of the proposal.

Finally, the Board of Directors proposes that the Meeting authorise the chairman of the Board of Directors to make the minor adjustments to the resolution above that may prove necessary in connection with the execution of the resolution.

The Board of Directors intends to propose the 2012 Annual General Meeting to cancel those own shares acquired not hedging the company’s obligations to deliver shares under long-term incentive programmes approved by a general meeting through a reduction of the company’s share capital without repayment to the shareholders.
The Board of Directors’ proposal for (a) the implementation of a long-term incentive programme 2011-2014 and (b) hedging arrangements for the programme

Background
The remuneration framework within the TeliaSonera group (the “Group”) currently consists of fixed salary, annual variable salary, pension and other benefits. A number of key employees also participate in a long-term incentive programme, which was approved by the Annual General Meeting 2010. All in all, these parts constitute an integrated remuneration package. In accordance with the decision of the Annual General Meeting 2010, neither annual nor long term variable remuneration is paid to members of the TeliaSonera Group management team.

The Board of Directors has carried out a review of the remuneration framework with the ambition to strengthen the Group’s ability to recruit and retain talented key employees, create a long-term confidence in and commitment to the Group’s long-term development, strengthen the Group’s efforts to be more of a united company – “One Group”, align key employees’ interests with those of the shareholders, increase the part of the remuneration that is linked to the Company’s performance and encourage shareholding of key employees.

As a result of the review, the Board of Directors considers that yearly long-term incentive programme should be implemented for key employees of the Group. The long-term incentive programme proposed by the Board of Directors to be implemented during 2011, relating to the financial years 2011-2013 and that may result in allotments of so-called performance shares during the spring of 2014 (“Performance Share Programme 2011/2014”), is further described below.

The Board of Directors intends to propose forthcoming Annual General Meetings to implement long-terms incentive programmes on similar conditions that apply to the now proposed Performance Share Programme 2011/2014.

Description of Performance Share Programme 2011/2014

General
Performance Share Programme 2011/2014 shall comprise approximately 100 key employees within the Group. Provided that certain performance conditions, consisting of financial targets linked to EPS (Earnings Per Share) and TSR (Total
Shareholder Return), are met during the financial years 2011-2013 (the “Performance Period”), participants in Performance Share Programme 2011/2014 shall be given the opportunity to receive final allotments of TeliaSonera shares without consideration (“Performance Shares”).

Performance Share Programme 2011/2014 shall in total comprise of no more than 1,560,000 TeliaSonera shares, which corresponds to approximately 0.03 percent of the total number of outstanding shares in the Company.

Own initial investment
Participation in the programme requires that the participant has invested in TeliaSonera shares or allocated already held TeliaSonera shares to the programme (“Saving Shares”) corresponding to a value of two (2) percent of the participant’s annual gross base salary (i.e. before taxes) per year-end 2010 or, if a participant has become employed thereafter, the calculated annual gross base salary for 2011 (the “Base Salary”). Saving Shares shall normally be acquired or allocated to the programme during a period of approximately two weeks following the publication of the Company’s Interim Report for the first quarter 2011. In the event of recruitment of key employees thereafter, participation in the programme may be offered and acquisition or allocation of Saving Shares may take place until the end of August 2011.

Performance Conditions
The final allotments of Performance Shares will be based 50 percent on the Company’s development in EPS1 (“EPS-based allotment of Performance Shares”) and 50 percent on the Company’s TSR during the Performance Period in relation to TSR in a peer group of approximately ten comparable Nordic and western European telecom companies defined by the Board of Directors (“TSR-based allotment of Performance Shares”).2 As is further described below, the financial targets include a minimum level which must be achieved in order for any allotments to occur at all, as well as a maximum level in excess of which no additional allotments will occur. Should lower financial targets than the maximum level be achieved, a lower number of Performance Shares may thus be allotted.

The preliminary EPS-based allotment of Performance Shares shall be made based on the Company’s development in EPS for each of the financial years 2011, 2012 and 2013, in relation to EPS for the preceding financial year, and amount to a total value of no more than 15 percent of the Base Salary for the key employee.

In order for the participants to be entitled to receive any preliminary EPS-based allotment of Performance Shares, EPS for the relevant financial year must exceed EPS for the preceding financial year adjusted for inflation to be established further

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1 EPS is defined as earnings per share, with a possibility for the Board of Directors to make adjustments for extraordinary events and/or exchange rate fluctuations.
2 TSR is equal to the overall return a shareholder would receive on his or her shareholding taking into account both share price appreciation and dividends (if any). When calculating TSR, an average TSR-index number for December 2010 shall be compared with December 2013 for the Company and for the companies included in the peer group defined by the Board of Directors. The peer group does presently consist of Telia AS, Elisa Oyj, Tele2 AB, KPN NV, Telekom Austria AG, France Telecom SA, Deutsche Telekom AG, Vodafone Group Plc. and Telefonica SA.
by the Board of Directors ("Minimum Level"). In order for the participants to be entitled to receive maximum preliminary EPS-based allotment of Performance Shares, EPS for the relevant financial year must exceed the Minimum Level with a certain percent established by the Board of Directors, amounting to no less than five and no more than 15 percent ("Maximum Level"). If the Company’s EPS exceeds the Minimum Level, but is less than the Maximum Level, a proportionate reduction of the right to receive preliminary EPS-based allotment of Performance Shares shall be made.

The Board of Directors will establish the Company’s EPS for each of the financial years 2010, 2011, 2012 and 2013. Further, the Board of Directors will establish the Maximum Level for each of the financial years 2011, 2012 and 2013. EPS and the Maximum Level, respectively, as established by the Board of Directors, are intended to appear in the Annual Report for each of the financial years 2011, 2012 and 2013.

TSR-based allotment of Performance Shares shall be made based on a 3-year TSR measured over the Performance Period and amount to an aggregate value of no more than 15 percent of the Base Salary for the key employee.

If the Company’s TSR during the Performance Period places the Company at first or second place in the peer group, the participants have a right to receive the maximum TSR-based allotment of Performance Shares. If the Company’s TSR during the Performance Period places the Company at or below the median in the peer group, the participants have no right to receive any of the TSR-based allotment of Performance Shares. If the Company’s TSR during the Performance Period places the Company above the median in the peer group, but not at first or second place in the peer group, a proportionate reduction of the right to receive preliminary TSR-based allotment of Performance Shares shall be made.

Allotment
Maximum preliminary EPS-based allotment of Performance Shares for each of the financial years 2011, 2012 and 2013, shall amount to the number of Performance Shares corresponding to 5.00 percent of the Base Salary for the key employee, divided by a volume-weighted average price, calculated as the average of the daily noted volume-weighted purchase price of the Company’s share on NASDAQ OMX Stockholm’s official list during December for each of the years 2010, 2011 and 2012, however not lower than SEK 26. The maximum final EPS-based allotment of Performance Shares may not exceed annual preliminary allotted Performance Shares, but may be below the annual preliminary allotted Performance Shares as a result of the limitation on the maximum financial outcome that applies for each participant as set out below or other reduced final allotments as decided by the Board of Directors. Preliminary allotments of Performance Shares shall normally take place in conjunction with the Board of Directors’ submission of the Annual Report for each of the financial years 2011, 2012 and 2013.

Maximum TSR-based allotment of Performance Shares, shall amount to the number of Performance Shares corresponding to 15 percent of the Base Salary for
the key employee, in both cases, divided by a volume-weighted average price, calculated as the average of the daily noted volume-weighted purchase price of the Company’s share on NASDAQ OMX Stockholm’s official list during December 2010.

Final allotments of Performance Shares will take place following the publication of the Company’s Interim Report for the first quarter 2014. Rounding off shall be made to the closest whole number of Performance Shares.

The maximum financial outcome for a participant, and the maximum number of Performance Shares that may finally be allotted, shall be capped at such number of Performance Shares which aggregate market value, based on a volume-weighted average price, calculated as the average of the daily noted volume-weighted purchase price of the Company’s share on NASDAQ OMX Stockholm’s official list during 20 trading days prior to the day of publication of the Interim Report for the first quarter 2014, corresponds to 37.5 percent of the Base Salary of the key employee. Rounding off shall be made to the closest whole number of Performance Shares.

Recalculation of final allotments of Performance Shares shall take place in the event of an intervening bonus issue, split, rights issue and/or other similar events.

A condition for final allotments of Performance Shares shall normally be that the participant has been employed within the Group during the whole period as from entering into the programme until the day of publication of the Interim Report for the first quarter 2014 (the “Vesting Period”) and that all Saving Shares held by a participant have been kept during such period. Therefore, upon termination of the employment within the Group during the Vesting Period, the right to receive final allotments of Performance Shares normally lapses. The same normally applies also in relation to the right to receive preliminary EPS-based allotment of Performance Shares.

In addition to what is set out above, the Board of Directors shall under certain circumstances be entitled to reduce final allotments of Performance Shares or, wholly or partially, terminate the Performance Share Programme 2011/2014 in advance and to make such local adjustments of the programme that may be necessary to implement the programme with reasonable administrative costs and efforts in the concerned jurisdictions, including, among other things, to offer cash settlement as well as to waive the requirement for investing in or allocating Saving Shares to the programme for participants in such jurisdictions.

The value of and the estimated costs for Performance Share Programme 2011/2014
The participants’ rights to receive final allotments of Performance Shares on the final day of the programme are not securities and cannot be pledged or transferred to others. Neither are any shareholders’ rights transferred to participants in the programme prior to the day when they receive final allotments of Performance Shares. An estimated market value relating to the right to receive final allotments of Performance Shares can however be calculated. The Board of Directors has
calculated the total value for the right to receive allotments of Performance Shares under Performance Share Programme 2011/2014 to approximately SEK 20 million, under the following essential assumptions: (i) a share price of SEK 50.40 per TeliaSonera share as per 1 March 2011, (ii) an annual employee turnover of five percent and (iii) a 50 percent achievement of the EPS-based performance condition and, for the TSR-based performance condition, an assessment of future volatility on and reciprocal correlation between TSR for the Company and the companies included in the peer group defined by the Board of Directors (a so-called Monte Carlo simulation).

If the EPS-based performance conditions are achieved to 100 percent, the annual employee turnover is 0 percent and the assumption of a share price of SEK 50.40 and the assessment with respect to TSR are unchanged, the value of Performance Share Programme 2011/2014 is estimated to approximately SEK 35 million.

The costs are accounted for as staff costs (share-based benefits) over the three year Vesting Period. The social security costs are estimated to amount to approximately SEK 4 million, based on the assumptions described in items (i) – (iii) above, and, further, under the assumptions of a final allotment of TSR-based Performance Shares of 25 percent of maximum allotment, a tax rate for social security contributions of 20 percent and an annual increase in the market value of the TeliaSonera share of 5 percent. The costs for Performance Share Programme 2011/2014, excluding of the costs for the programme’s hedging measures, and assuming maximum allotments, unchanged share price until preliminary allotments, full target achievement and that the limitation with respect to the maximum market value of allotted Performance Shares is applicable, amount to approximately SEK 50 million, including approximately SEK 15 million in social security costs.

**Dilution and effects on key ratios**
Performance Share Programme 2011/2014 will not entail any dilution effect, as the programme is proposed to be hedged by either treasury shares or a hedging arrangement with a bank or another financial institution relating to already issued shares.

The costs for Performance Share Programme 2011/2014 are expected to have a marginal effect on the Group’s key ratios.

**Preparation of the proposal**
The proposal regarding Performance Share Programme 2011/2014 to the Annual General Meeting 2011 has been prepared by the Company’s remuneration committee, where after the Board of Directors has resolved to present the proposal regarding Performance Share Programme 2011/2014 to the Annual General Meeting 2011.

**Hedging**
The Board of Directors has considered two alternative hedging methods for Performance Programme 2011/2014; either (i) a hedging arrangement with a bank or other financial institution securing delivery of shares under the programme or
(ii) transfers of shares held by the Company itself to participants in Performance Share Programme 2011/2014. The Board of Directors considers the latter alternative as its main alternative. However, should the Annual General Meeting not approve the proposed transfer of own shares to participants in the programme, the Board of Directors may enter into a hedging arrangement set out above with a third party to hedge the obligations of the Company to allot under the programme.

Since the social security costs are not expected to be significant in comparison with the Company’s operating cash flow, such costs are intended to be financed by cash and bank holdings.

**The Board of Directors’ proposal for resolutions**

The Board of Directors proposes that the Annual General Meeting 2011 resolves to (i) implement Performance Share Programme 2011/2014, based on no more than 1,560,000 Performance Shares, and on the further main terms and conditions set out in item (a) below, and (ii) transfers own shares to participants in the programme, and to subsidiaries within the Group in order to secure their obligations to deliver Performance Shares under the programme, in accordance with item (b) below.

**(a) Main terms and conditions for Performance Share Programme 2011/2014**

1. Performance Share Programme 2011/2014 shall comprise approximately 100 key employees within the Group.

2. Provided that the performance conditions described above, consisting of financial targets linked to EPS (Earnings Per Share) and TSR (Total Shareholder Return), are met during the Performance Period, participants in Performance Share Programme 2011/2014 shall be given the opportunity to receive final allotments of Performance Shares without consideration.

3. Performance Share Programme 2011/2014 shall in total comprise no more than 1,560,000 TeliaSonera shares, which corresponds to approximately 0.03 percent of the total number of outstanding shares in the Company.

4. Participation in the programme requires that the participant has invested in or allocated to the programme already held Saving Shares corresponding to a value of two (2) percent of the participant’s Base Salary. Saving Shares shall normally be acquired or allocated to the programme during a period of approximately two weeks following the publication of the Company’s Interim Report for the first quarter 2011. In the event of recruitment of key employees thereafter, participation in the programme may be offered and acquisition or allocation of Saving Shares may take place until the end of August 2011.

5. The final allotments of Performance Shares will be based 50 percent on the Company’s development in EPS for each of the financial years 2011, 2012 and 2013, in relation to EPS for the preceding financial year, and 50 percent on the
Company’s TSR during the Performance Period in relation to TSR in a peer group of approximately ten comparable Nordic and western European telecom companies defined by the Board of Directors.

6. The financial targets include a minimum level which must be achieved in order for any allotments to occur at all, as well as a maximum level in excess of which no additional allotments will occur. Should lower financial targets than the maximum level be achieved, a lower number of Performance Shares may thus be allotted.

7. Maximum preliminary EPS-based allotment of Performance Shares for each of the financial years 2011, 2012 and 2013, shall amount to the number of Performance Shares corresponding to approximately 5.00 percent of the Base Salary for the key employee divided by a volume-weighted average price, calculated as the average of the daily noted volume-weighted purchase price of the Company’s share on NASDAQ OMX Stockholm’s official list during December for each of the years 2010, 2011 and 2012, however not lower than SEK 26. The maximum final EPS-based allotment of Performance Shares may not exceed annual preliminary allotted Performance Shares, but may be below the annual preliminary allotted Performance Shares as a result of the limitation on the maximum financial outcome that applies for each participant as set out in item 10 below or other reduced final allotments as decided by the Board of Directors in accordance with item 13 below. Preliminary allotments of Performance Shares shall normally take place in conjunction with the Board of Directors’ submission of the Annual Report for each of the financial years 2011, 2012 and 2013.

8. Maximum TSR-based allotment of Performance Shares, shall amount to the number of Performance Shares corresponding to 15 percent of the Base Salary for the key employee divided by a volume-weighted average price, calculated as the average of the daily noted volume-weighted purchase price of the Company’s share on NASDAQ OMX Stockholm’s official list during December 2010.

9. Final allotments of Performance Shares will take place following the publication of the Company’s Interim Report for the first quarter 2014. Rounding off shall be made to the closest whole number of Performance Shares.

10. The maximum financial outcome for a participant, and the maximum number of Performance Shares that may finally be allotted, shall be capped at such number of Performance Shares which aggregate market value, based on a volume-weighted average price, calculated as the average of the daily noted volume-weighted purchase price of the Company’s share on NASDAQ OMX Stockholm’s official list during 20 trading days prior to the day of publication of the Interim Report for the first quarter 2014, corresponds to 37.5 percent of the Base Salary of the key employee. Rounding off shall be made to the closest whole number of Performance Shares.
11. Recalculation of final allotments of Performance Shares shall take place in the event of an intervening bonus issue, split, rights issue and/or other similar events.

12. A condition for final allotments of Performance Shares shall normally be that the participant has been employed within the Group during the whole Vesting Period and that all Saving Shares held by a participant have been kept during such period. Upon termination of the employment within the Group during the Vesting Period, the right to receive final allotments of Performance Shares normally lapses. The same normally applies also in relation to the right to receive preliminary EPS-based allotment of Performance Shares.

13. In addition to what is set out above, the Board of Directors shall under certain circumstances be entitled to reduce final allotments of Performance Shares or, wholly or partially, terminate Performance Share Programme 2011/2014 in advance and to make such local adjustments of the programme that may be necessary to implement the programme with reasonable administrative costs and efforts in the concerned jurisdictions, including, among other things, to offer cash settlement as well as to waive the requirement for investing in or allocating Saving Shares to the programme for participants in such jurisdictions.

14. The Board of Directors shall be responsible for the further designing and administration of Performance Share Programme 2011/2014 within the framework of the above stated main terms and conditions.

(b) Transfers of own shares

Transfers of own shares to participants in Performance Share Programme 2011/2014, and to subsidiaries within the Group in order to secure their obligations to deliver Performance Shares under the programme, may be made on the following terms and conditions.

1. No more than 1,560,000 TeliaSonera shares may be transferred to participants in Performance Share Programme 2011/2014 as Performance Shares.

2. Entitled to receive allotments of Performance Shares without consideration shall be such persons within the Group being participants in Performance Share Programme 2011/2014. Further, subsidiaries shall be entitled to acquire shares without consideration, in which case such company shall be obliged, pursuant to the terms and conditions of Performance Share Programme 2011/2014, to immediately transfer the shares to such persons within the Group that participate in Performance Share Programme 2011/2014.

3. Transfers of shares shall be made without consideration at the time and on such additional terms and conditions that participants in Performance Share Programme 2011/2014 are entitled to receive final allotments of Performance Shares, i.e. following the publication of the Company’s Interim Report for the first quarter 2014.
4. The number of shares that may be transferred shall be subject to recalculation in the event of an intervening bonus issue, split, rights issue and/or other similar events.

The reasons for deviation from the shareholders’ preferential rights are the following.

The transfers of own shares are integrated parts of the implementation of Performance Share Programme 2011/14. The Board of Directors considers it to be an advantage for the Company and the shareholders that the participants in Performance Share Programme 2011/14 are offered to become shareholders in the Company.

The Board of Directors’ proposes that the resolutions pursuant to items (a) and (b) above shall be resolved by the Annual General Meeting as two separate resolutions. The proposal in item (b) regarding transfers of shares shall be conditional upon that the Annual General Meeting has approved item (a), i.e. the implementation of the proposed programme.

The resolution regarding implementation of the proposed long-term incentive programme pursuant item (a) above requires a simple majority vote.

The resolution regarding the proposed hedging arrangements pursuant to item (b) above requires in order to be valid that no less than nine-tenths of both the votes cast and the shares represented at the Annual General Meeting have to approve the proposal.
The Board of Directors' proposal for reduction of the share capital

Background and motive

On February 18, 2011, the Board of Directors of TeliaSonera AB (the "Company") resolved to, by means of a repurchase offer directed to all shareholders of the Company, repurchase a maximum of 160,373,471 shares at the price of SEK 62 in cash per share (the "Repurchase Offer"), whereby the Company will pay a consideration of a maximum of approximately SEK 9,943 million in total to the shareholders accepting the Repurchase Offer. The acceptance period for shareholders participating in the Repurchase Offer runs from March 1, 2011 up to and including March 25, 2011. Since the acceptance period has not yet started, the number of shares to be acquired by the Company under the Repurchase Offer is unknown. Currently, the Company does not hold any own shares.

For the purpose of carrying out the declaration of intent expressed by the Board of Directors in its proposal for an authorization to resolve on a repurchase of own shares, which was approved by the Annual General Meeting 2010, the Board of Directors hereby proposes that the Annual General Meeting resolves on a reduction of the Company's share capital on the terms and conditions set out below.

Resolution on reduction of share capital

1. The share capital shall be reduced by a maximum of SEK 513,195,107.20 and be carried out by means of cancellation of a maximum of 160,373,471 shares acquired by the Company under the Repurchase Offer, without any repayment to the Company's shareholders.

2. The reduction shall be made by appropriation to a fund at the disposal of the General Meeting, i.e. to non-restricted equity, in accordance with Chapter 20 Section 1 Paragraph 1 of the Swedish Companies Act.

3. The Board of Directors proposes that the Annual General Meeting authorizes the Chairman of the Board of Directors to make any minor adjustments to the resolution by the Annual General Meeting as
described above, that may be necessary for registration with the Swedish Companies Registration Office.

4. The Annual General Meeting’s resolution to reduce the share capital as described above, is not to be executed without permission from the Swedish Companies Registration Office or, in case of a dispute, the District Court.

The resolution of the Annual General Meeting in accordance with the Board of Directors’ proposal as described above, requires, in order to be valid, the support of at least two thirds of the votes cast as well as of the shares represented at the Annual General Meeting.
The shareholder Torwald Arvidsson’s proposal regarding special examination

Hereby, in my capacity as shareholder in TeliaSonera AB, I request the annual general meeting in 2001 decides that a special examination shall be done in the following respects.
A. The consequences of the company’s independence and freedom of action as the Swedish State owns 37.7% of the share capital and as the principal owner is acting more on the basis of purely political considerations and puts the business considerations in the background. To what extent has these consequences caused harm to other shareholders, including the Finnish State?
B. To what extent has the current human recourses strategy with clear anti-union elements harmed the company by creating a negative atmosphere within the company with negative impact on the work motivation? How has employee turnover developed? Has there been any surveys regarding job satisfaction at the workplace?
C. The risk that repeated savings programs with accompanying reductions within research and development will affect the company’s long-term profitability, i.e. after us the deluge, or in the original language après nous le deluge.
The shareholder Torwald Arvidsson's proposal regarding authorization to transfer Skanova

From today's edition of the newspaper "Dagens Nyheter" it is evident that the conservative opposition is considering halting the present Government's plans to continue selling off the state's shares in the company, i.e. revoke a previously granted authorization by parliament. What is at stake is that it is considered vital for national security reasons that the company's fixed copper- and fiber networks are controlled by the Swedish State. The networks are currently owned by a wholly owned subsidiary, Skanova. The value of Skanova is reported to be close to SEK 50 billion. With this in mind, I propose that the annual general meeting authorizes the Board of Directors to initiate negotiations regarding a transfer of Skanova on commercial terms.