

## Remuneration report 2021

### Introduction

This report describes how the guidelines for executive remuneration of Telia Company AB, adopted by the Annual General Meeting 2020, were implemented in 2021. The report also provides information on remuneration to the President and CEO. Telia Company does not offer any variable remuneration or share-related incentive plans to the CEO. Telia Company has no appointed deputy CEO. The report has been prepared in accordance with the Swedish Companies Act and the Rules on *Remuneration of the Board and Executive Management and on Incentive Programs* issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note C32 (Human Resources) on page 207 in the Annual and Sustainability report 2021. Information on the work of the Remuneration Committee in 2021 is set out in the Corporate Governance report available on page 58 in the Annual and Sustainability report 2021.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and is disclosed in note C32 (Human Resources) on page 207 in the Annual and Sustainability report 2021.

### Key developments 2021

The CEO summarizes Telia Company's overall performance in her statement on page 4 in the Annual and Sustainability report 2021.

### Telia Company's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company can recruit and retain qualified personnel. To this end, the Company must offer competitive remuneration. The Company's remuneration guidelines enable the company to offer executives a competitive but not market leading total remuneration. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, pension, benefits and other remuneration.

The guidelines are found on page 34 in the Annual and Sustainability report 2021. During 2021 the Company has, for the CEO, complied with the applicable remuneration guidelines adopted by the General Meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made for the CEO. The auditor's report regarding Telia Company's compliance with the guidelines is available on Telia Company's website. No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the Annual General Meetings of the Company have resolved to implement long-term share-related incentive plans for a number of key employees outside the Telia group executive management team. Information on all ongoing and during the year finalized long-term share-related incentive plans are found on page 208 in the Annual and Sustainability report 2021.

### Table – Total remuneration of the CEO (SEK)

The table below sets out total remuneration paid to Telia Company's CEO during 2021.

Name of Director, position	Financial year	1 Fixed remuneration		2 Variable remuneration		3 Extraordinary items	4 Pension expense	5 Total remuneration	6 Proportion of fixed and variable remuneration
		Base salary	Other benefits	One-year variable	Multi-year variable				
Allison Kirkby (CEO)	2021	18,000,000	676,624	0	0	0	7,069,571	25,746,195	100% / 0%

### Application of performance criteria

The performance management process for the CEO includes financial and non-financial targets to ensure that the CEO deliver in accordance with the Company's strategy and encourage behavior which is in the long-term interest of the Company. In the selection of performance measures, the strategic objectives, and short-term and long-term business priorities for 2021 have been taken into account. The non-financial performance measures further contribute to alignment with sustainability as well as the company values.

Table – Comparative information on the change of remuneration and Company performance

Reported Financial Year (RFY)	RFY 2019	RFY 2020 vs RFY 2019	RFY 2020	RFY 2021 vs RFY 2020	RFY 2021
Directors' base salary, other benefits and remuneration excluding pension (kSEK)					
Allison Kirkby, CEO (as of May 4, 2020)			12,017		18,677
Christian Luiga, acting CEO (September 12, 2019, until May 4, 2020)	4,404		5,019		
Johan Dannelind, CEO (until September 12, 2019)	13,482				
Total for the CEOs	17,886	-850 (-4.8%)	17,036	1,641 -9.6%	18,677
Company's performance					
Adjusted EBITDA (MSEK)	31,017	-535 (-1.7 %)	30,482	-621 (-2.0%)	29,861
Operational Free Cash flow (MSEK)	12,571	-476 (-3.8 %)	12,095	-1,694 (-14.0%)	10,401
Remuneration comparison					
Average remuneration* on a full-time equivalent basis of employees (kSEK)	1,280	-89 (-7.0%)	1,191	-69 (-5.8%)	1,122

\* Base salary, variable pay, other benefits and remuneration excluding pension for employees in parent company (excluding corporate officers)