Instruction for the Nomination Committee of TeliaSonera AB (publ)

1. The Nomination Committee (the "Committee") shall consist of five (5) to seven (7) ordinary members. Four members shall represent the four shareholders that are largest in terms of votes at the turn of the month before the notice of the annual general meeting is issued and which also wish to participate in the nomination process ("Nominating Shareholders"). The Chairman of the Board shall be a member of the Committee.

The Committee shall appoint the remaining two members and replacements for any prematurely vacated seats as per Section 6 (iv) below. The Committee shall be considered a quorum with fewer than five (5) members, but not with fewer than three (3).

Shareholders or physical persons involved in business activities that compete with TeliaSonera shall be disqualified as Nominating Shareholders and as members of the Committee.

2. The Committee may in addition to its ordinary members appoint at its sole discretion one or two extraordinary members. Extraordinary members shall possess knowledge and/or experience within the society, market, or sectors within which TeliaSonera does business or skills in the field of finance and accounting (in connection with election of auditors). Extraordinary members shall assist the Committee in performing its mandate, but shall not be entitled to participate in its decisions.

3. The members of the Committee shall be elected at the Annual General Meeting for a term of office that expires at the next year's Annual General Meeting.

4. The Committee shall have a Chairman (the "Chairman"), who shall appointed by the Committee at its statutory meeting. Members of the Board of Directors of TeliaSonera shall be disqualified to serve as Chairman of the Committee. The Chairman of the Board shall convene a statutory meeting after the Annual General Meeting at his or her discretion or upon request by a member.

5. Committee decisions shall be unanimous. If consensus cannot be reached, Section 11 below shall apply.

Changes to the Nomination Committee

6. The Committee shall remain intact unless,

(i) a member wishes to resign, in which case such request shall be submitted to the Chairman (or if the Chairman wishes to resign, the request shall be submitted to another member of the Committee) and receipt of such notice shall mean that the request has taken effect, or

(ii) a Nominating Shareholder wishes to replace its representative on the Committee with another person, in which case such request (which shall state the two relevant names) shall be submitted to the Chairman (or if the Chairman is to be replaced, to another member of the Committee) and the receipt of such notice shall mean that the request has taken effect, or
(iii) a Nominating Shareholder divests its entire shareholding in TeliaSonera, in which case the member representing the Nominating Shareholder that has sold its interest shall be considered to have resigned from the Committee, or

(iv) the Committee at its sole discretion decides to offer vacant seats to shareholders or representatives of shareholders to reflect the interest in TeliaSonera.

The Nomination Committee's work

7. The Nomination Committee shall nominate the Chairman of the Annual General Meeting and the Chairman of the Board and other Board Members, and present a proposal for remuneration, which shall be specified between the Chairman of the Board, other Board Members and, if applicable, remuneration for serving on subcommittees. Where applicable, the Committee shall also nominate auditors and present proposed remuneration for auditors.

The Committee shall nominate the members of the following year's Nomination Committee and shall specify the names of the Nominating Shareholders they represent.

The Nomination Committee shall review this Instruction annually and as necessary propose changes thereto to the Annual General Meeting.

8. As a basis for its proposals, the Committee shall

(i) assess the extent to which the current Board meets the requirements that will be imposed on the Board consequent upon TeliaSonera's position and future direction by means including studying the results of the performed evaluation of the Board,

(ii) determine the requirements for any new board members required according to that assessment, and

(iii) carry out a systematic search for candidates for the seats on the board to be filled, which procedure shall include consideration of suggestions submitted by shareholders.

9. The Committee's proposals according to Section 8 and the shareholders who made the suggestions shall be presented in the notice of the Annual General Meeting.

10. The Chairman of the Board shall have the right at his or her discretion to decide that TeliaSonera shall enter into non-disclosure agreements with Nominating Shareholders or shareholders according to Section 6 (iv) with respect to their representative on the Committee, or with individual shareholders who represent their own shareholding according to Section 6 (iv) above, or with extraordinary members, before information TeliaSonera considers secret is presented.

11. If the Committee cannot submit nominations and proposals according to Section 9 due to lack of consensus, individual members may present their own proposals individually or jointly with other members of the Committee. The rules stipulated in Sections 7-10 and 12-15 shall apply correspondingly to such proposals.
TeliaSonera’s web site

12. TeliaSonera shall provide space for communications from the Committee on its web site www.teliasonera.com (the “Site”) and the resources necessary to maintain the Site. The Committee shall appoint a member to be responsible for keeping the Site updated.

13. This Instruction and the names of the members of the Nomination Committee shall be posted on the Site. The Site shall also provide an e-mail box via which shareholders may submit proposals to the Committee.

14. In conjunction with issuance of notice of the Annual General Meeting, the Committee shall update the Site with a list of its nominations as per Section 7, an explanation of how it has conducted its work and the following information.

Re Board Members:

(i) age, main education and professional background,
(ii) assignments on behalf of TeliaSonera and other material assignments,
(iii) own or closely related physical or legal person’s holdings of shares and other financial instruments in TeliaSonera,
(iv) whether the nominee is according to the Committee to be considered independent in relation to TeliaSonera, executive management and major shareholders in TeliaSonera,
(v) upon re-election, the year the member was first elected to the Board, and
(vi) other information that may be relevant to shareholders in assessing the competence and independence of nominees.

Re Auditors:

(i) information about circumstances that may be relevant to shareholders in assessing the competence and independence of nominees,
(ii) the scope of services provided by the nominated auditor to TeliaSonera in addition to audits during the past three years, and
(iii) upon re-election, the year the auditor was first elected and the duration of the auditor’s mandate.

At the Annual General Meeting

15. The Committee shall present and explain its proposals to the Annual General Meeting. A separate explanation shall be provided if no changes to the Board are proposed. The Committee shall also provide a report on how its work was conducted.
PROPOSAL BY THE BOARD OF DIRECTORS OF TELIASONERA AB (PUBL) (THE "COMPANY") ON PRINCIPLES FOR REMUNERATION TO GROUP MANAGEMENT

The Board of Directors proposes that the annual general meeting 2014 resolves on the following principles for remuneration to Group Management. Group Management is defined as the President and the other members of the Management Team.

The objective of the principles is to ensure that the Company can attract and retain the best people in order to support the vision and strategy of the Company. Remuneration to Group Management should be built on a total reward approach and be market relevant, but not leading. The remuneration principles should enable international hiring and should support diversity within Group Management. The market comparison should be made against a set of peer group companies with comparable sizes, industries and complexity. The total reward approach should consist of fixed salary, pension benefits, conditions for notice and severance pay and other benefits.

Fixed salary
The fixed salary of a Group Management member should be based on competence, responsibility and performance. The Company uses an international evaluation system in order to evaluate the scope and responsibility of the position. Market benchmark is conducted on a regular basis. The individual performance is monitored and used as a basis for annual reviews of fixed salaries.

Pension
Pension and retirement benefits should be based on a defined contribution model, which means that a premium is paid amounting to a certain percentage of the individual's annual salary. When deciding the size of the premium the level of total remuneration should be considered. The level of contribution should be benchmarked and may vary due to the composition of fixed salary and pension. The retirement age is normally 65 years of age.

Other benefits
The Company provides other benefits in accordance with market practice. A Group Management member may be entitled to a company car, health and care provisions, etc. Internationally hired Group Management members and those who are asked to move to another country can be offered mobility related benefits for a limited period of time.

Notice of termination and severance pay
The termination period for a Group Management member may be up to six months (12 months for the President) when given by the employee and up to twelve months when given by the Company. In case the termination is given by the Company the individual may be entitled to a severance payment up to twelve months. Severance pay shall not constitute a basis for calculation of vacation pay or pension benefits. Termination and severance pay will also be reduced if the individual will be entitled to pay from a new employment or if the individual will be conducting own business during the termination period or the severance period.

The Board of Directors may make minor deviations on an individual basis from the principles stated above.
PROPOSAL BY THE BOARD OF DIRECTORS OF TELIA SONERA AB (PUBL) (THE "COMPANY") AUTHORIZING THE BOARD OF DIRECTORS TO ACQUIRE THE COMPANY'S OWN SHARES

Background information 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 its own shares under long-term incentive programs approved at a general meeting, the Board of Directors proposes that the annual general meeting authorize the Board of Directors to acquire the Company's own shares on the terms and conditions set out below. In order to create an efficient instrument to achieve this, the Board of Directors also intends to propose that future annual general meetings of the Company authorize the Board of Directors to acquire the Company's own shares on terms and conditions materially equivalent to those set out below. At present, the Company does not own any treasury shares.

Authorization for the Board of Directors to acquire the Company's own shares

The Board of Directors proposes that the annual general meeting authorize the Board of Directors to acquire the Company's own shares on the terms and conditions set out below.

1. Acquisitions of shares may be made on (i) NASDAQ OMX Stockholm and/or NASDAQ OMX Helsinki or (ii) in accordance with an offer to acquire shares made to all shareholders or by a combination of these two alternatives.

2. The authorization may be exercised on one or more occasions before the annual general meeting 2015.

3. The maximum number of treasury shares held by the Company may not exceed 10 percent of all shares in the Company.

4. Acquisitions of shares on NASDAQ OMX Stockholm and/or NASDAQ OMX Helsinki may only be made at a price within the spread between the highest bid price and lowest ask price from time to time on NASDAQ OMX Stockholm and/or NASDAQ OMX Helsinki.

5. If the Company considers it appropriate and suitable, shares may be acquired by offers made to all the Company's shareholders to purchase shares at a price above the prevailing market price. It will then be possible, by means of detachable sales rights (Sw. sälfrätter), for the shareholders to enjoy the value of any premium arising due to the Company acquiring shares at a price above the market price of the share. Should this occur, it is intended that the sales rights will be traded on NASDAQ OMX Stockholm and NASDAQ OMX Helsinki, respectively.

In order to avoid shareholders not enjoying any financial value represented by an acquisition offer made at a premium, because they neither sell sales rights nor participate in the acquisition offer, the Company may appoint a bank or another financial institution (the "Bank") which, provided it compensates shareholders holding unexercised sales rights on expiry of the application period, may transfer to the Company the number of shares corresponding to the number of sales rights that would have conferred entitlement to a transfer of such shares and for which compensation is paid. If so, the Bank may acquire
the shares to be transferred to the Company, as set out above, in the market. The Bank appointed by the Company will be identified in the Board of Directors’ resolution on a possible acquisition offer.

The compensation that the Bank, where applicable, is to pay to the shareholders concerned for each unexercised sales right must equal the lowest of (i) the difference in the price at which the Company has acquired shares under the acquisition offer and the average price per share that the Bank has paid to acquire the shares in question divided by the current acquisition ratio\(^2\) 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 to transfer shares must be made no later than the day that the Board of Directors determines following expiry of the application period for the acquisition offer. The terms and conditions of the acquisition offer also apply to the Bank’s transfer of shares.

6. If foreign legal and/or administrative rules significantly hinder implementation of an acquisition offer in a particular country, the Board of Directors or its nominee may sell sales rights on behalf of the shareholders concerned and will, instead, pay the cash amount received on a sale carried out with due care, less costs incurred.

7. The Board of Directors may decide on the other terms and conditions for the acquisition. The Board of Directors may also authorize the chair of the Board of Directors to make any minor adjustments that may prove necessary to carry out the Board of Directors’ resolution to acquire the Company’s own shares.

The resolution at the annual general meeting on the Board of Directors’ proposal above will be valid only if the proposal is supported by shareholders representing at least two-thirds of both the votes cast and shares represented at the meeting.

Under Chapter 19, section 22 of the Swedish Companies Act (2005:551) (the “Companies Act”) the Board of Directors must state whether the proposed acquisition is justifiable taking into account the provisions of Chapter 17, section 3, paragraphs 2 and 3 of the Companies Act. If the assets or liabilities have been valued at fair value under Chapter 4, section 14a of the Swedish Annual Accounts Act (1995:1554), the statement must also include an opinion of how much of the equity of the Company is subject to the valuation used. The statement by the Board of Directors is attached as an appendix.

\(^2\) The number of shares (and thereby normally also the number of sales rights) required for the transfer of one share to the Company.
THE BOARD OF DIRECTORS’ OF TELIASONERA (PUBL) (“THE COMPANY”) PROPOSAL ON (A) IMPLEMENTATION OF A LONG-TERM INCENTIVE PROGRAM 2014/2017 AND (B) HEDGING ARRANGEMENTS FOR THE PROGRAM

Background

The remuneration framework within the TeliaSonera group (the “Group”) may consist of fixed salary, annual variable salary, pension and other benefits. A number of key employees also participate in long-term incentive programs approved at the annual general meeting 2010, 2011, 2012 and 2013 respectively. All in all, these parts constitute an integrated remuneration package. In accordance with the decision of the annual general meeting 2010, 2011, 2012 and 2013 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 programs should be implemented for key employees of the Group. The long-term incentive program proposed by the Board of Directors to be implemented during 2014, relating to the financial years 2014-2016 and that may result in allotments of so-called performance shares during the spring of 2017 (“Performance Share Program 2014/2017”), is further described below.

The Board of Directors intends to propose forthcoming annual general meetings to implement long-term incentive programs on similar conditions that apply to the now proposed Performance Share Program 2014/2017.

Description of Performance Share Program 2014/2017

General

Performance Share Program 2014/2017 shall comprise approximately 200 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 2014-2016 (the “Performance Period”), participants in Performance Share Program 2014/2017 shall be given the opportunity to receive final allotments of TeliaSonera shares without consideration (“Performance Shares”).

Performance Share Program 2014/2017 shall in total comprise of no more than 2,090,000 TeliaSonera shares, which corresponds to approximately 0.05 percent of the total number of outstanding shares in the Company.
Own initial investment

Participation in the program requires that the participant has invested in TeliaSonera shares or allocated already held TeliaSonera shares to the program ("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 2013 or, if a participant has become employed thereafter, the calculated annual gross base salary for 2014 (the "Base Salary"). Saving Shares shall normally be acquired or allocated to the program during a period of approximately five weeks following the publication of the Company’s Interim Report for the first quarter 2014. In the event of recruitment of key employees thereafter, participation in the program may be offered and acquisition or allocation of Saving Shares may take place until the end of August 2014.

Performance Conditions

The final allotments of Performance Shares will be based 50 percent on the Company’s development in EPS ("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"). 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 2014, 2015 and 2016, 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 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 establishes the Company’s EPS for each of the financial years 2013, 2014, 2015 and 2016. Further, the Board of Directors will establish the Maximum Level for each of the financial years 2014, 2015 and 2016. 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 2014, 2015 and 2016.

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5 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.
6 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 2013 shall be compared with December 2016 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 Telenor ASA, Elisa Oyj, Tele2 AB, KPN NV, Telekom Austria AG, Orange SA, Deutsche Telekom AG, Vodafone Group Plc. and Telefonica SA.
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 2014, 2015 and 2016, 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 2013, 2014 and 2015, 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 2014, 2015 and 2016.

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 2013.

Final allotments of Performance Shares will take place following the publication of the Company’s Interim Report for the first quarter 2017. 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 2017, 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, share repurchase offer, 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 program up to and including the day of publication of the Interim Report for the first quarter 2017 (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 Program 2014/2017 in advance and to make such local adjustments of the program that may be necessary to implement the program 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 program for participants in such jurisdictions.

The value of and the estimated costs for Performance Share Program 2014/2017

The participants’ rights to receive final allotments of Performance Shares on the final day of the program are not securities and cannot be pledged or transferred to others. Neither are any shareholders’ rights transferred to participants in the program 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 Program 2014/2017 to approximately SEK 24 million, under the following essential assumptions: (i) a share price of SEK 52.85 per TeliaSonera share as per January 10, 2014, (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 the probability of outcome of the TSR-based performance condition in the peer group defined by the Board of Directors.

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 52.85 and the assessment with respect to TSR are unchanged, the value of Performance Share Program 2014/2017 is estimated to approximately SEK 45 million.

The costs are accounted for as staff costs (share-based benefits) over the three years Vesting Period. The social security costs are estimated to amount to approximately SEK 6 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 Program 2014/2017, excluding of the costs for the program’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 65 million, including approximately SEK 20 million in social security costs.
Dilution and effects on key ratios

Performance Share Program 2014/2017 will not entail any dilution effect, as the program 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 Program 2014/2017 are expected to have a marginal effect on the Group’s key ratios.

Preparation of the proposal

The proposal regarding Performance Share Program 2014/2017 to the annual general meeting 2014 has been prepared by the Company’s remuneration committee, where after the Board of Directors has resolved to present the proposal regarding Performance Share Program 2014/2017 to the annual general meeting 2014.

Hedging

The Board of Directors has considered two alternative hedging methods for Performance Program 2014/2017; either (i) a hedging arrangement with a bank or other financial institution securing delivery of shares under the program or (ii) transfers of shares held by the Company itself to participants in Performance Share Program 2014/2017. 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 program, 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 program.

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 2014 resolves to (i) implement Performance Share Program 2014/2017, based on no more than 2,090,000 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 program, and to subsidiaries within the Group in order to secure their obligations to deliver Performance Shares under the program, in accordance with item (b) below.

(a) Main terms and conditions for Performance Share Program 2014/2017

1. Performance Share Program 2014/2017 shall comprise approximately 200 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 Program 2014/2017 shall be given the opportunity to receive final allotments of Performance Shares without consideration.
3. Performance Share Program 2014/2017 shall in total comprise no more than 2,090,000 TeliaSonera shares, which corresponds to approximately 0.05 percent of the total number of outstanding shares in the Company.

4. Participation in the program requires that the participant has invested in or allocated to the program 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 program during a period of approximately five weeks following the publication of the Company’s Interim Report for the first quarter 2014. In the event of recruitment of key employees thereafter, participation in the program may be offered and acquisition or allocation of Saving Shares may take place until the end of August 2014.

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 2014, 2015 and 2016, 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 2014, 2015 and 2016, 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 2013, 2014 and 2015, 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 2014, 2015 and 2016.

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 2013.

9. Final allotments of Performance Shares will take place following the publication of the Company’s Interim Report for the first quarter of 2017. 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 of 2017, 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 Program 2014/2017 in advance and to make such local adjustments of the program that may be necessary to implement the program 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 program for participants in such jurisdictions.

14. The Board of Directors shall be responsible for the further designing and administration of Performance Share Program 2014/2017 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 Program 2014/2017, and to subsidiaries within the Group in order to secure their obligations to deliver Performance Shares under the program, may be made on the following terms and conditions.

1. No more than 2,090,000 TeliaSonera shares may be transferred to participants in Performance Share Program 2014/2017 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 Program 2014/2017. 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 Program 2014/2017, to immediately transfer the shares to such persons within the Group that participate in Performance Share Program 2014/2017. Transfers of shares shall be made without consideration at the time and on such additional terms and conditions that participants in Performance Share Program 2014/2017 are entitled to receive final allotments of Performance Shares, i.e. following the publication of the Company’s Interim Report for the first quarter of 2017.

3. The number of shares that may be transferred shall be subject to recalculation in the event of an intervening bonus issue, share repurchase offer, 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 Program 2014/2017. The Board of Directors considers it to be an advantage for the Company and the shareholders that the participants in Performance Share Program 2014/2017 are offered to become shareholders in the Company.

The Board of Directors' proposes that the resolutions under items (a) and (b) above will be voted on at the annual general meeting as two separate resolutions. The proposal under item (b) on the proposed hedging arrangements is conditional on the annual general meeting having approved item (a), i.e. the implementation of the proposed program.

The resolution on implementation of the proposed long-term incentive program under item (a) will be valid if the proposal is supported by a simple majority of the votes cast.

The resolution on the proposed hedging arrangements under item (b) will be valid only if the proposal is supported by shareholders representing at least nine-tenths of both the votes cast and shares represented at the meeting.
Shareholder's proposal on special investigation

The shareholder Thorwald Arvidsson proposes that the meeting resolves on a special investigation on the following:

1. The Company's business outside the EU, particularly in regards to commercial interests, business ethics and legality.
2. Remuneration to senior executives both in regards to compliance as well as fairness, particularly in regards to severance pay and such.