Annual General Meeting
April 2, 2014
Documentation
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AGENDA

Opening of the meeting

1. Election of chair of the meeting
2. Preparation and approval of voting register
3. Adoption of agenda
4. Election of two persons to check the minutes of the meeting together with the chair
5. Determination of whether the meeting has been duly convened
6. Presentation of the annual report and the auditor’s report, the consolidated financial statements and the auditor’s report on the consolidated financial statements for 2013. A description by the chair of the Board of Directors Marie Ehrling of the work of the Board of Directors during 2013 and a speech by President and CEO Johan Dennelind in connection herewith
7. Resolution to adopt the income statement, the balance sheet, the consolidated income statement and the consolidated balance sheet for 2013
8. Resolution on appropriation of the Company’s profit as shown on the adopted balance sheet and setting of record date for the dividend
9. Resolution on discharge of the directors and the CEO from personal liability towards the Company for the administration of the Company in 2013
10. Resolution on number of directors and alternate directors to be elected at the meeting
11. Resolution on remuneration payable to the directors
12. Election of directors and any alternate directors
13. Election of chair and vice-chair of the Board of Directors
14. Resolution on number of auditors and deputy auditors
15. Resolution on remuneration payable to the auditor
16. Election of auditor and any deputy auditors
17. Election of Nomination Committee and resolution on instruction for the Nomination Committee
18. Resolution on principles for remuneration to Group Management
19. Resolution authorizing the Board of Directors to acquire the Company’s own shares
20. Resolution on
   (a) implementation of a long-term incentive program 2014/2017 and
   (b) hedging arrangements for the program
21. Resolution on special investigation

Closing of the meeting
NOTICE TO THE ANNUAL GENERAL MEETING

Welcome to TeliaSonera’s Annual General Meeting 2014

The annual general meeting of TeliaSonera AB (publ) will be held on Wednesday, April 2, 2014 at 2.00 pm CET at Cirkus, Djurgårdsľätten 43-45, Stockholm. Registration for the meeting starts at 1.00 pm CET. Coffee will be served before the meeting starts. The meeting will be interpreted into English.

Right to attend

Those wishing to attend the meeting must
- be entered as a shareholder in the share register kept by the Swedish central securities depository Euroclear Sweden AB on Thursday, March 27, 2014, and
- give notice of attendance to the Company no later than on Thursday, March 27, 2014.

Notice to the Company

Notice of attendance can be given
- in writing to TeliaSonera AB, PO Box 7842, SE-103 98 Stockholm, Sweden,
- by telephone +46-8-402 90 50 on weekdays between 9.00 am and 4.00 pm CET, or
- on the Company’s website www.teliasonera.com (only private individuals).

When giving notice of attendance, please state name/company name, social security number/corporate registration number, address, telephone number (office hours) and, where relevant, number of accompanying persons.

Shareholding in the name of a nominee

To be entitled to participate in the meeting, shareholders whose shares are registered in the name of a nominee must register the shares in their own name with the help of the nominee, so that the shareholder is entered in the share register kept by Euroclear Sweden AB on Thursday, March 27, 2014. This registration may be made temporarily. Shareholders are requested to inform the nominee to that effect well before that day.

Since the Finnish shareholders that are registered within the Finnish book-entry system at Euroclear Finland Oy are nominee registered at Euroclear Sweden AB, those Finnish shareholders wishing to participate in the meeting must contact Euroclear Finland Oy by e-mail at thy@euroclear.eu or by phone at +358 (0)20 770 6609, for registration of their shares in their own name well in advance of Thursday, March 27, 2014.

Proxies

Shareholders represented by a proxy must issue a proxy form for the representative. A template proxy form is available on the Company’s website www.teliasonera.com. A proxy form issued by a legal entity must be accompanied by a copy of the certificate of registration (or, if no certificate exists, a corresponding document of authority) for the legal entity. To facilitate registration at the meeting, proxy forms, certificates of registration and other documents of authority should be submitted to the Company at the address above no later than on Thursday, March 27, 2014.
Other information

Marie Ehrling’s and Johan Dennelind’s speeches at the meeting will be posted on the Company’s website www.teliasonera.com after the meeting.

The total number of shares and votes in the Company is 4,330,084,781 at the date the notice is issued. At the same date, the Company does not own any treasury shares.

At the request of any shareholder, the Board of Directors and the CEO shall provide information at the meeting on any circumstances that may affect the assessment of a matter on the agenda or the Company’s financial position, provided that the Board of Directors believes it would not be of significant detriment to the Company.

Agenda

Opening of the meeting

1. Election of chair of the meeting
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6. Presentation of the annual report and the auditor’s report, the consolidated financial statements and the auditor’s report on the consolidated financial statements for 2013.
   A description by the chair of the Board of Directors Marie Ehrling of the work of the Board of Directors during 2013 and a speech by President and CEO Johan Dennelind in connection herewith
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14. Resolution on number of auditors and deputy auditors
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16. Election of auditor and any deputy auditors
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18. Resolution on principles for remuneration to Group Management
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   (b) hedging arrangements for the program
21. Resolution on special investigation

Closing of the meeting
Resolutions proposed by the Nomination Committee

The Nomination Committee appointed at the annual general meeting consists of the following persons: Magnus Skåninger, chair (Swedish State), Kari Järvinen (Solidium Oy), Jan Andersson (Swedbank Robur Funds), Per Frennberg (Alecta) and Marie Ehrling (chair of the Board of Directors).

The Nomination Committee presents the following proposals:

- **Item 1** – Chair of the meeting: Eva Hägg, Attorney-at-law.

- **Item 10** - Number of directors and alternate directors: Until the end of the annual general meeting 2015, eight directors with no alternate directors.

- **Item 11** - Remuneration payable to the directors: Remuneration payable to the directors until the next annual general meeting will be SEK 1,240,000 to the chair (previously SEK 1,200,000), SEK 750,000 to the vice-chair (unchanged) and SEK 470,000 to each other director elected at the annual general meeting (previously SEK 450,000). The chair of the Board of Directors’ audit committee will receive remuneration of SEK 150,000 (unchanged) and other members of the audit committee would receive SEK 100,000 (unchanged), and the chair of the Board of Directors’ remuneration committee would receive SEK 65,000 (unchanged) and other members of the remuneration committee would receive SEK 45,000 (unchanged) and the chair of the Board of Directors’ sustainability and ethics committee will receive SEK 150,000 (unchanged) and other members of the sustainability and ethics committee will receive SEK 100,000 (unchanged).

- **Item 12** – Election of directors: Re-election of Marie Ehrling, Mats Jansson, Olli-Pekka Kallasvuo, Mikko Kosonen, Nina Linander, Martin Lorentzon, Per-Arne Sandström and Kersti Strandqvist. Information of the candidates nominated by the Nomination Committee for election to directors is available on the Company’s website, www.teliasonera.com.

- **Item 13** – Election of chair and vice-chair of the Board of Directors: Re-election of Marie Ehrling as chair and Olli-Pekka Kallasvuo as vice-chair.

- **Item 14** - Number of auditors and deputy auditors: Until the end of the annual general meeting 2015 there will be one auditor with no deputy auditors.

- **Item 15** - Remuneration payable to the auditor: Remuneration to the auditor will be paid as per invoice.

- **Item 16** - Election of auditor: Election of the audit company Deloitte AB.

- **Item 17** - Election of Nomination Committee and resolution on instruction for the Nomination Committee: Election of Magnus Skåninger (Swedish State), Kari Järvinen (Solidium Oy), Jan Andersson (Swedbank Robur Funds), Per Frennberg (Alecta) and Marie Ehrling (chair of the Board of Directors).
As regards the instruction for the Nomination Committee, the Nomination Committee presents the following main proposals:

The Nomination Committee will nominate the chair of the annual general meeting, the chair of the Board of Directors and other directors, and present a proposal for remuneration, which will be specified between the chair of the Board of Directors, other directors and, if applicable, remuneration for serving on subcommittees. Where applicable, the Nomination Committee will also nominate auditors and present proposed remuneration for auditors. In addition, the Nomination Committee will nominate the members of the following year’s Nomination Committee. The Nomination Committee will appoint replacements for any positions vacated prematurely.

Resolutions proposed by the Board of Directors

Item 8 – Appropriation of the Company’s profit as shown on the adopted balance sheet and setting of record date for the dividend

The Board of Directors proposes that a dividend of SEK 3.00 per share is distributed to the shareholders and that April 7, 2014 be set as the record date for the dividend. If the annual general meeting resolves in accordance with the proposal, it is estimated that Euroclear Sweden AB will execute the payment on April 10, 2014.

Item 18 – Principles for remuneration to Group Management

The Board of Directors proposes that the annual general meeting 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.

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 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.

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.
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.

**Item 19 – 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, on one or more occasions before the annual general meeting 2015, acquire the Company’s own shares on the main terms and conditions set out below.

Acquisitions of shares may be made on NASDAQ OMX Stockholm and/or NASDAQ OMX Helsinki or in accordance with an offer to acquire shares made to all shareholders or by a combination of these two alternatives. The maximum number of treasury shares held by the Company may not exceed 10 percent of all shares in the Company. 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.

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. säljrätter), 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.

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. 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 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.

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.

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 purpose of the proposal above is 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. In order to create an efficient instrument to achieve the purpose, 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 forth above.

Item 20 – (a) Implementation of a long-term incentive program 2014/2017 and (b) hedging arrangements for the program
The Board of Directors proposes that the annual general meeting resolves on (i) implementation of a long-term incentive program 2014/2017 on the further main terms and conditions set out in item (a) below, and (ii) hedging arrangements for the program, in accordance with item (b) below. Definitions used below are defined in the complete proposal of the Board of Directors.

(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 certain performance conditions, 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.

3. 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.

4. 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 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.

Matter proposed by shareholders

Item 21 – Resolution on special investigation
At the request of one of the company’s shareholders, a proposal for special investigation will be addressed at the meeting. The complete proposal will be presented at the meeting.

Majority requirements

A resolution on authorization for the Board of Directors to acquire the Company’s own shares under Item 19 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.

A resolution on implementation of the proposed long-term incentive program under Item 20 (a) will be valid if the proposal is supported by a simple majority of the votes cast.
A resolution on hedging arrangements for the program under Item 20 (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.

Documents, etc.

The annual report, complete resolution proposals and any other documents to be made available prior to the annual general meeting as required by the Swedish Companies Act or the Swedish Code of Corporate Governance will be available at TeliaSonera AB, Investor Relations, Stureplan 8 in Stockholm, as from Wednesday, March 12, 2014. The documents can also be obtained from the following address: TeliaSonera AB, Box 7842, SE-103 98 Stockholm, or by phone +46-8-402 90 50. The documents will also be available on the Company’s website www.teliasonera.com from the same date.

Stockholm, February, 2014
TeliaSonera AB (publ)
The Board of Directors
PROPOSAL BY THE BOARD OF DIRECTORS OF TELIASONERA AB (PUBL) (THE “COMPANY”) ON APPROPRIATION OF THE COMPANY’S PROFIT AND SETTING OF RECORD DATE FOR THE DIVIDEND

NON-RESTRICTED EQUITY

The amount of non-restricted equity of the Company at the disposal of the annual general meeting is SEK 70,949,708,685.

THE BOARD OF DIRECTORS’ PROPOSED RESOLUTION

A. Appropriation of the Company’s profit

The Board of Directors proposes that the annual general meeting resolve on a dividend of SEK 3.00 per share, in total SEK 12,990,254,343.00.

B. Record date

The Board of Directors proposes that the annual general meeting resolve that the record date for the dividend be April 7, 2014. If the annual general meeting resolve in accordance with the proposal, it is estimated that Euroclear Sweden AB will execute the payment on April 10, 2014.

Under Chapter 18, section 4 of the Swedish Companies Act (2005:551) (the “Companies Act”) the Board of Directors must state whether the proposed dividend is justified 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.
STATEMENT BY THE BOARD OF DIRECTORS OF TELIASONERA AB (PUBL) (THE “COMPANY”) AS REQUIRED UNDER CHAPTER 18, SECTION 4 OF THE SWEDISH COMPANIES ACT

In light of the dividend proposal by the Board of Directors to the annual general meeting 2014, the Board of Directors submits the following statement as required under Chapter 18, section 4 of the Swedish Companies Act.

At December 31, 2013 the Company’s restricted equity totalled approximately SEK 15,711 million and its non-restricted equity was approximately SEK 70,950 million. At the same date the Group’s total equity attributable to the shareholders of the parent company totalled approximately SEK 108,324 million.

The equity of the Company would have been approximately SEK 55 million lower if derivative instruments and other financial instruments, valued at fair value, had instead been valued on the basis of the lower of cost or net realisable value for non-current assets and the lower of cost or market value for current assets.

Provided that a resolution is passed at the annual general meeting in accordance with the Board of Directors’ proposal for a dividend, an amount of approximately SEK 57,960 million will be carried forward.

The business of the Company and the Group do not involve any risks other than those related to or expected to be related to the Company’s and Group’s line of business or the risks involved in conducting business in general. The Company’s and the Group’s dependence on market conditions does not differ from that seen within the Company’s and Group’s line of business. The Board of Directors considers that after the proposed dividend and taking into account the proposed repurchase authorization, the Company’s restricted equity and the Group’s total equity attributable to the shareholders of the parent company will be sufficient in relation to the scope of the Company’s and the Group’s business.

At December 31, 2013, after deduction of the proposed dividend and assuming full exercise of the proposed authorization, the Company’s financial strength measured as its equity to assets ratio was 24.5 percent (at December 31, 2012, 22.5 percent). At December 31, 2013, the Group’s financial strength, measured in the same way, was 30.5 percent (at December, 31 2012, 30.5 percent). Taking into account the proposed repurchase authorization, the proposed dividend does not jeopardise the Company’s or the Group’s abilities to carry out the investments considered necessary. The proposal is also consistent with the established cash-flow forecast under which the Company and the Group are expected to manage unexpected events and temporary variations in the cash flows to a reasonable extent.

1 The Board of Directors proposes a dividend of SEK 3.00 per share, or SEK 12,990,254,343.00 in total.
In light of the above, it is the Board of Directors’ view that, taking into account the proposed repurchase authorization, the dividend is justified in view of the equity requirements of the Company and the Group arising from the type, scope and risks of its business as well as the Company’s and the Group’s need to strengthen its balance sheets, liquidity and position in general.
TELIASONERA’S NOMINATION COMMITTEE 2013–2014

1. REPORT ON THE WORK OF THE NOMINATION COMMITTEE

The Nomination Committee appointed at TeliaSonera’s annual general meeting held on April 3, 2013 consists of the following persons: Magnus Skåninger, chair (Swedish State), Kari Järvinen (Solidium Oy), Jan Andersson (Swedbank Robur Funds), Per Frennberg (Alecta) and Marie Ehrling (chair of the Board of Directors).

No other shareholder has, within the scope of the instructions for the Nomination Committee, made a request to take part in the work of the Nomination Committee. Within its activities, the Nomination Committee has complied with the guidelines of the Swedish Code of Corporate Governance and with the instructions approved by the annual general meeting.

The Nomination Committee has held 7 minuted meetings since the annual general meeting on April 3, 2013. The Nomination Committee has performed interviews and received information from the chair of the Board of Directors, other directors and the CEO on internal work of the Board of Directors, TeliaSonera’s position, strategic direction and other relevant circumstances. Based on this information, the Nomination Committee has assessed the functioning of the Board of Directors and the competences needed in the Board of Directors as a whole. The Nomination Committee has concluded that the present Board of Directors is functioning well and that the competences currently needed are experience from:

- The telecommunications industry and industries closely related to it
- Internet-based operations
- Relevant markets
- Market and consumer oriented operations
- Operational sustainability work
- Major listed companies

On the basis of these competence needs, the Nomination Committee has evaluated the competences of the present directors. Taking into account the competences needed in the future, the gender distribution on the Board of Directors, the competences and functioning of the present directors and the present directors’ availability for re-election, the Nomination Committee has decided to nominate the present directors for re-election at the annual general meeting.

Ahead of the audit of the fiscal year 2014, TeliaSonera’s audit committee invited all the big four audit firms to offer audit services. After a thorough evaluation, the audit committee’s conclusion was that Deloitte AB’s offering is best suited to TeliaSonera’s needs and the Deloitte audit team has a good understanding of TeliaSonera’s position and challenges, and the right competence and commitment to perform the audit. The Nomination Committee concurs with this conclusion and has decided to propose that the audit company Deloitte AB be elected as auditor until the end of the annual general meeting 2015.
2. THE NOMINATION COMMITTEE PRESENTS THE FOLLOWING PROPOSALS TO
TELIASONERA’S ANNUAL GENERAL MEETING 2014

2.1 Number of directors and alternate directors to be elected at the annual general
meeting

The Nomination Committee’s proposal for the number of directors until the end of the
annual general meeting 2015 is eight directors with no alternate directors.

2.2 Directors

The Nomination Committee proposes re-election of:

Marie Ehrling, Mats Jansson, Olli-Pekka Kallasvuo, Mikko Kosonen, Nina Linander, Martin
Lorentzon, Per-Arne Sandström and Kersti Strandqvist.

It is the opinion of the Nomination Committee that all nominated directors are independent
in relation to TeliaSonera and the major shareholders.

2.3 Chair of the Board of Directors

The Nomination Committee proposes re-election of Marie Ehrling as chair of the Board of
Directors.

2.4 Vice chair of the Board of Directors

The Nomination Committee proposes re-election of Olli-Pekka Kallasvuo as vice-chair of
the Board of Directors.

2.5 Chair of the annual general meeting

The Nomination Committee proposes that Eva Hägg be elected as chair of the annual
general meeting.

2.6 Remuneration payable to the directors

The Nomination Committee’s proposal for remuneration payable to the directors until the
next annual general meeting:

- Chair of the Board of Directors: SEK 1,240,000 (previously SEK 1,200,000)
- Vice-chair of the Board of Directors: SEK 750,000 (unchanged)
- Other directors elected at the annual general meeting: SEK 470,000 (previously
  SEK 450,000)
- Chair of the Board of Directors’ audit committee: SEK 150,000 (unchanged)
- Other members of the audit committee: SEK 100,000 (unchanged)
- Chair of the Board of Directors’ remuneration committee: SEK 65,000 (unchanged)
- Other members of the remuneration committee: SEK 45,000 (unchanged)
- Chair of the Board of Directors’ sustainability and ethics committee: SEK 150,000
  (unchanged)
- Other members of the sustainability and ethics committee: SEK 100,000 (unchanged)
2.7 Auditors

The Nomination Committee proposes that there will be one auditor with no deputy auditors until the end of the annual general meeting 2015 and that the audit company Deloitte AB be elected as auditor.

The Nomination Committee proposes that remuneration to the auditor will be paid as per invoice.

2.8 Nomination Committee and instruction for the Nomination Committee

The Nomination Committee has reviewed the latest available information on the owners of TeliaSonera and has received proposals for members from the owners with the largest shareholdings in terms of voting rights. The Nomination Committee’s proposal for members of the Nomination Committee until the annual general meeting 2015 is as follows: Magnus Skåninger (Swedish State), Kari Järvinen (Solidium Oy), Jan Andersson (Swedbank Robur Funds), Per Frennberg (Alecta) and Marie Ehrling (chair of the Board of Directors).

The Nomination Committee has also reviewed the instruction for the Nomination Committee and proposes the instruction set out in appendix 1. The Nomination Committee has amended the Section 1 of the instruction as follows (changed text in italic):

“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’”).

On behalf of TeliaSonera’s Nomination Committee

Magnus Skåninger

Chair
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.
PRESENTATION OF PROPOSED BOARD OF DIRECTORS

Presentation of the candidates nominated by the Nomination Committee for election to TeliaSonera's Board of Directors at the Annual General Meeting on April 2, 2014.

Re-election

Marie Ehrling (Born 1955)
Chair of the Board. Elected to the Board of Directors in 2013. She participated in all 14 meetings of the board in 2013. She is Chair of the Remuneration Committee of TeliaSonera and participated in all 15 meetings and she was Chair of the Sustainability and Ethics Committee of TeliaSonera until September 1, 2013, and participated in nine meetings. Ms. Ehrling was President of TeliaSonera’s Swedish operations between 2002 and 2006. Prior to that she was employed by SAS AB 1982 - 2002. Today, Marie Ehrling has several board assignments. She is Vice-Chair of Nordea Bank AB and serves as member of the Boards of Securitas AB, Axel Johnson AB and Schibsted AB, among others. Marie Ehrling holds a BSc in Business and Economics. Shares in TeliaSonera: 15,000.

Olli-Pekka Kallasvuo (Born 1953)
Vice-Chair of the Board. Elected to the Board of Directors in 2012. He participated in all meetings of the board in 2013. He is a member of the Remuneration Committee of TeliaSonera and participated in all 15 meetings. Mr. Kallasvuo was CEO and board member of Nokia Oyj from 2006 to 2010. Previously, he held various executive positions at Nokia, including the positions of COO, CFO, Head of Mobile Phones Division and Head of Nokia Americas. Mr. Kallasvuo is today Vice-Chair of SRV Group Plc. and he is also a board member of Aperios Partners Ltd, Zenterio AB, Cleantech Industries Global N.V. and Foundation for Economic Education. Mr. Kallasvuo holds a Master of Law and an honorary doctorate. Shares in TeliaSonera: 35,896.

Mats Jansson (Born 1951)
Elected to the Board of Directors in 2013. He participated in 11 meetings. He is a member of the Remuneration Committee of TeliaSonera and participated in all 15 meetings. Mr. Jansson was CEO of SAS AB between 2007 and 2010 and prior to that worked as CEO of Axel Johnson AB 2005 - 2006 and served as Chair of the Board and CEO of Axfod AB 2000 - 2005. Currently Mats Jansson is Chair of the Board of Delhaize Group and senior advisor of JP Morgan and Prime, respectively. Mr. Jansson has studied economical history, geography and sociology. Shares in TeliaSonera: 4,500.

Mikko Kosonen (Born 1957)
Elected to the Board of Directors in 2013. He participated in all 14 board meetings. He is Chair of the Sustainability and Ethics Committee of TeliaSonera since September 1, 2013, and participated in eight meetings. Mr. Kosonen is since 2008 the president of the Finnish Innovation Fund Sitra. Prior to that, he held several leading positions at Nokia between 1984 and 2007, where his final role was that of Senior Vice President, Strategy and Business Infrastructure. He is a member of the boards of Fifth Element Oy, Technology Academy Finland and Foundation for Economic Education. Mr. Kosonen holds a doctorate degree in economics/International business. Shares in TeliaSonera: 0.
Nina Linander (Born 1959)
Elected to the Board of Directors in 2013. She participated in all 14 board meetings. She is Chair of the Audit Committee of TeliaSonera and participated in all eight meetings. Ms. Linander is former partner at Stanton Chase International between 2006 and 2012 and prior to that SVP and Head of Treasury at Electrolux AB 2001 – 2005. Nina Linander is currently a board member of Specialfastigheter AB and Awapatent AB, among others. Ms. Linander holds a BSc degree in Economics and a MBA (IMD) degree. Shares in TeliaSonera: 5,700.

Martin Lorentzon (Born 1969)
Elected to the Board of Directors in 2013. He participated in 13 board meetings. He is a member of the Audit Committee and participated in all eight meetings and the Sustainability and Ethics Committee of TeliaSonera and participated in nine meetings. Mr. Lorentzon is founder and Chair of the Board of Spotify AB. He was also founder of TradeDoubler AB where he also served as a board member. Mr. Lorentzon holds a Master of Science in Engineering. Shares in TeliaSonera: 229,500.

Per-Arne Sandström (Born 1947)
Elected to the Board of Directors in 2010. He participated in all 19 board meetings. He is a member of the Audit Committee of TeliaSonera and participated in all eight meetings. Mr. Sandström has been deputy CEO and Chief Operating Officer of Telefonaktiebolaget L M Ericsson and has held a number of managerial positions in the Ericsson Group. He is a board member of SAAB AB. Mr. Sandström studied engineering. Shares in TeliaSonera: 400.

Kersti Strandqvist (Born 1963)
Elected to the Board of Directors in 2013. She participated in all 14 meetings. She is a member of the Sustainability and Ethics Committee of TeliaSonera and participated in all ten meetings. Ms. Strandqvist is Head of Corporate Sustainability since 2010 and a member of the Group Management of SCA AB. Prior to that she served in several different managerial positions including R&D and as business area director within the SCA Group 1997 - 2010. Ms. Strandqvist holds a Master of Science in Chemical Engineering and Licentiate of technology. Shares in TeliaSonera: 4,280.

Including shareholdings by spouse and/or affiliated persons when appropriate

† Via companies
PRESENTATION OF PROPOSED AUDITOR

Presentation of Deloitte AB as a candidate nominated by the Nomination Committee for election as TeliaSonera's auditor at the Annual General Meeting on April 2, 2014.

Deloitte is a globally connected network of member firms in more than 150 countries and territories providing audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. Swedish audit clients include among other Atlas Copco, Investor, Kinnevik, LKAB and Swedbank.

The following fees have been paid by TeliaSonera to Deloitte AB during the past three years.

<table>
<thead>
<tr>
<th>Fees (SEK million)</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Audit related services</td>
<td>1.4</td>
<td>0.9</td>
<td>2.4</td>
</tr>
<tr>
<td>Tax services</td>
<td>1.5</td>
<td>1.4</td>
<td>0.7</td>
</tr>
<tr>
<td>All other services</td>
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<td>6.9</td>
<td>5.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13.7</strong></td>
<td><strong>9.2</strong></td>
<td><strong>8.6</strong></td>
</tr>
</tbody>
</table>
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.
AUDITOR’S STATEMENT PURSUANT TO CHAPTER 8, SECTION 54 OF THE SWEDISH COMPANIES ACT

Translation from Swedish original document

Auditor’s statement pursuant to Chapter 8, Section 54 of the Swedish Companies Act (2005:551) regarding whether the guidelines for remuneration to senior executives adopted by the annual general meeting of shareholders have been complied with

To the annual general meeting of shareholders in TeliaSonera AB (publ), Corporate Identity Number 556103-4249

We have reviewed whether the Board of Directors and the Managing Director of TeliaSonera AB (publ) have, for the year 2013, complied with the guidelines for remuneration to senior executives adopted by the annual general meetings of shareholders held on 3 April 2012 and 3 April 2013, respectively.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for compliance with the guidelines and for such internal control as the Board of Directors and the Managing Director determine is necessary to ensure compliance with the guidelines.

Auditor’s responsibility

Our responsibility is to express an opinion, based on our review, to the annual general meeting of shareholders regarding whether the guidelines for remuneration to senior executives have been complied with. We conducted our review in accordance with FAR SRS’ recommendation, RevR 8 Review of remuneration to senior executives of listed companies. This recommendation requires that we comply with ethical requirements and plan and perform the review to obtain reasonable assurance that the guidelines adopted by the annual general meeting of shareholders have, in all material aspects, been complied with.

The review has involved the company’s organisation for and documentation of matters pertaining to remuneration to senior executives, recent resolutions regarding remuneration and a selection of payments made to senior executives during the financial year. The procedures selected depend on the auditor’s judgment, including the assessment of the risk that the guidelines have not, in all material aspects, been complied with. In making this risk assessment, the auditor considers the aspects of internal control relevant to compliance with the guidelines, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control

We believe that our review provides a reasonable basis for our opinion below.

Opinion

In our opinion, the Board of Directors and the Managing Director of TeliaSonera AB (publ) have, for the year 2013, complied with the guidelines for remuneration to senior executives adopted by the annual general meetings of shareholders held on 3 April 2012 and 3 April 2013, respectively

Stockholm 20 February 2014
PricewaterhouseCoopers AB

Anders Lundin
Authorized Public Accountant
Auditor in charge

Jeanette Skoglund
Authorized Public Accountant
PROPOSAL BY THE BOARD OF DIRECTORS OF TELIASONERA 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. säljrätten), 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.
STATEMENT BY THE BOARD OF DIRECTORS OF TELIASONERA AB (PUBL) (THE “COMPANY”) AS REQUIRED UNDER CHAPTER 19, SECTION 22 OF THE SWEDISH COMPANIES ACT

In light of the proposal by the Board of Directors that the annual general meeting 2014 resolve to authorize the Board of Directors to acquire the Company’s own shares, the Board of Directors submits the following statement as required under Chapter 19, section 22 of the Swedish Companies Act.

At December 31, 2013, the Company’s restricted equity totalled approximately SEK 15,711 million and its non-restricted equity was approximately SEK 70,950 million. At the same date the Group’s total equity attributable to the shareholders of the parent company totalled approximately SEK 108,324 million.

The equity of the Company would have been approximately SEK 55 million lower if derivative instruments and other financial instruments, valued at fair value, had instead been valued on the basis of the lower of cost or net realisable value for non-current assets and the lower of cost or market value for current assets.

If the authorization is fully exercised, the estimated cost of acquiring the Company’s own shares under the proposed authorization for the Board of Directors totals approximately SEK 22,841 million at an average price of SEK 52.75 per share.

The Board of Directors considers there will be full coverage for the Company’s restricted equity after distribution of a dividend of SEK 3.00 per share for the financial year 2013, in total approximately SEK 12,990 million, having acquired the full number of its own shares included in the repurchase authorization proposed by the Board of Directors.

The business of the Company and the Group does not involve any risks other than those related to or expected to be related to the Company’s and the Group’s line of business or the risks involved in conducting business in general. The Company’s and the Group’s dependence on market conditions does not differ from that seen within the Company’s and the Group’s line of business. The Board of Directors considers that after distribution of dividend for the financial year 2013 and full exercise of the proposed authorization for acquisition of the Company’s own shares, the Company’s restricted equity and the Group’s total equity attributable to the shareholders of the parent company will be sufficient in relation to the scope of the Company’s and the Group’s business.

At December 31, 2013, after deduction of the proposed dividend and assuming full exercise of the proposed authorization, the Company’s financial strength measured as its equity to assets ratio was 24.5 percent. At December 31, 2013, the Group’s financial strength, measured in the same way, was 30.5 percent. The exercise of the proposed authorization for acquisition of the Company’s own shares does not jeopardize the Company’s or the Group’s abilities to carry out the investments considered necessary. The proposal is also consistent with the established cash flow forecast under which the Company and the Group are

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3 The Board of Directors proposes a repurchase authorization of a maximum of 10 percent of the total number of all shares in the Company, corresponding to 433,008,478 shares.

4 Based on the average closing price in January 2014 (first 11 trading days).
expected to manage unexpected events and temporary variations in the cash flows to a reasonable extent.

In light of the above, it is the Board of Directors’ view that the proposed authorization for acquisition of the Company’s own shares is justified, in view of the equity requirements of the Company and the Group arising from the type, scope and risks of its business as well as the Company’s and the Group’s need to strengthen its balance sheets, liquidity and position in general.
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\(^5\) (“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”).\(^6\) 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.

3. 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.

4. 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.