

ANNUAL GENERAL MEETING APRIL 10, 2019

DOCUMENTATION



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Welcome to Telia Company's Annual General Meeting 2019

The annual general meeting of Telia Company AB (publ) will be held on Wednesday, April 10, 2019, at 2 p.m. CET at Skandiascenen, Cirkus, Djurgårdsslätten 43-45 in Stockholm. Registration for the meeting starts at 1 p.m. CET. Coffee will be served before the meeting starts.

Right to attend and notice of attendance

Those wishing to attend the meeting must

- be entered as shareholder in the share register kept by the Swedish central securities depository Euroclear Sweden on Thursday, April 4, 2019, and
- give notice of attendance to the Company no later than on Thursday, April 4, 2019.

Notice of attendance can be given

- in writing to Telia Company AB, "AGM 2019", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden,
- by telephone +46 (0)8 402 90 50 on weekdays between 9 a.m. and 4 p.m. CET, or
- on Telia Company's website www.teliacompany.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, the number of advisors, if any.

Shareholding in the name of a nominee and proxies

To be entitled to attend the meeting, shareholders whose shares are registered in the name of a nominee (including Finnish shareholders that are registered within the Finnish book-entry system at Euroclear Finland Oy) 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 on Thursday, April 4, 2019. This registration may be made temporarily. Shareholders are recommended to inform the nominee to that effect well before that day.

Shareholders represented by a proxy or representative must issue a written power of attorney for the representative. A template proxy form is available on the Company's website www.teliacompany.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, April 4, 2019.

Proposed agenda

Opening of the meeting

1. Election of chair of the meeting
2. Preparation and approval of voting list
3. Adoption of the 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 and sustainability report and the auditor's report, the consolidated financial statements and the auditor's report on the consolidated financial statements for 2018. In connection herewith, a report by the chair of the Board of Directors Marie Ehrling of the work of the Board of Directors during 2018 and a presentation by president and CEO Johan Dannelind
7. Resolution to adopt the income statement, the balance sheet, the consolidated income statement and the consolidated balance sheet for 2018
8. Resolution on appropriation of the Company's result 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 2018
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
 - 12.1 Marie Ehrling
 - 12.2 Rickard Gustafson
 - 12.3 Olli-Pekka Kallasvuo
 - 12.4 Nina Linander
 - 12.5 Jimmy Maymann
 - 12.6 Anna Settman
 - 12.7 Olaf Swantee
 - 12.8 Martin Tivéus
13. Election of chair and vice-chair of the Board of Directors
 - 13.1 Marie Ehrling, chair
 - 13.2 Olli-Pekka Kallasvuo, vice-chair
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 Executive Management
19. Resolution authorizing the Board of Directors to decide on repurchase and transfer of the Company's own shares
20. Resolutions on
 - (a) implementation of a long-term incentive program 2019/2022, and
 - (b) transfer of own shares
21. Resolutions on
 - (a) reduction of the share capital by way of cancellation of own shares, and
 - (b) increase of the share capital by way of bonus issue
22. Resolution on amendment to the articles of association

Closing of the meeting

Resolutions proposed by the Nomination Committee

The Nomination Committee consists of the following persons: Daniel Kristiansson, chair (Swedish State), Erik Durhan (Nordea Funds), Jan Andersson (Swedbank Robur Funds), Anders Oscarsson (AMF and AMF Funds) and Marie Ehrling (chair of the Board of Directors). All members of the Nomination Committee were appointed at the annual general meeting 2018.

The Nomination Committee presents the following proposals:

- **Item 1** – Chair of the meeting: Wilhelm Lüning, Attorney-at-Law.
- **Item 10** – Number of directors: Until the end of the annual general meeting 2020, eight (8) directors.
- **Item 11** – Remuneration payable to the directors: Remuneration payable to the directors until the next annual general meeting will be SEK 1,825,000 to the chair (2018: SEK 1,740,000), SEK 860,000 to the vice-chair (2018: SEK 820,000) and SEK 610,000 to each other director elected at the annual general meeting (2018: SEK 580,000). The chair of the Board of Directors' Audit and Responsible Business Committee will receive remuneration of SEK 275,000 (2018: SEK 250 000) and other members of the Audit and Responsible Business Committee will receive SEK 150,000 each (unchanged since 2018), the chair of the Board of Directors' Remuneration Committee will receive SEK 70,000 (unchanged since 2018) and other members of the Remuneration Committee will receive SEK 50,000 each (unchanged since 2018).
- **Item 12** – Election of directors: Re-election of Marie Ehrling, Olli-Pekka Kallasvuo, Nina Linander, Jimmy Maymann, Anna Settman, Olaf Swantee and Martin Tivéus. Election of Rickard Gustafson as new member.

Rickard Gustafson was born in 1964. He is President and CEO of SAS. He has previously held various executive positions in GE Capital, both in Europe and the US, and was President of Codan/Trygg-Hansa 2006–2011. Rickard Gustafson is chair of Aleris and board member of FAM AB. Rickard Gustafson holds a Master of Science degree.

Information regarding the candidates nominated by the Nomination Committee for election to directors as well as the Nomination Committee's motivated opinion are available on the Company's website, www.teliacompany.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 2020, the Company shall have one (1) audit company as auditor.
- **Item 15** – Remuneration payable to the auditor: Remuneration to the auditor will be paid as per an approved invoice.
- **Item 16** – Election of auditor: Election of the audit company Deloitte AB (in accordance with the recommendation of the Audit and Responsible Business Committee).
- **Item 17** – Election of Nomination Committee and resolution on instruction for the Nomination Committee: The Nomination Committee's proposal for members of the Nomination Committee until the annual general meeting 2020 is as follows: Daniel Kristiansson, chair (Swedish State), Jan Andersson (Swedbank Robur Funds), Anders Oscarsson (AMF Insurance and AMF Funds), Johan Strandberg (SEB Funds) and Marie Ehrling (chair of the Board of Directors).

As regards the instruction for the Nomination Committee, the Nomination Committee presents the following main proposal (unchanged from last year):

The Nomination Committee (the “Committee”) shall consist of five (5) to seven (7) members. Four ordinary members shall represent the four shareholders that are largest in terms of votes at the turn of the month that occurs immediately prior to 30 days before the notice of the annual general meeting is issued and which also wish to participate in the nomination process (“Nominating Shareholders”). The chair of the Board shall also be an ordinary member of the Committee. The Committee may in addition to its ordinary members appoint at its sole discretion one (1) or two (2) extraordinary members. The ordinary 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.

The Committee shall nominate the chair of the annual general meeting and the chair of the Board and other board members, and present a proposal for remuneration, which shall be specified between the chair of the Board, other board members and, if applicable, remuneration for serving on subcommittees. When applicable, the Committee shall also nominate auditors and present proposed remuneration for auditors.

The Committee shall nominate the members of the following year’s Committee and shall specify the names of the Nominating Shareholders they represent. The Committee shall review the instruction annually and as necessary propose changes thereto to the annual general meeting.

Resolutions proposed by the Board of Directors

Item 8 – Appropriation of the Company’s result 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 2.36 per share is distributed to the shareholders in two equal payments of SEK 1.18 per share.

The record date for the first payment is proposed to be April 12, 2019 and for the second payment October 24, 2019. If the annual general meeting resolves in accordance with the proposal, it is estimated that Euroclear Sweden will execute the first payment on April 17, 2019 and the second payment on October 29, 2019.

Item 18 – Principles for remuneration to Group Executive Management

The Board of Directors proposes that the annual general meeting 2019 resolves on the following principles for remuneration to Group Executive Management. Group Executive 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 purpose and strategy of the Company. Remuneration to Group Executive 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 Executive 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 Executive 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 Executive Management member may be entitled to a company car, health and care provisions, etc. Internationally hired Group Executive 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 Executive Management member may be up to six (6) months (twelve (12) months for the President) when given by the employee and up to twelve (12) months when given by the Company. In case the termination is given by the Company the individual may be entitled to a severance payment. Remuneration during termination period and severance payment shall not exceed a maximum of twenty-four (24) months in total remuneration.

Severance pay shall not constitute a basis for calculation of vacation pay or pension benefits. Remuneration during termination period 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 also deviate from the above principles if there in individual cases are special reasons for this.

Item 19 – Authorizations for the Board of Directors to decide on repurchase and transfer of the Company's own shares

The Board of Directors proposes that the annual general meeting 2019 authorize the Board of Directors to decide on repurchase of own shares on the main terms and conditions set out below:

1. Repurchases of shares may be made on Nasdaq Stockholm and/or Nasdaq Helsinki.
2. The authorization may be exercised on one or more occasions before the annual general meeting 2020.
3. A maximum number of shares may be acquired so that the Company's holding at any time does not exceed 10 percent of all the shares in the Company.
4. Repurchases of shares on Nasdaq Stockholm and/or Nasdaq 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 Stockholm and/or Nasdaq Helsinki.

Furthermore, the Board of Directors proposes that the annual general meeting authorize the Board of Directors to decide on transfer of own shares, with or without deviation from the shareholders' preferential rights, on the main terms and conditions set out below:

1. The transfer may be made (i) on Nasdaq Stockholm and/or Nasdaq Helsinki or (ii) outside Nasdaq Stockholm and/or Nasdaq Helsinki in connection with an acquisition of companies or businesses.
2. The authorization may be exercised on one or more occasions before the annual general meeting 2020.
3. Transfer of own shares may be made of up to such number of shares as is held by the Company at the time of the Board of Directors' decision regarding the transfer.
4. Transfers of shares on Nasdaq Stockholm and/or Nasdaq 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 Stockholm and/or Nasdaq Helsinki. In case of transfers outside Nasdaq Stockholm and/or Nasdaq Helsinki the consideration for the shares may be made by cash payment, for payment in kind or by way of set-off and the price shall be established so that the transfer is made on market terms.

The purpose of the authorizations to *repurchase and transfer* the Company's own shares, and the reason for the deviation from the shareholders' preferential rights, is to enable the Company in a time efficient way to use its own shares to make payments in connection with acquisitions of companies or businesses which the Company may undertake, or to settle any deferred payments related to such acquisitions, or for financing such acquisitions or deferred payments.

The purpose of the authorization to *repurchase* the Company's own shares is also 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/or to give a possibility to the Company to transfer own shares to the participants in the Company's long-term incentive programs. Please note that any subsequent transfer of such repurchased shares to the participants in the long-term incentive programs require a separate resolution by the general meeting as set out in item 20 (b) below. The Board of Directors may decide on the other terms and conditions for the repurchase and transfer.

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 repurchase and transfer the Company's own shares.

Item 20 – (a) Implementation of a long-term incentive program 2019/2022 and (b) transfer of own shares to the participants

Background

The remuneration framework within the Telia Company group (the "Group") may consist of fixed base pay, short-term variable pay, functional variable pay, long-term incentives, pensions and other benefits. A number of key employees participate in long-term incentive programs approved at previous annual general meetings. All in all, these parts constitute an integrated remuneration package. In accordance with the decisions of the annual general meetings 2010-2018 neither short-term nor long-term variable cash remuneration is paid to members of Telia Company's Group Executive Management team.

The Board of Directors has carried out a review of the 2018/2021 Performance Share Program to ensure that it continues to meet its stated objectives – i.e. to strengthen the ability to recruit and retain talented key employees, drive long-term company performance, align key employees' interests with those of the shareholders and encourage key employee shareholding. As a result of this review, the

Board of Directors considers that a long-term incentive program should be implemented for key employees of the Group also this year.

The long-term incentive program proposed by the Board of Directors to be implemented during 2019, relates to the financial years 2019-2021 and may result in so-called performance shares being received during the spring of 2022 (the "Performance Share Program 2019/2022"). The Performance Share Program 2019/2022, that is similar to the Performance Share Program 2018/2021 adopted at the annual general meeting 2018, is further described below.

Outline of the Performance Share Program 2019/2022

The Performance Share Program 2019/2022 shall be offered to approximately 200 key employees within the Group. Provided that certain performance conditions, consisting of financial targets linked to EBITDA and TSR (Total Shareholder Return), are met during the financial years 2019-2021 (the "Performance Period"), participants in the Performance Share Program 2019/2022 shall be given the opportunity to receive Telia Company shares without consideration ("Performance Shares").

Participants in the Performance Share Program 2019/2022 will be granted a conditional award over Performance Shares, which is a right to receive a specific number of such shares at a future date provided the relevant conditions are met. The maximum number of Performance Shares which can be subject to an award at the time of grant remains unchanged from 2018. Under the Performance Share Program 2019/2022, the number of Performance Shares subject to an award at the time of grant may not have an aggregate market value which exceeds 30 percent of the participant's annual gross base salary (i.e. before taxes) per year-end 2018 or, if a participant has become employed thereafter, the calculated annual gross base salary for 2019 (the "2018 Base Salary").

Further, the maximum aggregate market value of Performance Shares which can be received by a participant following the end of the Performance Period (i.e. on the vesting of the award when the participant becomes entitled to receive their shares) shall not exceed 60 percent of the participant's annual gross base salary (i.e. before taxes) per year-end 2021 (the "2021 Base Salary").

The receipt of Performance Shares is normally subject to continued employment within the Group up to and including the day of publication of the interim report for the first quarter 2022.

Participants will receive their Performance Shares following the publication of the Company's interim report for the first quarter 2022.

The Performance Share Program 2019/2022 shall in total comprise of no more than 2,194,830 Telia Company's shares, which corresponds to approximately 0.05 percent of the total number of outstanding shares in the Company.

The Board of Directors' full proposal is set out in item (a) below.

The value of and the estimated costs for the Performance Share Program 2019/2022

The participants' rights to receive Performance Shares under 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 their Performance Shares and become the owners of the shares. An estimated market value of the conditional rights to receive Performance Shares can however be calculated. The Board of Directors has calculated the total value for the rights to receive Performance Shares under the Performance Share Program 2019/2022 as approximately SEK 46.5 million, under the following essential assumptions: (i) a share price of SEK 42.37 calculated as the average of the daily noted volume-weighted purchase price of the Company's shares on Nasdaq Stockholm's official list during December 2018, (ii) an annual employee turnover of five percent, (iii) a share price increase of five percent per year, (iv) a 50 percent achievement of the TSR

condition and (v) a 50 percent achievement of the EBITDA performance condition. The total cost under these conditions would be SEK 74.4 million excluding the costs for the program's hedging measures and assuming a 60 percent mark-up for social security costs and pensions. The costs are accounted for as staff costs (share-based benefits) over the three-year Performance Period.

If the EBITDA performance condition is achieved to 100 percent whilst assumptions (i) through (iv) remain unchanged, the total value of the Performance Share Program 2019/2022 is estimated to be approximately SEK 69.8 million. The total cost would in this case be SEK 111.6 million.

If EBITDA and TSR performance conditions are achieved to 100 percent, the total value of the Performance Share Program 2019/2022 would amount to SEK 93.0 million assuming conditions (i) through (iii) remain unchanged. The total costs would in this case amount to SEK 148.8 million.

Dilution and effects on key ratios

The Performance Share Program 2019/2022 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 the Performance Share Program 2019/2022 are expected to have a marginal effect on the Group's key ratios.

Preparation of the proposal

The proposal regarding the Performance Share Program 2019/2022 to the annual general meeting 2019 has been prepared by the Company's Remuneration Committee and the Board of Directors has resolved to present this proposal to the annual general meeting 2019.

Hedging

The Board of Directors has considered two alternative hedging structures for the Performance Share Program 2019/2022; either (i) the transfer of shares held by the Company itself to participants in the Performance Share Program 2019/2022 or (ii) a hedging arrangement with a bank or other financial institution securing delivery of shares under the program. The Board of Directors considers the first alternative as its preferred option. However, should the annual general meeting not approve the proposed transfer of own shares to participants in the program, in accordance with item (b) below, the Board of Directors may enter into a hedging arrangement with a third party to hedge the obligations of the Company to deliver Performance Shares 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' proposals for resolutions

The Board of Directors proposes that the annual general meeting 2019 resolves to (i) implement the Performance Share Program 2019/2022, based on no more than 2,194,830 Performance Shares, and on the further main terms and conditions set out in item (a) below, and (ii) transfer 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 the Performance Share Program 2019/2022

1. The Performance Share Program 2019/2022 shall be offered to approximately 200 key employees within the Group who will receive a conditional award over a number of Performance Shares (i.e. a right to receive such shares at a future date if the relevant conditions are met) in 2019.

2. Each participant will receive an award over a number of Performance Shares with an aggregate market value not exceeding 30 percent of the participant's 2018 Base Salary. The market value shall be calculated based on the average of the daily noted volume-weighted purchase price of Telia Company's shares on Nasdaq Stockholm's official list during December 2018.
3. Provided that the performance conditions described below, consisting of financial targets linked to EBITDA and TSR, are met during the Performance Period, participants in the Performance Share Program 2019/2022 will receive the Performance Shares subject to their award without consideration.
4. The performance conditions applying according to the Performance Share Program 2019/2022 will be based 50 percent on the Company's EBITDA¹ target during the Performance Period ("EBITDA Part") and 50 percent on the Company's TSR during the Performance Period ("TSR Part") in relation to TSR in a peer group of approximately 10 comparable Nordic and western European telecom companies defined by the Board of Directors ("TSR Comparator Group").²
5. The financial targets include a minimum level which must be achieved in order for any Performance Shares to be received at all, as well as a maximum level in excess of which no additional Performance Shares will be received. Should lower financial results than the maximum levels be achieved, a proportionate lower number of Performance Shares may be received.
 - a. EBITDA part represents 50 percent of the total award:
 - i. If 100 percent (or above) of the EBITDA target is met, 100 percent of Performance Shares under the EBITDA part will vest.
 - ii. If 97.5 percent (or less) of the target is met, 0 percent of Performance Shares under the EBITDA part will vest.
 - iii. If between 97.5 to 100 percent of the target is met, a proportionate amount of Performance Shares under the EBITDA part will vest.
 - iv. No Performance Shares will vest under the EBITDA Part if the Company's accumulated EBITDA is below the minimum level and no additional Performance Shares will vest if the Company's accumulated EBITDA is above the maximum level.
 - b. TSR part represents 50 percent of the total award:
 - i. If the Company's TSR is ranked first or second compared to the defined peer group of companies, 100 percent of the Performance Shares under the TSR part will vest.
 - ii. If the Company's TSR is ranked third or fourth, 75 percent of the Performance Shares under the TSR part will vest.
 - iii. If the Company's TSR is ranked fifth or sixth, 50 percent of the Performance Shares under the TSR part will vest.
 - iv. If the Company's TSR is ranked seventh or lower, no Performance Shares under the TSR part will vest.

¹ EBITDA is defined as Earnings Before Interest, Taxes, Depreciation and Amortization, with a possibility for the Board of Directors to make adjustments for extraordinary events and/or exchange rate fluctuations.

² TSR is equal to the overall return a shareholder would receive on his or her shareholding taking into account both share price appreciation and dividends (if any). When calculating TSR, an average TSR-index number for December 2018 shall be compared with December 2021 for the Company and for the companies included in the peer group defined by the Board of Directors. The peer group presently consists of Telenor ASA, Elisa Oyj, Tele2 AB, KPN NV, Orange SA, Deutsche Telekom AG, Vodafone Group Plc, Telefonica SA, DNA Plc and Swisscom AG.

6. The receipt of Performance Shares shall normally be subject to the participant's continued employment within the Group up to and including the day of publication of the interim report for the first quarter 2022.
7. Participants will receive their Performance Shares following the publication of the Company's interim report for the first quarter 2022. Rounding off shall be made to the closest whole number of Performance Shares.
8. The maximum number of Performance Shares a participant may receive under the Performance Share Program 2019/2022 shall have an aggregate market value not exceeding 60 percent of the participant's 2021 Base Salary. The market value shall be calculated based on the average of the daily noted volume-weighted purchase price of the Company's shares on Nasdaq Stockholm's official list during 20 trading days prior to the day of publication of the interim report for the first quarter 2022. Rounding off shall be made to the closest whole number of Performance Shares.
9. The Performance Share Program 2019/2022 shall in total comprise of no more than 2,194,830 Telia Company's shares, which corresponds to approximately 0.05 percent of the total number of outstanding shares in the Company.
10. Recalculation of the number of Performance Shares subject to an award granted under the Performance Share Program 2019/2022 shall take place in the event of an intervening bonus issue, split, rights issue and/or other similar events.
11. In addition to what is set out above, the Board of Directors shall under certain circumstances be entitled to reduce the number of Performance Shares subject to an award or, wholly or partially, terminate the Performance Share Program 2019/2022 in advance and to make such local adjustments of the program that may be necessary or appropriate to implement the program with reasonable administrative costs and efforts in the concerned jurisdictions, including, among other things, to offer cash settlement.
12. The Board of Directors shall be responsible for the further design and administration of the Performance Share Program 2019/2022 within the framework of the above stated main terms and conditions.

Performance outcome

The performance outcome will be determined by the Board of Directors after the expiry of the Performance Period (i.e. after December 31, 2021), in 2022. In connection therewith, the Board of Directors will also publish the performance results.

(b) Transfer of own shares

The transfer of own shares to participants in the Performance Share Program 2019/2022, 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 2,194,830 Telia Company shares may be transferred to participants in the Performance Share Program 2019/2022 as Performance Shares.
2. The entitlement to receive Performance Shares without consideration shall only be offered to persons within the Group who are participants in the Performance Share Program 2019/2022. In addition, subsidiaries shall be entitled to acquire shares without consideration in order to immediately transfer such shares to participants in the Performance Share Program 2019/2022 in accordance with the terms and conditions of the Performance Share Program 2019/2022.

3. The transfer of shares without consideration shall be made when the participants are entitled to receive their Performance Shares in accordance with the terms and conditions of the Performance Share Program 2019/2022, which will be following the publication of the Company's interim report for the first quarter 2022.
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 reason for this proposed deviation from the shareholders' preferential rights is because the transfer of own shares is an integral part of the implementation of the Performance Share Program 2019/2022 and the Board of Directors considers that the implementation of the Performance Share Program 2019/2022 will be to the advantage of the Company and the shareholders as it offers participants the opportunity 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 transfer of shares is conditional on the annual general meeting having approved item (a), i.e. the implementation of the proposed Performance Share Program 2019/2022.

Item 21 – (a) Reduction of the share capital by way of cancellation of own shares and (b) increase of the share capital by way of bonus issue

(a) Reduction of the share capital by way of cancellation of own shares

The Board of Directors proposes that the annual general meeting 2019 resolves to reduce the share capital by way of cancellation of own shares which were repurchased under the SEK 5 billion share buy-back program that Telia Company announced on April 20, 2018. The purpose of the reduction is allocation to unrestricted equity to be used as resolved by the annual general meeting in accordance with item (b) below. The reduction of the share capital shall be made by cancellation of such own shares that are held by the Company three weeks prior to the annual general meeting. The reduction of the share capital may be made with no more than SEK 400 million by way of cancellation of no more than 125 million shares. The exact reduction amount and the exact number of shares proposed to be cancelled will be presented in the complete proposal, which will be held available no later than three weeks prior to the annual general meeting.

The resolution to reduce the share capital under this item (a) may be effectuated without obtaining an authorization from the Swedish Companies Registration Office or, in disputed cases, a court of general jurisdiction, as the Company simultaneously effectuates a bonus issue, as set out under item (b) below, with an amount corresponding to no less than the amount the share capital is being reduced with, as set out above. Combined, these measures entail that neither the Company's restricted equity nor its share capital is reduced.

(b) Increase of the share capital by way of bonus issue

With the purpose of restoring the share capital after the proposed reduction of the share capital, as set out under item (a) above, the Board of Directors proposes that the annual general meeting at the same time resolves to increase the share capital by way of a bonus issue with an amount corresponding to no less than the amount the share capital is reduced with by way of cancellation of shares, as set out under item (a) above. The bonus issue shall be carried out with the amount being transferred from unrestricted equity without the issuance of new shares. The exact amount of the increase will be presented in the complete proposal, which will be held available no later than three weeks prior to the annual general meeting.

The Board of Directors proposes that the resolutions under items (a) and (b) above will be voted on at the annual general meeting as a joint resolution.

Item 22 – Amendment to the articles of association

The Board of Directors proposes that the annual general meeting 2019 resolves to amend § 9 to the articles of association, in accordance with below, and to make other minor editorial adjustments to §§ 1 and 9 (Swedish version only) and to § 13.

The reason for the proposed amendment to § 9 is, inter alia, that the Company shall be able to hold general meetings in Solna where the Company is headquartered. In light hereof, the Board of Directors proposes to amend § 9 to the Company's articles of association so that general meetings, in addition to Stockholm, may be held in Solna, by adding the following wording to the current § 9:

“General meetings shall be held in Stockholm or in Solna.”

The complete articles of association with proposed amendments will be held available no later than three weeks prior to the annual general meeting.

Other information

Presentations, number of shares and shareholders' right to request information

The chair of the Board of Directors and the CEO's presentations at the meeting will be posted on the Company's website www.teliacompany.com after the meeting.

The total number of shares and votes in the Company is 4,330,084,781 at the date this notice is issued. At the same date, the Company owns 116,758,131 treasury shares, which cannot be represented at the meeting.

At the request of any shareholder, the Board of Directors and the CEO shall provide information at the meeting on any circumstances that (i) may affect the assessment of a matter on the agenda, (ii) may affect the assessment of the Company's or a subsidiary's financial situation or (iii) concerns the Company's relation to another group company, provided that the Board of Directors believes it would not be of significant detriment to the Company.

Majority requirements

Valid resolutions to

- authorize the Board of Directors to decide on repurchase and transfer of the Company's own shares under item 19,
- reduce the share capital by way of cancellation of own shares and increase of the share capital by way of bonus issue under item 21, and
- amend the articles of association under item 22

requires support by shareholders holding at least two-thirds of both the votes cast and shares represented at the meeting.

A valid resolution on implementation of the proposed long-term incentive program under item 20 (a) requires support by a simple majority of the votes cast. A valid resolution on transfer of own shares to the participants in the program under item 20 (b) requires support by shareholders representing at least nine-tenths of both the votes cast and shares represented at the meeting.

Documents, etc.

Information regarding all board members proposed to the Board of Directors of Telia Company as well as the Nomination Committee's proposals and motivated opinion are available on the Company's website.

The 2018 annual and sustainability report, the audit report and other documents will be held available at the Telia Company AB, Investor Relations, Stjärntorget 1 in Solna, as from Wednesday, March 20, 2019. The documents can also be obtained from the following address: Telia Company AB, c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, or by phone +46 (0)8 402 90 50. The documents will also be available on the Company's website www.teliacompany.com from the same date.

Authorization

The Board of Directors, or such person that the Board of Directors may appoint, shall be authorized to make the minor adjustments in the resolutions adopted by the annual general meeting as may be required in connection with registration at the Swedish Companies Registration Office and Euroclear Sweden and to take such other measures required to execute the resolutions.

Processing of personal data

For information on how your personal data is processed, see:

www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf.

Telia Company Group Data Protection Officer:

dpo-tc@teliacompany.com

Telia Company AB
Group Data Protection Officer
Stjärntorget 1 SE-169 94 Solna
Sweden
Phone number: +46 (0)8 504 550 00

Stockholm, March, 2019
Telia Company AB (publ)
The Board of Directors

Statement by the Board of Directors of Telia Company 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 2019, the Board of Directors submits the following statement as required under Chapter 18, section 4 of the Swedish Companies Act.

At December 31, 2018, the Company’s restricted equity totalled approximately SEK 15,713 million and its non-restricted equity was approximately SEK 79,477 million. At the same date the Group’s total equity attributable to the shareholders of the Company totalled approximately SEK 97,344 million.

The equity of the Company would have been approximately SEK 1,470 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 realizable 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,³ an amount of approximately SEK 69,493 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 Company will be sufficient in relation to the scope of the Company’s and the Group’s business.

At December 31, 2018, after deduction of the proposed dividend and assuming full exercise of the proposed repurchase authorization, the Company’s financial strength measured as its equity to assets ratio was 34.2 percent (at December 31, 2017, 29.6 percent). At December 31, 2018, the Group’s financial strength, measured in the same way, was 31.5 percent (at December 31, 2017, 32.4 percent). Taking into account the proposed repurchase authorization, the proposed dividend 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 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, 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.

Stockholm, January 24, 2019
Telia Company AB (publ)
The Board of Directors

³ The Board of Directors proposes a dividend of SEK 2.36 per share. In total the proposed dividend amounts to SEK 9,985 million based on the total number of shares in the Company as of December 31, 2018, which amounted to 4,330,084,781 shares, reduced by the 99,277,963 shares that the Company as per this date held in treasury and which therefore are not entitled to dividend. As the Company continuously is repurchasing its own shares, the number of treasury shares will be marginally higher, and the total amount for the dividend will be marginally lower, at the annual general meeting.

Telia Company's Nomination Committee 2018–2019

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 10, 2018 in Telia Company (the "Company"), it was resolved that the Nomination Committee (the "Committee") shall consist of the following persons: Daniel Kristiansson, chair (Swedish State), Erik Durhan (Nordea Funds), Jan Andersson (Swedbank Robur 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 Committee. Within its activities, the Committee has complied with the Swedish Corporate Governance Code and with the instructions for the Nomination Committee approved by the annual general meeting.

The Committee has held eighth (8) recorded meetings since the annual general meeting on April 10, 2018. The 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 Committee has assessed the functioning of the Board of Directors and the competences needed in the Board of Directors as a whole.

The 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
- Sustainability work
- Board work in listed companies
- Managerial operations
- Mergers and acquisitions and processes of change
- Finance

Board member Susanna Campbell has informed the Committee that she is not available for re-election at the annual general meeting 2019.

On the basis of the competence needs identified, the Committee has evaluated the competences of the remaining directors, the aggregate 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 Committee has decided to nominate Rickard Gustafson as new director and to nominate Marie Ehrling, Olli-Pekka Kallasvuo, Nina Linander, Jimmy Maymann, Anna Setzman, Olaf Swantee and Martin Tivéus for re-election at the annual general meeting. Marie Ehrling is nominated for re-election as chairman of the board.

In its work, the Committee applies rule 4.1 of the Swedish Corporate Code as its diversity policy. The Committee has considered the importance of a well-functioning composition of the Board of Directors with diversity and breadth of qualifications, experience and background. The Committee has specifically discussed gender diversity as part of its efforts to strive for gender balance in the Board of Directors and to compose the most competent Board of Directors. The proposed Board of Directors consists of three (3) women and five (5) men.

The Committee proposes that the remuneration for the chair of the Board is increased by 4.9 %, the remuneration for the vice chair of the Board by 4.9 % and the remuneration for the ordinary directors by 5.2 %. The proposal reflects the Committee's ambition that the level of the remuneration shall be in line with remunerations in comparable companies.

The Committee proposes, in accordance with the recommendation from the Company's Audit and Responsible Business Committee, that the audit company Deloitte is elected as auditor for the period until the end of the annual general meeting 2020.

2. The Committee presents the following proposals to Telia Company's annual general meeting 2019

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

The Committee's proposal for the number of directors until the end of the annual general meeting 2020 is eight (8) directors.

2.2 Directors

The Committee proposes re-election of: Marie Ehrling, Olli-Pekka Kallasvuo, Nina Linander, Jimmy Maymann, Anna Setzman, Olaf Swantee and Martin Tivéus.

The Committee proposes election of: Rickard Gustafson.

Rickard Gustafson was born in 1964. He is President and CEO of SAS. He has previously held various executive positions in GE Capital, both in Europe and the US, and was President of Codan/Trygg-Hansa 2006–2011. Rickard Gustafson is chair of Aleris and board member of FAM AB. Gustafson holds a Master of Science degree.

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

2.3 Chair of the Board of Directors

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

2.4 Vice chair of the Board of Directors

The 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 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 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 1,825,000 (2018: SEK 1,740,000)
- Vice chair of the Board of Directors: SEK 860,000 (2018: SEK 820,000)
- Other directors elected at the annual general meeting: SEK 610,000 (2018: SEK 580,000)
- Chair of the Board of Directors' Audit and Responsible Business Committee: SEK 275,000 (2018: SEK 250,000)
- Other members of the Audit and Responsible Business Committee: SEK 150,000 (2018: SEK 150,000)
- Chair of the Board of Directors' Remuneration Committee: SEK 70,000 (2018: SEK 70,000)
- Other members of the Remuneration Committee: SEK 50,000 (2018: SEK 50,000)

2.7 Auditors

In accordance with the Audit and Responsible Business Committee's recommendation, the Committee proposes that there will be one audit company as auditor for the period until the end of the annual general meeting 2020 and that the audit company Deloitte be elected as auditor.

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

2.8 The Committee and instruction for the Nomination Committee

The 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 Committee's proposal for members of the Committee until the annual general meeting 2020 is as follows: Daniel Kristiansson, chair (Swedish State), Jan Andersson (Swedbank Robur Funds), Anders Oscarsson (AMF Insurance and AMF Funds), Johan Strandberg (SEB Funds) and Marie Ehrling (chair of the Board of Directors).

The 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

Instruction for the Nomination Committee of Telia Company AB (publ)

1. The Nomination Committee (the "Committee") shall consist of five (5) to seven (7) members. Four ordinary members shall represent the four shareholders that are largest in terms of votes at the turn of the month that occurs immediately prior to 30 days before the notice of the annual general meeting is issued and which also wish to participate in the nomination process ("Nominating Shareholders"). The Chair of the Board shall also be an ordinary member of the Committee.

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

Shareholders or physical persons involved in business activities that compete with Telia Company 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 (1) or two (2) extraordinary members. Extraordinary members shall possess knowledge and/or experience within the society, market, or sectors within which Telia Company does business or skills in the field of finance and accounting (in connection with election of auditors). Extraordinary members shall, if appointed, assist the Committee in performing its mandate, but shall not be entitled to participate in its decisions.
3. The ordinary 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 Chair (the "Chair"), who shall be appointed by the Committee at its statutory meeting. Board Members of Telia Company shall be disqualified to serve as Chair of the Committee. The Chair 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 Committee

6. The Committee shall remain intact unless,
 - (i) a member wishes to resign, in which case such request shall be submitted to the Chair (or if the Chair 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,
 - (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 Chair (or if the Chair is to be replaced, to another member of the Committee) and the receipt of such notice shall mean that the request has taken effect,
 - (iii) a Nominating Shareholder divests its entire shareholding in Telia Company, 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 Telia Company.

The Committee's work

7. The Committee shall nominate the Chair of the annual general meeting and the Chair of the Board and other Board Members, and present a proposal for remuneration, which shall be specified between the Chair 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 Committee and shall specify the names of the Nominating Shareholders they represent.

The 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 of Directors meets the requirements that will be imposed on the Board of Directors consequent upon Telia Company's position and future direction by means including studying the results of the performed evaluation of the Board of Directors,
 - (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 of Directors to be filled, which procedure shall include consideration of suggestions submitted by shareholders.
9. The Committee's proposals according to Section 8 above and the shareholders who made the suggestions shall be presented in the notice of the annual general meeting.
10. The Chair of the Board shall have the right at his or her discretion to decide that Telia Company shall enter into non-disclosure agreements with Nominating Shareholders or shareholders according to Section 6 (iv) above 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 Telia Company considers secret is presented.
11. If the Committee cannot submit nominations and proposals according to Section 9 above 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 above and 12-15 below shall apply correspondingly to such proposals.

Telia Company's website

12. Telia Company shall provide space for communications from the Committee on its website www.teliacompany.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 Committee shall be posted on the Site. The Site shall also provide an e-mail address 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 above, 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 Telia Company and other material assignments,
- (iii) own or closely related physical or legal person's holdings of shares and other financial instruments in Telia Company,
- (iv) whether the nominee is according to the Committee to be considered independent in relation to Telia Company, executive management and major shareholders in Telia Company,
- (v) upon re-election, the year the member was first elected to the Board of Directors, 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 the nominated auditor,
- (ii) the scope of services provided by the nominated auditor to Telia Company 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 of Directors 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 Telia Company's Board of Directors at the annual general meeting on April 10, 2019.

Re-election

Marie Ehrling (born 1955)

Chair of the Board. Elected to the Board of Directors in 2013. Ms. Ehrling was President of TeliaSonera's Swedish operations between 2002 and 2006. During 1982–2002, she worked for SAS Group, holding various executive positions including Deputy CEO and Head of SAS Airlines. Ms. Ehrling is Chair of Securitas AB, Vice-Chair of Axel Johnson AB and board member of Axel Johnson International. She is elected member of Royal Swedish Academy of Engineering Sciences (IVA) and Chair Advisory Board Stockholm School of Economics. Ms. Ehrling holds a BSc in Business and Economics and an Honorary Doctorate at SSE.

Shares in Telia Company: 30,000

Olli-Pekka Kallasvuo (born 1953)

Vice-Chair of the Board. Elected to the Board of Directors in 2012. 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 Chair of Veikkaus Oy, Chair of Zenterio AB, Chair of Entrada Oy and Vice-Chair of SRV Group Plc. He is also a board member of Limestone Platform AS. Mr. Kallasvuo holds a Master of law and an honorary doctorate.

Shares in Telia Company: 35,896

Nina Linander (born 1959)

Elected to the Board of Directors in 2013. 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 Chair of Awa Holding AB and a board member of AB Industrivärden, Skanska AB and Castellum AB. Ms. Linander holds a BSc degree in Economics and an MBA (IMD) degree.

Shares in Telia Company: 5,700

Jimmy Maymann (born 1971)

Elected to the Board of Directors in 2018. Jimmy Maymann is a Danish entrepreneur and investor specializing in digital advertising, digital technology and new media strategy. He is Chair of the boards in TV2 Denmark, AirHelp Inc. and The Museum for the United Nations - UN Live Online. Mr. Maymann has served as Executive Vice President and President at AOL Content & Consumer Brands and as Chief Executive Officer of the Huffington Post. Jimmy Maymann has an EMBA and a Master of Science.

Shares in Telia Company: 0

Anna Setzman (born 1970)

Elected to the Board of Directors in 2016. Anna Setzman is CEO of Liber AB and Chair of the board of Dreams Nordic AB. She has extensive experience from start-ups as founder of the investment company The Springfield Project as well as significant experience from the media sector, mainly from Aftonbladet where she served as CEO. Ms. Setzman studied marketing strategy and economics at the Berghs School of communications and completed the IFL Executive Management Program at the Stockholm School of Economics.

Shares in Telia Company: 0

Olaf Swantee (born in 1966)

Elected to the Board of Directors in 2016. Mr. Swantee is CEO of Sunrise and previously he was the CEO of the UK's mobile telecoms business EE. Prior to joining EE, he held several Executive Board roles for Orange Group, as well as senior leadership roles within Hewlett Packard, Compaq and Digital Equipment Corporation, across Europe and the United States. Mr. Swantee holds an MBA.

Shares in Telia Company: 0

Martin Tivéus (born 1970)

Elected to the Board of Directors in 2018. Martin Tivéus is CEO of Attendo. Previously he was Chief Commercial Officer Nordics at Klarna and he has also held managerial positions such as CEO at Avanza and Glocalnet. He is board member at Danske Bank. Martin Tivéus has a Bachelor of Science degree.

Shares in Telia Company: 2,550

*Nominee***Rickard Gustafson (born 1964)**

Mr. Gustafson is President and CEO of SAS. He has previously held various executive positions in GE Capital, both in Europe and the US, and he was President of Codan/Trygg-Hansa 2006–2011. Rickard Gustafson is Chair of Aleris and board member of FAM AB. Rickard Gustafson holds a Master of Science degree.

Shares in Telia Company: 6,000

Including shareholdings by spouse and/or affiliated persons when appropriate.

Deloitte.

Auditors' report in accordance with Chapter 8, Section 54 of the Swedish Companies Act (2005:551), regarding compliance with the guidelines for remuneration to senior executives approved by the Annual General Meeting

To the Annual General Meeting of Telia Company AB (publ), Corporate Identity Number 556103-4249.

We have audited whether the Board of Directors and the managing director of Telia Company AB (publ) have complied with the guidelines for remuneration to senior executives during the financial year 2018 which were approved by the Annual General Meeting on April 5, 2017 and by the Annual General Meeting on April 10, 2018.

Responsibilities of the Board of Directors and the managing director

The Board of Directors and the managing director are responsible for compliance with these guidelines and for such internal control as the Board of Directors and the managing director determine is necessary to enable compliance with these guidelines.

Auditor's responsibility

Our responsibility is to express an opinion, based on our audit, to the Annual General Meeting as to whether the guidelines have been complied with. We conducted our audit in accordance with FAR's standard RevR 8 *Audit of Remuneration to Senior Executives in Listed Companies*. This standard requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the guidelines have, in all material aspects, been complied with. We apply the international standard on quality control, ISQC 1, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of Telia Company AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Our audit has included a review of the organization for and the documentation supporting the remuneration to senior executives as well as new decisions related to compliance with the guidelines. Our procedures have also included testing a sample of payments during the year to senior executives. The procedures selected depend on the auditor's judgment, including the assessment of the risks of whether the guidelines have not, in all material aspects, been complied with. In making those risk assessments, the auditor considers internal control relevant to the compliance of 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 audit procedures provide a reasonable basis for our opinion, as set out below.

Opinion

In our opinion, the Board of Directors and the managing director of Telia Company AB (publ) have, during the financial year 2018 complied with the guidelines for remuneration to senior executives which were approved by the Annual General Meeting on April 5, 2017 and by the Annual General Meeting on April 10, 2018.

Stockholm, March 13, 2019

Deloitte AB

Signature on Swedish original

Jan Nilsson
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Statement by the Board of Directors of Telia Company 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 2019 resolve to authorize the Board of Directors to repurchase 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, 2018, the Company’s restricted equity totaled approximately SEK 15,713 million and its non-restricted equity was approximately SEK 79,477 million. At the same date the Group’s total equity attributable to the shareholders of the Company totaled approximately SEK 97,344 million.

The equity of the Company would have been approximately SEK1,470 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 realizable value for non-current assets and the lower of cost or market value for current assets.

If the authorization is fully exercised,⁴ the estimated cost of repurchasing the Company’s own shares under the proposed authorization for the Board of Directors totals approximately SEK 14,170 million⁵ at an average price of SEK 42.46 per share.⁶

The Board of Directors considers there will be full coverage for the Company’s restricted equity after distribution of a dividend of SEK 2.36 per share for the financial year 2018, in total approximately SEK 9,985 million, and after 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 do 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 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 Company will be sufficient in relation to the scope of the Company’s and the Group’s business.

At December 31, 2018, after deduction of the proposed dividend and assuming full exercise of the proposed repurchase authorization, the Company’s financial strength measured as its equity to assets ratio was 34.2 percent (at December 31, 2017, 29.6 percent). At December 31, 2018, the Group’s financial strength, measured in the same way, was 31.5 percent (at December 31, 2017, 32.4 percent). Taking into account the proposed dividend distribution, the exercise of the proposed authorization for repurchase 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 expected to manage unexpected events and temporary variations in the cash flows to a reasonable extent.

⁴ 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. As of December 31, 2018, the Company held 99,277,963 treasury shares.

⁵ The estimated cost is taken treasury shares already held into consideration.

⁶ Based on the average closing price in January 2019 (the first 12 trading days).

In light of the above, it is the Board of Directors' view that, taking into account the proposed dividend distribution, the proposed authorization to repurchase 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.

Stockholm, January 24, 2019
Telia Company AB (publ)
The Board of Directors

The Board of Directors' complete proposal under item 21 – (a) Reduction of the share capital by way of cancellation of own shares and (b) increase of the share capital by way of bonus issue

(a) Reduction of the share capital by way of cancellation of own shares

The Board of Directors proposes that the annual general meeting 2019 resolves to reduce the share capital by way of cancellation of own shares which were repurchased under the SEK 5 billion share buy-back program that Telia Company announced on April 20, 2018. The reduction of the share capital shall be made with a total of SEK 385,742,099.20 by way of cancellation of a total of 120,544,406 shares. The purpose of the reduction is allocation to unrestricted equity to be used as resolved by the annual general meeting in accordance with item (b) below.

The resolution to reduce the share capital under this item (a) may be effectuated without obtaining an authorization from the Swedish Companies Registration Office or, in disputed cases, a court of general jurisdiction, as the Company simultaneously effectuates a bonus issue, as set out under item (b) below, with an amount corresponding to no less than the amount the share capital is being reduced with, as set out above. Combined, these measures entail that neither the Company's restricted equity nor its share capital is reduced.

(b) Increase of the share capital by way of bonus issue

With the purpose of restoring the share capital after the proposed reduction of the share capital, as set out under item (a) above, the Board of Directors proposes that the annual general meeting 2019 at the same time resolves to increase the share capital by way of a bonus issue with an amount corresponding to SEK 385,742,099.20, which equals the amount the share capital is reduced with by way of cancellation of shares, as set out under item (a) above. The bonus issue shall be carried out with the amount being transferred from unrestricted equity without the issuance of new shares.

The Board of Directors proposes that the resolutions under items (a) and (b) above will be voted on at the annual general meeting as a joint resolution.

The Board of Directors further proposes that the annual general meeting authorizes the Board of Directors to make such minor adjustments to the above resolutions as may be required to file the resolutions with the Swedish Companies Registration Office or Euroclear Sweden and to take such other measures required to execute the resolutions.

Statement by the Board of Directors in accordance with Chapter 20, section 13 of the Swedish Companies Act and the auditor's report in accordance with Chapter 20, section 14 of the Swedish Companies Act are available on the Company's website, www.teliacompany.com.

Stockholm, March 2019
Telia Company AB (publ)
The Board of Directors

Statement by the Board of Directors of Telia Company AB (publ) (the “Company”) as required under Chapter 20, section 13 of the Swedish Companies Act

As the Board of Directors proposes that the annual general meeting on April 10, 2019, resolves to (a) reduce the share capital by way of cancellation of own shares and (b) increase the share capital by way of a bonus issue, the Board of Directors submits the following statement as required under Chapter 20, section 13 of the Swedish Companies Act.

The resolution to reduce the share capital under item (a) may be effectuated without obtaining the authorization from the Swedish Companies Registration Office or, in disputed cases, a court of general jurisdiction, as the Company simultaneously effectuates a bonus issue, as set out under item (b), with an amount corresponding to not less than the amount the share capital is being reduced with, as set out under item (a). Combined, these measures entail that neither the Company’s restricted equity, nor its share capital is reduced. The effect of the Board of Directors’ proposal under item (a) is that the Company’s restricted equity and share capital are reduced by SEK 385,742,099.20. The effect of item (b) is that the Company’s restricted equity and share capital are increased by SEK 385,742,099.20 by way of a bonus issue and thereby is restored to the amount prior to the reduction.

Stockholm, March 2019
Telia Company AB (publ)
The Board of Directors



Auditor's report pursuant to Chapter 20, Section 14 of the Swedish Companies Act (2005:551)

**To the Annual General Meeting of Telia Company AB (publ), Swedish Company
Reg No: 556103-4249**

We have examined the Board of Directors' statement with specific redemption terms, dated March 18th 2019.

Responsibility of the Board of Directors

It is the Board of Directors that is responsible for the statement and for preparing it in accordance with the Swedish Companies Act and for such internal control as the Board of Directors determine is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Responsibility of the auditor

Our responsibility is to express an opinion on the statement based on our examination. The examination was performed in compliance with the recommendation RevR 9 issued by FAR, The Auditor's Other Statements Pursuant to the Swedish Companies Act and the Companies Ordinance. This standard requires that we plan and perform the examination to obtain reasonable assurance about whether the statement is free from material misstatements. The Audit firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of professional standards and applicable legal and regulatory requirements.

We are independent of Telia Company AB (publ) accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The examination involves performing procedures to obtain audit evidence about the amounts and other disclosures in the Board of Directors' statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of misstatement in the statement, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the Board of Directors' preparation if the statement 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 internal control. The examination also includes evaluating the appropriateness of the action taken in connection with the company's restricted equity or share capital as well as the reasonableness of the assessments made by the Board of Directors. We believe that the audit we obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the actions that are to be taken and that will result in no reduction of either the restricted equity or share capital of the company are appropriate and the assessments that the Board of Directors has made concerning the effects of these actions are reasonable.

Other information

The sole purpose of this Auditor's report is to satisfy the requirements of Chapter 20, Section 14 of the Swedish Companies Act and it may not be used for any other purpose.

Stockholm March 18th 2019
Deloitte AB

See Swedish version for signature

Jan Nilsson
Auktoriserad revisor

ARTICLES OF ASSOCIATION OF TELIA COMPANY AB (corporate registration number 556103-4249) adopted at the Annual Meeting on 1 ~~02~~ April 201~~06~~¹⁶

§ 1 Name

The Company's name is Telia Company AB.
The Company is a public limited company (plc).

§ 2 Domicile

The Board of Directors shall have its registered office in Stockholm.

§ 3 Objects

The Company's objects are to offer, directly or indirectly, in a broad sense, telecommunications services and thereto associated information services, as well as to conduct other activities which are compatible with such services.

§ 4 Share capital

The share capital shall amount to no less than SEK 8 billion and no more than SEK 32 billion.

§ 5 Number of shares

The number of shares of the company shall be not less than 2.5 billion and not more than 10 billion.

§ 6 Board of Directors

The Board of Directors shall consist of, besides persons who may be appointed under other rules as a consequence of operations of law, no less than four and no more than nine members and no more than three deputy members.

§ 7 Auditors

The annual general meeting shall appoint no less than two and no more than three auditors and no more than the same number of deputy auditors. The annual general meeting can also appoint only one auditor, if the auditor in question is a registered auditor company.

The Board of Directors has the right to appoint one or more specific auditors or a registered auditor company to audit reports or plans made by the Board of Directors pursuant to Companies Act in connection with such share issue, issue of subscription rights or convertible which contain provisions on contribution in kind or that a subscription shall be made by setoff or subject to other conditions, transfer of own shares against other payment than money, reduction of share capital or statutory reserve, merger or de-merger of the company.

§ 8 Notice of a general meeting

Notice of a general meeting shall be announced in the Swedish Official Gazette (Post- och Inrikes Tidningar) and on the company's website. It shall be announced in Dagens Nyheter and Svenska Dagbladet that a notice to a general meeting has been made.

§ 9 General meetings

In order to be entitled to participate in a general meeting, shareholders must notify the Company of their intention to attend the meeting no later than on the day stated in the notice of the meeting. This day must not be a Sunday, other public holiday, a Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and must not fall earlier than the fifth working day before the meeting.

Shareholders may be accompanied at the meeting by one or two persons to assist them, but only if the shareholder notifies the Company of the number of accompanying persons in the manner stated in the previous paragraph.

The annual meeting shall transact the following matters:

1. Elect a chairman for the general meeting.
2. Prepare and approve the voting list.
3. Approve the agenda.
4. Elect two persons to check the minutes.
5. Confirm that the general meeting has been duly summoned.
6. Consider the annual accounts and the auditors' report as well as the consolidated annual accounts and auditors' report for the group.
7. Resolve
 - a. whether to approve the profit and loss account and balance sheet as well as the consolidated profit and loss account and consolidated balance sheet,
 - b. how the Company's profit or loss according to the approved balance sheet is to be appropriated,
 - c. whether the members of the Board of Directors and the Managing Director should be discharged from liability towards the company for the period covered by the accounts.
8. Determine the number of Board members and deputy members, who are to be elected by the meeting.
9. Determine the amounts of fees of the Board of Directors.
10. Elect the Board of Directors and any deputy members.
11. When required, determine the number of auditors and deputy auditors.
12. When required, determine the remuneration to the auditors.
13. When required, elect the auditors and deputy auditors.
14. Consider any other business which is incumbent upon the general meeting under the Swedish Companies Act.

[General meetings shall be held in Stockholm or in Solna.](#)

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

§ 10 Voting by mail

The Board of Directors has the right before a general meeting to decide that shareholders shall be able to vote by mail before the general meeting.

§ 11 Power of Attorneys

The Board of Directors has the right to collect power of attorneys pursuant to the procedure in Chapter 7 Section 4 Paragraph 2 Companies Act (2005:551).

§ 12 Financial year

The Company's financial year is the calendar year.

§ 13 Record day provision

The shares of the company shall be registered in a record day register pursuant to the [Central Securities Depositories and Financial Instrument Accounts Act \(1998:1479\)](#).



BOLAGSORDNING FÖR TELIA COMPANY (organisationsnummer 556103-4249) fastställt på årsstämma den 10 april 2019.

§ 1 Företagsnamn

Förnamnet är Telia Company AB.
Bolaget skall vara publikt (publ).

§ 2 Styrelsens säte

Styrelsen skall ha sitt säte i Stockholm.

§ 3 Föremål för bolagets verksamhet

Bolaget skall, direkt eller indirekt, erbjuda telekommunikationstjänster i vid mening och därpå baserade informationstjänster samt bedriva annan därmed förenlig verksamhet.

§ 4 Aktiekapital

Aktiekapitalet skall utgöra lägst 8 miljarder kronor och högst 32 miljarder kronor.

§ 5 Antalet aktier

Antalet aktier skall vara lägst 2,5 miljarder och högst 10 miljarder.

§ 6 Styrelse

Styrelsen skall, förutom av personer som på grund av lag kan komma att utses i annan ordning, bestå av lägst fyra och högst nio ledamöter med högst tre suppleanter.

§ 7 Revisorer

Bolagsstämman skall utse lägst två och högst tre revisorer med högst samma antal suppleanter. Stämman kan också utse endast en revisor, om stämman till revisor utser ett registrerat revisionsbolag.

Styrelsen har rätt att utse en eller flera särskilda revisorer eller ett registrerat revisionsbolag att granska sådana redogörelser eller planer som upprättas av styrelsen i enlighet med aktiebolagslagen i samband med sådan emission av aktier, teckningsoptioner eller konvertibler som innehåller bestämmelser om apport eller att teckning skall ske med kvittningsrätt eller med andra villkor, överlåtelse av egna aktier mot annan betaling än pengar, minskning av aktiekapitalet eller reservfonden, fusion eller delning av aktiebolag.

§ 8 Kallelse

Kallelse till bolagsstämma skall ske genom annonsering i Post- och Inrikes Tidningar samt på bolagets webbplats. Att kallelse har skett skall annonseras i Dagens Nyheter och Svenska Dagbladet.

§ 9 Bolagsstämma

För att få delta i bolagsstämma skall aktieägare anmäla sig hos bolaget senast den dag som anges i kallelsen till stämman. Denna dag får inte vara söndag, annan allmän helgdag, lördag, midsommarafton, julafton eller nyårsafton och inte infalla tidigare än femte vardagen före stämman.

Aktieägare får vid stämman medföra ett eller två biträden, dock endast om aktieägaren till bolaget anmäler antalet biträden på det sätt som anges i föregående stycke.

På årsstämma skall följande ärenden behandlas:

1. Val av ordförande vid stämman.
2. Upprättande och godkännande av röstlängd.
3. Godkännande av dagordningen.
4. Val av två jueteringsmän (justerare).
5. Prövning om bolagsstämman blivit behörigen sammankallad.
6. Framläggande av årsredovisningen och revisionsberättelsen samt koncernredovisningen och koncernrevisionsberättelsen.
7. Beslut i fråga om:



- a. fastställande av resultaträkningen och balansräkningen samt koncernresultaträkningen och koncernbalansräkningen,
 - b. dispositioner beträffande bolagets vinst eller förlust enligt den fastställda balansräkningen,
 - c. ansvarsfrihet gentemot bolaget för styrelsens ledamöter och verkställande direktören för den tid redovisningen omfattar.
8. Fastställande av antalet styrelseledamöter och suppleanter, som skall väljas av stämman.
 9. Fastställande av arvode åt styrelsen.
 10. Val av styrelse och eventuella suppleanter.
 11. I förekommande fall, fastställande av antalet revisorer och revisorssuppleanter.
 12. I förekommande fall, fastställande av arvode åt revisorerna.
 13. I förekommande fall, val av revisorer och revisorssuppleanter.
 14. Annat ärende, som ankommer på stämman enligt aktiebolagslagen.

[Bolagsstämma skall hållas i Stockholm eller i Solna.](#)

Den som inte enligt 7 kap. 2 § aktiebolagslagen har rätt att delta i bolagsstämma skall, på de villkor styrelsen bestämmer, ha rätt att närvara eller på annat sätt, t.ex. genom elektronisk uppkoppling, följa förhandlingarna vid bolagsstämman.

§ 10 Poströstning

Styrelsen får inför en bolagsstämma besluta att aktieägarna skall kunna rösta per post före bolagsstämman.

§ 11 Fullmakter

Styrelsen får samla in fullmakter enligt det förfarande som anges i 7 kap. 4 § 2 st aktiebolagslagen (2005:551).

§ 12 Räkenskapsår

Bolagets räkenskapsår skall omfatta kalenderåret.

§ 13 Avstämningsförbehåll

Bolagets aktier skall vara registrerade i ett avstämningsregister enligt lagen (1998:1479) om [värdepapperscentraler och](#) kontoföring av finansiella instrument.

