



## **Notice to Telia Company's Annual General Meeting 2021**

Telia Company AB (publ), reg. no. 556103-4249, ("Telia Company" or "Company") gives notice to the Annual General Meeting 2021 to be held on Monday, April 12, 2021, in Stockholm (the "Meeting").

In order to reduce the spread of COVID-19, the Meeting will, in accordance with temporary legislation, be held by postal voting only. No meeting with the possibility to attend in person or to be represented by a proxy will take place.

Telia Company welcomes all shareholders to exercise their voting rights at the Meeting through postal voting. Information on the resolutions passed at the Meeting will be published on Monday, April 12, 2021, as soon as the result of the postal voting has been finally confirmed.

Speeches by the chair of the Board of Directors Lars-Johan Jarnheimer and the CEO Allison Kirkby, as well as information and presentations from the Company, will be available in connection with the Meeting on Monday, April 12, 2021. More information regarding this will be available on Telia Company's website [www.teliacompany.com](http://www.teliacompany.com).

### **Registration and notice**

Those wishing to participate in the Meeting, through postal voting, must

- be entered as shareholders in the share register kept by the Swedish central securities depository Euroclear Sweden AB ("Euroclear Sweden") on Wednesday, March 31, 2021, and
- notify its intention to participate by casting its postal vote in accordance with the instructions under the below heading "Postal voting", so that the postal voting form is received by Euroclear Sweden no later than on Friday, April 9, 2021.

### **Shareholding in the name of a nominee**

To be entitled to participate in the Meeting, shareholders, whose shares are registered in the name of a nominee (including Finnish shareholders that are registered within the Finnish book-entry system at Euroclear Finland Oy) must re-register such shares in its own name so that the shareholder is entered into the share register as of the record date Wednesday, March 31, 2021. Such re-registration (so-called voting rights registration) may be temporary, and request for such voting rights registration shall be made to the nominee, in accordance with the nominee's routines, at such time in advance as decided by the nominee. Voting rights registration that has been requested by shareholders at such time that the registration has been completed by the nominee no later than Tuesday, April 6, 2021, will be taken into account in the preparation of the share register.

### **Postal voting**

Shareholders may exercise their voting rights at the Meeting only by voting in advance, so-called postal voting, in accordance with Section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for postal voting. The form is available on Telia Company's website [www.teliacompany.com](http://www.teliacompany.com). The postal voting form is considered as the notification of participation in the Meeting.

The completed and signed voting form must be received by Euroclear Sweden (administering the forms on behalf of Telia Company) no later than on Friday, April 9, 2021. The form may be submitted by e-mail to [generalmeetingservices@euroclear.com](mailto:generalmeetingservices@euroclear.com) or by post to Telia Company AB, "AGM 2021", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. Shareholders who are natural persons may also cast their postal votes electronically through BankID verification via Euroclear Sweden's website, <https://anmalan.vpc.se/euroclearproxy>.

Shareholders may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the postal vote in its entirety) is invalid. Further instructions and conditions are included in the form for postal voting.

If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. If a shareholder votes in postal by proxy, a power of attorney shall be enclosed to the form. Proxy forms are available at the Company's website [www.teliacompany.com](http://www.teliacompany.com).

For questions about the postal voting or to have a postal voting form or proxy form sent by post, please contact Euroclear Sweden on phone number +46 (0) 8 402 90 50 (Monday-Friday, 09.00-16.00 CEST) or at the address Telia Company AB, "AGM 2021", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden.

## **Proposed agenda**

### Opening of the Meeting

1. Election of chair of the Meeting
2. Adoption of the agenda
3. Election of two persons to check the minutes of the Meeting together with the chair
4. Preparation and approval of the voting list
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 2020
7. Resolution to adopt the income statement, the balance sheet, the consolidated income statement and the consolidated balance sheet for 2020
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 directors and CEO from personal liability towards the Company for the administration of the Company in 2020
10. Resolution on adoption of the remuneration report
11. Resolution on number of directors and deputy directors
12. Resolution on remuneration payable to the directors
13. Election of directors
  - 13.1 Ingrid Bonde
  - 13.2 Luisa Delgado
  - 13.3 Rickard Gustafson
  - 13.4 Lars-Johan Jarnheimer
  - 13.5 Jeanette Jäger
  - 13.6 Nina Linander
  - 13.7 Jimmy Maymann
  - 13.8 Martin Tivéus
14. Election of chair and vice-chair of the Board of Directors
  - 14.1 Lars-Johan Jarnheimer, chair
  - 14.2 Ingrid Bonde, vice-chair
15. Resolution on number of auditors and deputy auditors
16. Resolution on remuneration payable to the auditor
17. Election of auditor and deputy auditors
18. Resolution on the Nomination Committee
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 2021/2024, and
  - (b) transfer of own shares
21. Resolution on shareholder proposal from Oliver Brown regarding resolution on reversed split of the Telia Company share
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

### Closing of the Meeting

### Resolutions proposed by the Nomination Committee

The Nomination Committee consists of the following persons: Daniel Kristiansson, chair (the Swedish State), Jan Andersson (Swedbank Robur Funds), Lilian Fossum Biner (Handelsbanken Funds) and Javiera Ragnartz (SEB Funds).

The Nomination Committee presents the following proposals:

- **Item 1** – Chair of the Meeting: Wilhelm Lüning, Attorney-at-Law, or if he is unable to attend the Meeting, any other person proposed by the Nomination Committee.
- **Item 11** – Number of directors: Until the end of the annual general meeting 2022, eight (8) directors elected by the annual general meeting.
- **Item 12** – Remuneration payable to the directors: Remuneration payable to the directors until the next annual general meeting will be SEK 1,910,000 to the chair (2020: SEK 1,825,000), SEK 900,000 to the vice-chair (2020: SEK 860,000) and SEK 640,000 to each other director elected by the Meeting (2020: SEK 610,000). The chair of the Board of Directors' Audit and Responsible Business Committee will receive remuneration of SEK 285,000 (2020: SEK 275,000) and other members of the Audit and Responsible Business Committee will receive SEK 160,000 each (2020: SEK 150,000), the chair of the Board of Directors' Remuneration Committee will receive SEK 75,000 (2020: SEK 70,000) and other members of the Remuneration Committee will receive SEK 75,000 each (2020: SEK 50,000).
- **Item 13** – Election of directors: Re-election of Ingrid Bonde, Rickard Gustafson, Lars-Johan Jarnheimer, Jeanette Jäger, Nina Linander, Jimmy Maymann and Martin Tivéus. Election of Luisa Delgado as new member. Anna Settman and Olaf Swantee are not available for re-election.

Luisa Delgado, full name Luisa Deplazes de Andrade Delgado, (born 1966) is a Swiss entrepreneur with an extensive board experience and a diverse background from various leadership roles in large corporates focusing, in particular, on consumer businesses and retail, as well as human resources. She is currently chair of the Board of Schleich, one of Germany's largest toy companies, a Board member of online electronics retailer AO World plc and a supervisory Board member of Ingka Holding (IKEA), global baking company Aryzta and high-quality foods company Zertus, among other. She has previously held positions such as CEO of Safilo Group, the Italian eyewear company, Executive Board Member in charge of HR at German technology group SAP, and Vice President at Procter & Gamble, for the Nordic region and previously for Human Resources Western Europe. Luisa Delgado holds a Bachelor of Laws from the University of Geneva, a Master of Laws from King's College/University of London, a Postgraduate Diploma of European Studies from Universidade Lusitana in Lisbon, and more recently the FT Non-Executive Director Diploma.

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](http://www.teliacompany.com).

- **Item 14** – Election of chair and vice-chair of the Board of Directors: Re-election of Lars-Johan Jarnheimer as chair and Ingrid Bonde as vice-chair.

- **Item 15** – Number of auditors and deputy auditors: Until the end of the annual general meeting 2022, the Company shall have one (1) audit company as auditor.
- **Item 16** – Remuneration payable to the auditor: Remuneration to the auditor will be paid as per an approved invoice.
- **Item 17** – Election of auditor: Election of the audit company Deloitte AB (in accordance with the recommendation from the Audit and Responsible Business Committee).

**Item 18** – Resolution on the Nomination Committee

The Nomination Committee proposes the following instruction for the Nomination Committee, which also includes the principles on how the Nomination Committee shall be appointed

1. The Nomination Committee (the "Committee") shall be nominated by the four (4) shareholders that are largest in terms of votes at the end of July of the year before the Ordinary General Meeting, and who wish to participate in the Committee's work for the period up to the Ordinary General Meeting. The Company shall collect information on the shareholding at the end of July and the Company shall inquire with the owners who wish to participate in the Committee's work ("Nominating Shareholders") and who they intend to appoint as a member of the Committee. If any shareholder refrains from its right to appoint a member, the shareholder who, thereafter, is the largest owner shall be offered to appoint a member. The majority of the members of the Committee shall be independent of the Company and its executive management. When the composition of the Committee has been determined, the member appointed by the largest owner shall convene a statutory meeting and the composition of the Committee shall be made public.

The Committee shall be considered a quorum with three (3) ordinary members. Decisions are made with a simple majority and in the event of an equal number of votes, the Chair has the casting vote.

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 chair of the Board shall be offered a seat as an extraordinary member. The Committee may, in addition, appoint at its sole discretion one (1) or two (2) extraordinary members. Other extraordinary members shall possess knowledge and/or experience within the society, market or sectors within which Telia Company operates or skills in the field of finance and accounting (in connection with the election of auditors). An extraordinary member shall, if appointed, assist the Committee in performing its mandate, but shall not be entitled to participate in its decisions.
3. The Committee shall have a chair (the "Chair"), who shall be appointed by the Committee at its statutory meeting. The Chair may not be a Telia Company Board member.
4. The Committee's term of office extends until a new Committee has been appointed.

Changes to the Committee

5. If a member resigns from the Committee, the Nominating Shareholder who has appointed the member shall have the right to appoint a replacement. In cases where a Nominating Shareholder has reduced its shareholding in Telia Company and thus no longer belongs to the four (4) largest owners who wish to participate in the Committee's work, the Committee may request that the member appointed by the owner resigns and offer another owner to appoint a replacement.

#### The Committee's work

6. The Committee shall nominate the chair of the annual general meeting, propose the number of Board members, chair and if needed, 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, if applicable, 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 review this instruction annually and as necessary propose changes thereto to the annual general meeting.

7. 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 as a result of Telia Company's position and future direction by, inter alia, reviewing the results of the performed evaluation of the Board of Directors,
  - ii. determine the required profile for the new Board member or members who, according to this assessment, shall be recruited, 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.
8. The Committee's proposals above shall be presented in the notice of the annual general meeting. If the Committee's proposal is not unanimous and the member who voted against the proposal so requests, this shall be stated in the proposal.
9. 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 5 above, with respect to their nominee on the Committee, or with individual shareholders who represent their own shareholding according to Section 5 above, or with extraordinary members, before information Telia Company considers secret is presented.

#### Telia Company's website

10. Telia Company shall provide space for communications from the Committee on its website [www.teliacompany.com](http://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.
11. 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.
12. In conjunction with the issuance of the notice of the annual general meeting, the Committee shall update the Site with a list of its nominations as per Section 6 above, an explanation of how it has conducted its work and the following information.

Regarding 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.

Regarding 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

13. 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.

### **Resolutions proposed by the Board of Directors**

#### **Item 3 – Election of two persons to check the minutes of the Meeting together with the chair**

Jan Andersson, representing Swedbank Robur Funds, and Javiera Ragnartz, representing SEB Funds, or if one or both of them are unable to attend, the person or persons instead appointed by the Board of Directors, are proposed to be elected to approve the minutes of the Meeting together with the chair.

The task of approving the minutes of the Meeting also includes verifying the voting list and that the postal votes received are correctly stated in the minutes of the Meeting.

**Item 4 – Preparation and approval of the voting list**

The voting list proposed for approval is the voting list drawn up by Euroclear Sweden on behalf of Telia Company, based on the Meeting's share register and postal votes received, as verified and recommended by the persons approving the minutes of the Meeting.

**Item 7 – Adoption of the income statement, the balance sheet, the consolidated income statement and the consolidated balance sheet for 2020**

The Board of Directors proposes that the income statement, the balance sheet, the consolidated income statement and the consolidated balance sheet for 2020, as presented in the annual and sustainability report 2020, is adopted by the Meeting.

**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 2.00 per share is distributed to the shareholders in two equal payments of SEK 1.00 per share.

The record date for the first payment is proposed to be on Wednesday, April 14, 2021, and for the second payment on Thursday, October 28, 2021. If the Meeting resolves in accordance with the proposal, it is estimated that Euroclear Sweden will execute the first payment on Monday, April 19, 2021, and the second payment on Tuesday, November 2, 2021.

**Item 9 – Discharging of directors and CEO from personal liability towards the Company for the administration of the Company in 2020**

It is proposed that the Meeting discharge the following persons from personal liability towards the Company for the administration of the Company in 2020.

**Members of the Board of Directors**

Ingrid Bonde (member as of April 2, 2020)  
Rickard Gustafson  
Lars-Johan Jarnheimer  
Jeanette Jäger (member as of April 2, 2020)  
Olli-Pekka Kallasvuo (member until April 2, 2020)  
Nina Linander  
Jimmy Maymann  
Anna Settman  
Olaf Swantee  
Martin Tivéus

**Employee representatives**

Agneta Ahlström  
Stefan Carlsson  
Hans Gustavsson  
Martin Sääf (deputy during three board meetings)

**CEO**

Allison Kirkby (CEO as of May 4, 2020)  
Christian Luiga (deputy CEO until May 4, 2020)



**Item 10 – Adoption of the remuneration report**

The Board of Directors proposes that the Meeting adopt the Board of Directors' report on remuneration pursuant to Chapter 8, Section 53 a of the Swedish Companies Act (2005:551).

The remuneration report will be available on the Company's website [www.teliacompany.com](http://www.teliacompany.com) from Monday, March 22, 2021.

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

The Board of Directors proposes that the Meeting 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 2022.
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 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 2022.
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 as payment 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 Meeting as set out in item 20 (b) below.

The Board of Directors has the right to decide on the other terms and conditions for the repurchase and transfer of own shares. 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 2021/2024 and (b) transfer of own shares**

### **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. Several 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 2010-2020 neither short-term nor long-term variable cash remuneration is paid to members of the Telia Company Group Executive Management team.

The Board of Directors have carried out reviews of the 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.

### **Main changes compared to the Performance Share Program 2020/2023**

In order to strengthen the link to long-term company performance, as well as to align the program with market trends, the following main changes are proposed to the Performance Share Program 2021/2024 as compared to the Performance Share Program 2020/2023:

- a Return on Capital Employed (ROCE) target is introduced in addition to the EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) and the TSR (Total Shareholder Return) targets. This will align the performance measures with the Group's strategic priorities. If the Company reaches its selected ROCE target 100 percent of the Performance Shares under the ROCE part will vest. If the target is not met, nothing will vest.
- the weighting of the performance targets is changed to 25 percent EBITDA, 50 percent TSR and 25 percent ROCE.

The long-term incentive program proposed by the Board of Directors to be implemented during 2021, relating to the financial years 2021-2023 and that may result in so-called performance shares being received during the spring of 2024 (the "Performance Share Program 2021/2024"), is further described below.

### **Outline of the Performance Share Program 2021/2024**

The Performance Share Program 2021/2024 shall be offered to approximately 200 key employees within the Group. Provided that certain performance conditions, consisting of financial targets linked to EBITDA, TSR and ROCE, are met during the financial years 2021-2023 (the "Performance Period"), participants in the Performance Share Program 2021/2024 shall be given the opportunity to receive Telia Company shares without consideration ("Performance Shares").

Participants in the Performance Share Program 2021/2024 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 2020. Under the Performance Share Program 2021/2024, 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 2020 or, if a participant has become employed thereafter, the calculated annual gross base salary for 2021 (the "2020 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 2023 (the "2023 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 2024.

Participants will receive their Performance Shares following the publication of the Company's interim report for the first quarter 2024.

The Performance Share Program 2021/2024 shall in total comprise of no more than 2,764,502 Telia Company's shares, which corresponds to approximately 0.07 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 2021/2024**

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 2021/2024 as approximately SEK 60.0 million, under the following essential assumptions: (i) a share price of SEK 34.73, 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 2020, (ii) an annual employee turnover of five percent, (iii) a share price appreciation of five percent per year, (iv) a 50 percent achievement of the TSR condition, (v) a 100 percent achievement of the ROCE performance condition and (vi) a 50 percent achievement of the EBITDA performance condition. The total cost under these conditions would be SEK 96.0 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 (v) remain unchanged, the total value of the Performance Share Program 2021/2024 is estimated to be approximately SEK 72.0 million. The total cost would in this case be SEK 115.2 million.

If EBITDA, TSR and ROCE performance conditions are achieved to 100 percent, the total value of the Performance Share Program 2021/2024 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 2021/2024 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 2021/2024 are expected to have a marginal effect on the Group's key ratios.

### **Preparation of the proposal**

The proposal regarding the Performance Share Program 2021/2024 to the Meeting has been prepared by the Company's Remuneration Committee and the Board of Directors has resolved to present this proposal to the Meeting.

### **Hedging**

The Board of Directors has considered two alternative hedging structures for the Performance Share Program 2021/2024; either (i) the transfer of shares held by the Company itself to participants in the Performance Share Program 2021/2024 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 Meeting resolves to (i) implement the Performance Share Program 2021/2024, based on no more than 2,764,502 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) Implementation of a long-term incentive program 2021/2024**

##### *Main terms and conditions*

1. The Performance Share Program 2021/2024 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 2021.

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 2020 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 2020.
3. Provided that the performance conditions described below, consisting of targets linked to EBITDA, TSR and ROCE are met during the Performance Period, participants in the Performance Share Program 2021/2024 will receive the Performance Shares subject to their award without consideration.
4. The performance conditions applying to the awards granted under the Performance Share Program 2021/2024 will be based 25 percent on the Company's EBITDA<sup>1</sup> target during the Performance Period ("EBITDA Part"), 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")<sup>2</sup>, and 25 percent on the Company's ROCE target during the Performance Period ("ROCE Part").
5. The 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 results than the maximum levels be achieved, a proportionate lower number of Performance Shares may be received.
  - a. EBITDA part represents 25 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.

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<sup>1</sup> 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.

<sup>2</sup> 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 2020 shall be compared with December 2023 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, Proximus PLC and Swisscom AG.

- c. ROCE part represents 25 percent of the total award:
    - i. If 100 percent (or above) of the Company's ROCE target is met, 100 percent of Performance Shares under the ROCE part will vest.
    - ii. If less than 100 percent of the Company's ROCE target is met, no Performance Shares under the ROCE 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 2024.
7. Participants will receive their Performance Shares following the publication of the Company's interim report for the first quarter 2024. 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 2021/2024 shall have an aggregate market value not exceeding 60 percent of the participant's 2023 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 2024. Rounding off shall be made to the closest whole number of Performance Shares.
9. The Performance Share Program 2021/2024 shall in total comprise of no more than 2,764,502 Telia Company's shares, which corresponds to approximately 0.07 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 2021/2024 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 2021/2024 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 2021/2024 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 (December 31, 2023), in 2024. 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 2021/2024, 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 2,764,502 Telia Company shares may be transferred to participants in the Performance Share Program 2021/2024 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 2021/2024. 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 2021/2024 in accordance with the terms and conditions of the Performance Share Program 2021/2024.
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 2021/2024, which will be following the publication of the Company's interim report for the first quarter 2024.
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 2021/2024 and the Board of Directors considers that the implementation of the Performance Share Program 2021/2024 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 Meeting as two separate resolutions. The proposal under item (b) on the proposed transfer of shares is conditional on the Meeting having approved item (a), i.e. the implementation of the proposed Performance Share Program 2021/2024.

### **Shareholder proposals**

**Item 21** – Proposal from the shareholder Oliver Brown regarding resolution on reversed split of the Telia Company share whereby three existing shares of the company will be consolidated into one share (1:3 reversed share split). The reversed split shall be done in order to enable increased (i) trading in the share, (ii) respect for the share, (iii) earnings per share and (iv) dividend per share.

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

The Board of Directors proposes that the Meeting rejects the shareholder proposals under items 21 and 22.

### **Other information**

#### **Speeches**

Speeches by the chair of the Board of Directors Lars-Johan Jarnheimer and by the CEO Allison Kirkby will be posted on the Company's website [www.teliacompany.com](http://www.teliacompany.com) in connection with the Meeting on Monday, April 12, 2021.

#### **Number of shares and votes**

The total number of shares and votes in the Company is 4 089 631 702 at the date this notice is issued. On the same date, the Company holds no treasury shares.

#### **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.

A request for such information shall be made by post to Telia Company AB, att. General Counsel Jonas Bengtsson, SE-169 94 Solna, Sweden, or by e-mail to [teliacompany-bolagsstamma@teliacompany.com](mailto:teliacompany-bolagsstamma@teliacompany.com) no later than on Friday, April 2, 2021. The shareholder must include name, personal or organization number and postal address, for the question to be answered. The shareholder should also state its email address and phone number.

The information will be made available at Telia Company AB, Stjärntorget 1, SE-169 79 Solna, Sweden, from Wednesday, April 7, 2021, at the latest. The information will, from the same date, also be available on the Company's website [www.teliacompany.com](http://www.teliacompany.com). The information will also be sent, within the same period of time, to the shareholders who request the Company to do so and stated their postal address.

### **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 require 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.

### **Documentation**

The Board of Directors' proposals are set out above. Information regarding all directors 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 [www.teliacompany.com](http://www.teliacompany.com).

The 2020 annual and sustainability report, the audit report, the consolidated financial statements and the auditor's report on the consolidated financial statements for 2020 will be available from Thursday, March 11, 2021. The remuneration report, the statement of the auditor regarding the application of guidelines for remuneration and the Board of Directors' statements under Chapter 18, Section 4 and Chapter 19, Section 22 of the Swedish Companies Act will be available from Monday, March 22, 2021. The documentation is considered as presented to the Meeting by being held available at Telia Company and on Company's website [www.teliacompany.com](http://www.teliacompany.com). 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, Sweden, or by phone number +46 (0)8 402 90 50 and will be sent to the shareholders who request the Company to do so and state their postal address.

The Company's share register will be provided at Stjärntorget 1, SE-169 79 Solna, Sweden.

### **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 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](http://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf).

Telia Company Group Data Protection Officer: [dpo-tc@teliacompany.com](mailto:dpo-tc@teliacompany.com)

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Stockholm, March 2021  
Telia Company AB (publ)  
*The Board of Directors*