

## **Telia Company's Nomination Committee 2016–2017**

### **1. Report on the work of the Nomination Committee and reasoned statement regarding the composition of the Board of Directors**

At the annual general meeting held on April 12, 2016 in Telia Company (the "Company"), it was resolved that the Nomination Committee shall consist of the following persons: Daniel Kristiansson, chair (Swedish State), Kari Järvinen (Solidium Oy), Johan Strandberg (SEB Funds), Anders Oscarsson (AMF and AMF Funds) 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 Swedish Corporate Governance Code and with the instructions for the Nomination Committee approved by the annual general meeting.

The Nomination Committee has held ten (10) recorded meetings since the annual general meeting on April 12, 2016. The Nomination Committee has performed interviews and received information from the chair of the Board of Directors, other directors and employee representatives and the CEO on internal work of the Board of Directors, the Company's position, strategic direction and other relevant circumstances and have received an internally executed written evaluation of the Board of Directors. 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 competences currently needed are experience from:

- The telecommunications industry and industries closely related to it
- Digitalization
- Relevant markets
- Consumer-oriented operations and markets
- Operative sustainability work
- Board work in listed companies
- Managerial operations
- Mergers and acquisitions and processes of change

On the basis of the competence needs identified, the Nomination Committee has evaluated the competences of the present directors, the composition of the Board of Directors and thereafter evaluated new candidates for the Board of Directors. Taking into account the competences and experiences needed in the future, diversity, including gender as well as professional background on the Board of Directors and the composition of the Board of Directors, the Nomination Committee has decided to nominate Susanna Campbell, Marie Ehrling, Olli-Pekka Kallasvuo, Mikko Kosonen,

Nina Linander, Martin Lorentzon, Anna Setzman and Olaf Swantee for re-election at the annual general meeting.

In its work, the Nomination Committee applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. The Nomination Committee has specifically discussed gender diversity in the Board of Directors as part of its efforts to compose the most competent Board of Directors. The proposed Board of Directors consists of four (4) women and four (4) men, i.e. an equal representation of women and men on the Board of Directors.

The Nomination Committee proposes that the remuneration for the chair of the Board of Directors is increased by 3.1%, the remuneration for the vice chair of the Board of Directors by 2.6% and the remuneration for the ordinary directors by 2.8%. The proposal reflects the Nomination Committee's ambition that the level of the remuneration shall be in line with remunerations in comparable companies.

The Company's Audit Committee has recommended that the audit company Deloitte is to be re-elected as auditor for the period until the end of the annual general meeting 2018. The Nomination Committee proposes, in accordance with the recommendation, that the audit company Deloitte is elected as auditor for the period until the end of the annual general meeting 2018.

## **2. The Nomination Committee presents the following proposals to Telia Company's annual general meeting 2017**

### **2.1 Number of 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 2018 is eight (8) directors.

### **2.2 Directors**

The Nomination Committee proposes re-election of:

Susanna Campbell, Marie Ehrling, Olli-Pekka Kallasvuo, Mikko Kosonen, Nina Linander, Martin Lorentzon, Anna Setzman and Olaf Swantee.

It is the opinion of the Nomination Committee that all nominated directors are independent in relation to the Company 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 Wilhelm Lüning, attorney at law, 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 end of the next annual general meeting:

- Chair of the Board of Directors: SEK 1,650,000 (2016: SEK 1,600,000)
- Vice chair of the Board of Directors: SEK 795,000 (2016: SEK 775,000)
- Other directors elected at the annual general meeting: SEK 560,000 (2016: SEK 545,000)
- Chair of the Board of Directors' Audit and Responsible Business Committee: SEK 250,000 (2016: SEK 200,000)
- Other members of the Audit and Responsible Business Committee: SEK 150,000 (no change since 2016)
- Chair of the Board of Directors' Remuneration Committee: SEK 70,000 (no change since 2016)
- Other members of the Remuneration Committee: SEK 50,000 (no change since 2016)

The Board has informed the Nomination Committee that it intends to merge the Board's Sustainability and Ethics Committee and the Board's Audit Committee into a new integrated Audit and Responsible Business Committee, for the purpose of integrating all reporting and control processes and having one committee with a more comprehensive overview over relevant matters. The Board has communicated that it will continue its focus on sustainability and ethical matters.

The proposal for remuneration to the Chair of the Board of Director's new Audit and Responsible Business Committee reflects that the Board of Director's Sustainability and Ethics Committee and the Audit Committee are intended to merge.

## **2.7 Auditors**

In accordance with the Audit Committee's recommendation, the Nomination Committee proposes that there will be one audit company as auditor for the period until the end of the annual general meeting 2018 and that the audit company Deloitte be elected as auditor.

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

## **2.8 Nomination Committee and instruction for the Nomination Committee**

The Nomination Committee has reviewed the latest available information on the owners of the Company 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 2018 is as follows: Daniel Kristiansson, chair (Swedish State), Petter Söderström (Solidium Oy), Erik Durhan (Nordea Funds), Jan Andersson (Swedbank Robur Funds) and Marie Ehrling (chair of the Board of Directors).

The Nomination Committee has also reviewed the instruction for the Nomination Committee and does not see a need to propose any changes.

On behalf of Telia Company's Nomination Committee

Daniel Kristiansson  
Chair