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Welcome to Telia Company’s Annual General Meeting 2020

The annual general meeting of Telia Company AB (publ) will be held on Thursday, April 2, 2020, at 2 p.m. CET at Lilla Cirkus, Cirkus, Djurgårdsstätten 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 Friday, March 27, 2020, and
- give notice of attendance to the Company no later than on Friday, March 27, 2020.

Notice of attendance can be given

- in writing to Telia Company AB, “AGM 2020”, 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](http://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 Friday, March 27, 2020. This registration may be made temporarily. Shareholders are recommended to inform the nominee of 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](http://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 Friday, March 27, 2020.
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 2019. In connection herewith, a report by the chair of the Board of Directors Lars-Johan Jarnheimer of the work of the Board of Directors during 2019 and a presentation by acting president and CEO Christian Luiga
7. Resolution to adopt the income statement, the balance sheet, the consolidated income statement and the consolidated balance sheet for 2019
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 2019
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 Ingrid Bonde
   12.2 Rickard Gustafson
   12.3 Lars-Johan Jarnheimer
   12.4 Jeanette Jäger
   12.5 Nina Linander
   12.6 Jimmy Maymann
   12.7 Anna Settman
   12.8 Olaf Swantee
   12.9 Martin Tivéus
13. Election of chair and vice-chair of the Board of Directors
   13.1 Lars-Johan Jarnheimer, chair
   13.2 Ingrid Bonde, 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 guidelines 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 2020/2023, 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 shareholder proposal from Carl Axel Bruno
23. Resolution on shareholder proposals from Thorwald Arvidsson (a) and (b)

Closing of the meeting
Resolutions proposed by the Nomination Committee

The Nomination Committee consists of the following persons: Daniel Kristiansson, chair (Swedish State), Jan Andersson (Swedbank Robur Funds), Anders Oscarsson (AMF and AMF Funds) and Javiera Ragnartz (SEB Funds), who were all appointed at the annual general meeting 2019, as well as the chair of the Board of Directors.

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 2021, nine (9) directors.
- **Item 11** – Remuneration payable to the directors: Remuneration payable to the directors until the next annual general meeting will be SEK 1,890,000 to the chair (2019: SEK 1,825,000), SEK 890,000 to the vice-chair (2019: SEK 860,000) and SEK 630,000 to each other director elected at the annual general meeting (2019: SEK 610,000). The chair of the Board of Directors' Audit and Responsible Business Committee will receive remuneration of SEK 285,000 (2019: SEK 275,000) and other members of the Audit and Responsible Business Committee will receive SEK 165,000 each (2019: SEK 150,000), the chair of the Board of Directors' Remuneration Committee will receive SEK 75,000 (2019: SEK 70,000) and other members of the Remuneration Committee will receive SEK 55,000 each (2019: SEK 50,000).

Ingrid Bonde was born in 1959. She is chair of the Board of Alecta, Apoteket AB and Hoist Finance and Board member of Loomis AB and Securitas AB. She is a Board member of the Swedish Corporate Governance Board and chair of the Swedish Climate Policy Council. She has previously held positions as CFO and deputy CEO of Vattenfall, President and CEO of AMF, Director General at Finansinspektionen, Deputy Director General at the Swedish National Debt Office and CFO at SAS. She holds a degree in Business and Economics from the Stockholm School of Economics.

Jeanette Jäger was born in 1969. She is CEO of Bankgirot and Board member of ICA Gruppen AB. She has previously held several management positions at Tieto and worked as Product and Marketing Director at TDC. She has studied business administration at Stockholm University.

Information regarding the candidates nominated by the Nomination Committee for election as 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 Lars-Johan Jarnheimer as chair and election of Ingrid Bonde as vice-chair.
- **Item 14** – Number of auditors and deputy auditors: Until the end of the annual general meeting 2021, 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 2021 is as follows: Daniel Kristiansson, chair (Swedish State), Jan Andersson (Swedbank Robur Funds), Patricia Hedelius (AMF Insurance and AMF Funds) and Javiera Ragnartz (SEB Funds).

As regards the instruction for the Nomination Committee, the Nomination Committee presents the following main proposal:
The Nomination Committee (the “Committee”) shall consist of four (4) to six (6) members. Four (4) ordinary members shall represent the four (4) shareholders that are largest in terms of votes at the turn of the month that occurs closest 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 Committee may in addition to its ordinary members appoint at its sole discretion one (1) or two (2) extraordinary members. The chair of the Board of Directors may be appointed as an extraordinary member. 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, propose the number of Board members, the chair and vice-chair of the Board and other Board members. The Committee shall also present a proposal for remuneration, which shall be specified between the chair of the Board, the vice-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 2.45 per share is distributed to the shareholders in two payments of SEK 1.22 and SEK 1.23 per share.

The record date for the first payment is proposed to be on April 6, 2020, and for the second payment on October 23, 2020. If the annual general meeting resolves in accordance with the proposal, it is estimated that Euroclear Sweden will execute the first payment on April 9, 2020, and the second payment on October 28, 2020.

Item 18 – Guidelines for remuneration to Group Executive Management

The Board of Directors proposes that the annual general meeting 2020 resolves on the following guidelines for remuneration to Group Executive Management. Group Executive Management is defined as the president and the other members of the management team who report directly to the CEO. The guidelines shall be in force until new guidelines are adopted by the general meeting and valid for a maximum of four years. A successful implementation of the guidelines will ensure that the Company can attract and retain the best people, enabling the Company to execute its business strategies and serve the Company’s long-term interests, including its sustainability goals. These guidelines do not apply to any remuneration decided or approved by the general meeting. The proposed guidelines will be effective at the time of the annual general meeting decision.

Total reward approach

Remuneration to Group Executive Management should be built on a total reward approach and be market relevant, but not leading. The remuneration guidelines 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 as well as other benefits. The Company does not offer any variable remuneration to Group Executive Management.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

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. These are

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1 For more information regarding the Company’s business strategy, please see https://www.teliacompany.com/en/about-the-company/strategy/
reviewed in relation to fulfilment of annual pre-defined goals (including financial, employee and sustainability-based).

**Salary and employment conditions for employees**
In the preparation of the Board of Directors’ proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account. This is done by including information on the employees’ total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee’s and the Board of Directors’ basis for decision when evaluating if these guidelines and their limitations are reasonable. The Remuneration Committee regularly consults with the CEO and Head of People & Brand to be mindful of employee pay, conditions and engagement across the broader employee population.

**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, unless legal requirements and/or collective agreements state differently. 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 but can vary based on regulatory requirements. The pension premiums for defined contribution pension shall amount to not more than 40 percent of the fixed annual cash salary.

**Other benefits**
The Company provides other benefits and programs in accordance with market practice which may change from time to time. A Group Executive Management member may be entitled to a company car, health and care provisions, etc. Premiums and other costs relating to such benefits may amount to not more than 10 percent of the fixed annual cash salary.

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. Such benefits may not in total exceed 25 percent of the fixed annual cash salary.

**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. Fixed cash salary during the notice period and severance pay may together not exceed an amount equivalent to the fixed cash salary for two years.

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.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination of employment, amount to not more than 60 percent of the monthly income at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than 12 months following termination of employment.

**The decision-making process to determine, review and implementation of the guidelines**
The Board of Directors has established a Remuneration Committee. The committee’s task includes preparing the Board of Director’s decision to propose guidelines for executive remuneration. Proposal for new guidelines shall be prepared at least every fourth year and submitted the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company.

Remuneration is managed through well-defined processes ensuring that no individual is involved in the decision-making process related to their own remuneration.

The CEO’s total remuneration package is decided by the Board of Directors based on the recommendation of its Remuneration Committee within the confine of the guidelines. Total remuneration packages to other members of Group Executive Management are approved by the Remuneration Committee, based on the CEO’s recommendation.
Deviation from the guidelines
The Board of Directors may temporarily resolve to deviate from the guidelines, in whole or in part, if there in an individual case are special reasons where a deviation is necessary in order to serve the Company’s long-term interests, including its sustainability, or to ensure the Company’s financial viability. As set out above, the Remuneration Committee’s tasks include preparing the Board of Directors’ resolutions in the remuneration-related matters. This includes any resolution to deviate from the guidelines.

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 2020 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 2021.
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 2021.
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 requires 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 2020/2023 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 2010-2019 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 2019/2022 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 2020, relates to the financial years 2020-2022 and may result in so-called performance shares being received during the spring of 2023 (the “Performance Share Program 2020/2023”). The Performance Share Program 2020/2023, that is similar to the Performance Share Program 2019/2022 adopted at the annual general meeting 2019, is further described below.

Outline of the Performance Share Program 2020/2023

The Performance Share Program 2020/2023 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 2020-2022 (the “Performance Period”), participants in the Performance Share Program 2020/2023 shall be given the opportunity to receive Telia Company shares without consideration (“Performance Shares”).

Participants in the Performance Share Program 2020/2023 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 2019. Under the Performance Share Program 2020/2023, 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 2019 or, if a participant has become employed thereafter, the calculated annual gross base salary for 2020 (the “2019 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 2022 (the “2022 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 2023. Participants will receive their Performance Shares following the publication of the Company’s interim report for the first quarter 2023. The Performance Share Program 2020/2023 shall in total comprise of no more than 2,355,802 Telia Company’s shares, which corresponds to approximately 0.06 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 2020/2023

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 2020/2023 as approximately SEK 48.0 million, under the following essential assumptions: (i) a share price of SEK 40.75 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 2019, (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 76.8 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 2020/2023 is estimated to be approximately SEK 72.0 million. The total cost would in this case be SEK 115.2 million.

If EBITDA and TSR performance conditions are achieved to 100 percent, the total value of the Performance Share Program 2020/2023 would amount to SEK 96.0 million assuming conditions (i) through (iii) remain unchanged. The total costs would in this case amount to SEK 153.6 million.

Dilution and effects on key ratios

The Performance Share Program 2020/2023 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 2020/2023 are expected to have a marginal effect on the Group’s key ratios.

Preparation of the proposal

The proposal regarding the Performance Share Program 2020/2023 to the annual general meeting 2020 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 2020.

Hedging

The Board of Directors has considered two alternative hedging structures for the Performance Share Program 2020/2023; either (i) the transfer of shares held by the Company itself to participants in the Performance Share Program 2020/2023 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 2020 resolves to (i) implement the Performance Share Program 2020/2023, based on no more than 2,355,802 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 2020/2023

1. The Performance Share Program 2020/2023 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 2020.

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 2019 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 2019.
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 2020/2023 will receive the Performance Shares subject to their award without consideration.

4. The performance conditions applying according to the Performance Share Program 2020/2023 will be based 50 percent on the Company’s EBITDA\(^1\) 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 and media 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 of 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.

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 2023.

7. Participants will receive their Performance Shares following the publication of the Company’s interim report for the first quarter 2023. 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 2020/2023 shall have an aggregate market value not exceeding 60 percent of the participant’s 2022 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 2023. Rounding off shall be made to the closest whole number of Performance Shares.

9. The Performance Share Program 2020/2023 shall in total comprise of no more than 2,355,802 Telia Company’s shares, which corresponds to approximately 0.06 percent of the total number of Telia Company’s shares.

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\(^1\) 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 2019 shall be compared with December 2022 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, Nordic Entertainment Group AB and Swisscom AG.
outstanding shares in the Company.

10. Recalculation of the number of Performance Shares subject to an award granted under the Performance Share Program 2020/2023 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 2020/2023 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 2020/2023 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, 2022), in 2023. 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 2020/2023, 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 2,355,802 Telia Company shares may be transferred to participants in the Performance Share Program 2020/2023 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 2020/2023. 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 2020/2023 in accordance with the terms and conditions of the Performance Share Program 2020/2023.

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 2020/2023, which will be following the publication of the Company’s interim report for the first quarter 2023.

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 2020/2023 and the Board of Directors considers that the implementation of the Performance Share Program 2020/2023 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 2020/2023.

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 resolves to reduce the share capital by way of cancellation of own shares which were repurchased under the SEK 5 billion share buy-back
The program was announced on April 20, 2018, and the discontinuance of the program after the annual general meeting 2020 was announced on October 17, 2019.

The reduction of the share capital shall be made with SEK 394,695,609.55 by way of cancellation of 119,908,673 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 on the same time resolves to increase the share capital by way of a bonus issue with an amount corresponding to SEK 394,695,609.55, 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 one joint resolution.

Shareholder proposals

Item 22 – Resolution on shareholder proposal from Carl Axel Bruno that the Company shall review its routines around that letters shall be answered within two months from the date of receipt.

Item 23 – Resolution on shareholder proposals from Thorwald Arvidsson (a) and (b) that the annual general meeting resolves to

(a) assign to the Board of Directors to act to abolish the possibility of so-called voting differentiation in the Swedish Companies Act, primarily, through a petition to the government, and

(b) assign to the Board of Directors to form a proposal for representation for small and medium-sized shareholders in the Company’s Board of Directors and Nomination Committee, to be presented to the general meeting for decision, and to act for an amendment to the Swedish regulation concerning the said matter, primarily, through a petition to the government.

The resolutions under items (a) and (b) will be voted on at the annual general meeting as two separate resolutions.

Other information

Presentations

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.

Number of shares

The total number of shares and votes in the Company is 4,209,540,375 at the date this notice is issued. On the same date, the Company owns 119,908,673 treasury shares, which cannot be represented at the meeting.

Shareholders’ right to request information

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 and 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 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 2019 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 Thursday, March 12, 2020. 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

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Group Data Protection Officer
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Sweden
Phone number: +46 (0)8 504 550 00

Stockholm, February 2020
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 2020, the Board of Directors submits the following statement as required under Chapter 18, Section 4 of the Swedish Companies Act.

At December 31, 2019, the Company’s restricted equity totalled approximately SEK 15,713 million and its non-restricted equity was approximately SEK 79,600 million. At the same date, the Group’s total equity attributable to the shareholders of the Company totalled approximately SEK 91,047 million.

The equity of the Company would have been approximately SEK 1,500 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, an amount of approximately SEK 66,824 million non-restricted equity 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, 2019, after deduction of the proposed dividend, based on outstanding shares as per December 31, 2019, and assuming full exercise of the proposed repurchase authorization, the Company’s financial strength measured as its equity to assets ratio was 30.6 percent (at December 31, 2018, 34.2 percent). At December 31, 2019, the Group’s financial strength, measured in the same way, was 26.2 percent (at December 31, 2018, 31.6 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 flow 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, February 2020
Telia Company AB (publ)
The Board of Directors

1 The Board of Directors proposes a dividend of SEK 2.45 per share. In total the proposed dividend amounts to SEK 10,076 million based on the total number of shares in the Company as of December 31, 2019, which amounted to 4,209,540,375 shares, reduced by the 96,859,759 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.
1. Report on the work of the Nomination Committee and motivated statement regarding the composition of the Board of Directors

At the annual general meeting held on April 10, 2019, 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), Jan Andersson (Swedbank Robur Funds), Anders Oscarsson (AMF and AMF Funds) and Javiera Ragnartz (SEB Funds) as well as the 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 since the extraordinary general meeting 2019 held three (3) meetings (in total five (5) meetings since the annual general meeting 2019) and several informal sessions and discussions between the meetings. The Committee has performed interviews and received information from the chairs of the Board of Directors, other directors and employee representatives and the CEO on the internal work of the Board of Directors, the Company’s position, strategic direction and other relevant circumstances and has 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
- Media
- Executive leadership
- Transformation and change processes
- Finance

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 Ingrid Bonde and Jeanette Jäger as new directors and to nominate Rickard Gustafson, Lars-Johan Jarnheimer, Nina Linander, Jimmy Maymann, Anna Settman, Olaf Swantee and Martin Tivéus for re-election at the annual general meeting. Lars-Johan Jarnheimer is nominated for re-election as chair and Ingrid Bonde as vice-chair 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 four (4) women and five (5) men.

The Committee proposes that the remuneration for the chair of the Board is increased by 3.6%, the remuneration for the vice-chair of the Board by 3.5% and the remuneration for the ordinary directors by 3.3%. 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 2021.

2. The Committee presents the following proposals to Telia Company’s annual general meeting 2020

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 2021 is nine (9) directors.

2.2 Directors

The Committee proposes re-election of:

Rickard Gustafson, Lars-Johan Jarnheimer, Nina Linander, Jimmy Maymann, Anna Settman, Olaf Swantee and Martin Tivéus.

The Committee proposes election of:

Ingrid Bonde and Jeanette Jäger.

Ingrid Bonde was born in 1959. She is chair of the Board of Alecta, Apoteket AB and Hoist Finance and member of the Board of Loomis AB and Securitas AB. She is a member of the Board of the Swedish Corporate Governance Board and chair of the Swedish Climate Policy Council. She has previously held positions as CFO and deputy CEO of Vattenfall, President and CEO of AMF, Director General at Finansinspektionen, Deputy Director General at the Swedish National Debt Office and CFO at SAS. She holds a degree in Business and Economics from the Stockholm School of Economics.

Jeanette Jäger was born in 1969. She is CEO of Bankgirot and member of the Board of ICA Gruppen AB. She has previously held several management positions at Tieto and worked as Product and Marketing Director at TDC. She has studied business administration at Stockholm University.

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

2.3 Chair of the Board of Directors

The Committee proposes re-election of Lars-Johan Jarnheimer as chair of the Board of Directors.

2.4 Vice-chair of the Board of Directors

The Committee proposes election of Ingrid Bonde 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 1,890,000 (2019: SEK 1,825,000)
- Vice-chair of the Board of Directors: SEK 890,000 (2019: SEK 860,000)
- Other directors elected at the annual general meeting: SEK 630,000 (2019: SEK 610,000)
- Chair of the Board of Directors’ Audit and Responsible Business Committee: SEK 285,000 (2019: SEK 275,000)
- Other members of the Audit and Responsible Business Committee: SEK 165,000 (2019: SEK 150,000)
- Chair of the Board of Directors’ Remuneration Committee: SEK 75,000 (2019: SEK 70,000)
- Other members of the Remuneration Committee: SEK 55,000 (2019: 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 2021 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 2021 is as follows: Daniel Kristiansson, chair (Swedish State), Jan Andersson (Swedbank Robur Funds), Patricia Hedelius (AMF Insurance and AMF Funds) and Javiera Ragnartz (SEB Funds).

The Committee has also reviewed the instruction for the Nomination Committee and has suggested some changes, including that the chair of the Board no longer shall be an ordinary member of the Committee, as well as some other minor changes to the instruction.

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 four (4) to six (6) members. Four (4) ordinary members shall represent the four (4) shareholders that are largest in terms of votes at the turn of the month that occurs closest 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 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 four (4) ordinary members, but not with fewer than three (3).

Shareholders or natural persons involved in business activities that compete with Telia Company shall always 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. The chair of the Board may be appointed as an extraordinary member. Other 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 ordinary member of the Committee representing the largest shareholder 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, propose the number of Board members, the chair and the vice-chair of the Board and other Board members. The Committee shall also present a proposal for remuneration, which shall be specified between the chair of the Board, vice-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) year of birth, main education and professional experience,

(ii) any work performed for Telia Company and other significant professional commitments,

(iii) any holdings of shares and other financial instruments in Telia Company owned by the nominee or the nominee’s related natural or legal person,

(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 and, where circumstances
exist that may call this independence into question, the Committee shall justify its position regarding candidates’ independence,

(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, including, if the proposal on nominated auditor differs from the alternative recommended by the Audit and Responsible Business Committee and the reason for not following the recommendation,

(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 2, 2020.

Re-election

Rickard Gustafson (born 1964)
Elected into the Board of Directors in 2019. 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*: 14,075

Lars-Johan Jarnheimer (born 1960)
Elected into the Board of Directors at an EGM in November 2019. Mr. Jarnheimer currently serves as chair of the Board of Directors of Ingka Holding B.V (IKEA), Egmont International Holding AS and Arvid Nordqvist HAB and is a board member of SAS AB, Point Properties AB and Elite Hotels. Lars-Johan Jarnheimer previously served as chair of the Board of Directors of Qliro Group, BRIS and Eniro AB as well as a board member of MTG Modern Times Group AB, Millicom International Cellular S.A, Invik and Apoteket AB. He was previously CEO of Tele2 (between 1999-2008), deputy CEO of Comviq and has held various positions within H&M. Lars-Johan Jarnheimer holds a Bachelor of Science in Business Administration and Economics.
Shares in Telia Company*: 10,097

Nina Linander (born 1959)
Elected into 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 a Chair of the Board of Awa Holding AB and board member of AB Industrivärden, Castellum AB and Swedavia 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 into the Board of Directors in 2018. Mr. 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 Settman (born 1970)
Elected into the Board of Directors in 2016. Ms. Settman 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. Settman 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 1966)
Elected into 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 a number of 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 into the Board of Directors in 2018. Mr. 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**

**Ingrid Bonde (born 1959)**
Ms. Bonde is Chair of the Board of Alecta, Apoteket AB and Hoist Finance and member of the Boards of Loomis AB and Securitas AB. She is a member of the Board of the Swedish Corporate Governance Board and Chair of the Swedish Climate Policy Council. She has previously held positions as CFO and deputy CEO of Vattenfall, President and CEO of AMF, Director General at Finansinspektionen, Deputy Director General at the Swedish National Debt Office and CFO at SAS. 
Ms Bonde holds a degree in Business and Economics. 
Shares in Telia Company*: 10,000

**Jeanette Jäger (born 1969)**
Ms. Jäger is CEO of Bankgirot and member of the Board of ICA Gruppen AB. She has previously held several management positions at Tieto and worked as Product and Marketing Director at TDC. Ms. Jäger has studied business administration. 
Shares in Telia Company*: 4,000

*Shareholdings refer to any holdings of shares in Telia Company owned by the person or its related natural or legal persons.

It is the opinion of the Nomination Committee that all proposed board members are independent both in relation to the company, executive management as well as of the major shareholders.
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 2019 which were approved by the Annual General Meeting on April 10, 2018 and by the Annual General Meeting on April 10, 2019.

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 FASB'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 2019 complied with the guidelines for remuneration to senior executives which were approved by the Annual General Meeting on April 10, 2018 and by the Annual General Meeting on April 10, 2019.

Stockholm, March 11, 2020

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 2020 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, 2019, the Company’s restricted equity totalled approximately SEK 15,713 million and its non-restricted equity was approximately SEK 76,900 million. At the same date the Group’s total equity attributable to the shareholders of the Company totalled approximately SEK 91,047 million.

The equity of the Company would have been approximately SEK 1,500 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, the estimated cost of repurchasing the Company’s own shares under the proposed authorization for the Board of Directors totals approximately SEK 13,123 million at an average price of SEK 40.49 per share.

The Board of Directors considers there will be full coverage for the Company’s restricted equity after distribution of a dividend of SEK 2.45 per share for the financial year 2019, in total approximately SEK 10,076 million.

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, 2019, after deduction of the proposed dividend, based on outstanding shares as per December 31, 2019, and assuming full exercise of the proposed repurchase authorization, the Company’s financial strength measured as its equity to assets ratio was 30.6 percent (at December 31, 2018, 34.2 percent). At December 31, 2019, the Group’s financial strength, measured in the same way, was 26.2 percent (at December 31, 2018, 31.6 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 flow to a reasonable extent.

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, February 2020
Telia Company AB (publ)
The Board of Directors

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1 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 420,954,037 shares. As of December 31, 2019, the Company held 96,859,759 treasury shares.
2 The estimated cost is taken treasury shares already held into consideration.
3 Based on the average closing price in January 2020 (the first 12 trading days).
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 2, 2020, 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 394,695,609.55. The effect of item (b) is that the Company’s restricted equity and share capital are increased by SEK 394,695,609.55 by way of a bonus issue and thereby is restored to the amount prior to the reduction.

Stockholm, February 2020
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 11th 2020.

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 rev. 9 issued by FAII, 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 Internation 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 11th 2020
Deloitte AB.

See Swedish version for signature

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.