

## **Welcome to Telia Company's Annual General Meeting 2019**

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

### **Right to attend and notice of attendance**

Those wishing to attend the meeting must

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

Notice of attendance can be given

- in writing to Telia Company AB, "AGM 2019", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden,
- by telephone +46 (0)8 402 90 50 on weekdays between 9 a.m. and 4 p.m. CET, or
- on Telia Company's website [www.teliacompany.com](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 Thursday, April 4, 2019. This registration may be made temporarily. Shareholders are recommended to inform the nominee to that effect well before that day.

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

## **Proposed agenda**

### Opening of the meeting

1. Election of chair of the meeting
2. Preparation and approval of voting list
3. Adoption of the agenda
4. Election of two persons to check the minutes of the meeting together with the chair
5. Determination of whether the meeting has been duly convened
6. Presentation of the annual and sustainability report and the auditor's report, the consolidated financial statements and the auditor's report on the consolidated financial statements for 2018. In connection herewith, a report by the chair of the Board of Directors Marie Ehrling of the work of the Board of Directors during 2018 and a presentation by president and CEO Johan Dannelind
7. Resolution to adopt the income statement, the balance sheet, the consolidated income statement and the consolidated balance sheet for 2018
8. Resolution on appropriation of the Company's result as shown on the adopted balance sheet and setting of record date for the dividend
9. Resolution on discharge of the directors and the CEO from personal liability towards the Company for the administration of the Company in 2018
10. Resolution on number of directors and alternate directors to be elected at the meeting
11. Resolution on remuneration payable to the directors
12. Election of directors
  - 12.1 Marie Ehrling
  - 12.2 Rickard Gustafson
  - 12.3 Olli-Pekka Kallasvuo
  - 12.4 Nina Linander
  - 12.5 Jimmy Maymann
  - 12.6 Anna Settman
  - 12.7 Olaf Swantee
  - 12.8 Martin Tivéus
13. Election of chair and vice-chair of the Board of Directors
  - 13.1 Marie Ehrling, chair
  - 13.2 Olli-Pekka Kallasvuo, vice-chair
14. Resolution on number of auditors and deputy auditors
15. Resolution on remuneration payable to the auditor
16. Election of auditor and any deputy auditors
17. Election of Nomination Committee and resolution on instruction for the Nomination Committee
18. Resolution on principles for remuneration to Group Executive Management
19. Resolution authorizing the Board of Directors to decide on repurchase and transfer of the Company's own shares
20. Resolutions on
  - (a) implementation of a long-term incentive program 2019/2022, and
  - (b) transfer of own shares
21. Resolutions on
  - (a) reduction of the share capital by way of cancellation of own shares, and
  - (b) increase of the share capital by way of bonus issue
22. Resolution on amendment to the articles of association

### Closing of the meeting

### **Resolutions proposed by the Nomination Committee**

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

The Nomination Committee presents the following proposals:

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

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

Information regarding the candidates nominated by the Nomination Committee for election to directors as well as the Nomination Committee's motivated opinion are available on the Company's website, [www.teliacompany.com](http://www.teliacompany.com).

- **Item 13** – Election of chair and vice-chair of the Board of Directors: Re-election of Marie Ehrling as chair and Olli-Pekka Kallasvuo as vice-chair.
- **Item 14** – Number of auditors and deputy auditors: Until the end of the annual general meeting 2020, the Company shall have one (1) audit company as auditor.
- **Item 15** – Remuneration payable to the auditor: Remuneration to the auditor will be paid as per an approved invoice.
- **Item 16** – Election of auditor: Election of the audit company Deloitte AB (in accordance with the recommendation of the Audit and Responsible Business Committee).

- **Item 17** – Election of Nomination Committee and resolution on instruction for the Nomination Committee: The Nomination Committee's proposal for members of the Nomination Committee until the annual general meeting 2020 is as follows: Daniel Kristiansson, chair (Swedish State), Jan Andersson (Swedbank Robur Funds), Anders Oscarsson (AMF Insurance and AMF Funds), Johan Strandberg (SEB Funds) and Marie Ehrling (chair of the Board of Directors).

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

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

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

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

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

##### **Item 8 – Appropriation of the Company's result as shown on the adopted balance sheet and setting of record date for the dividend**

The Board of Directors proposes that a dividend of SEK 2.36 per share is distributed to the shareholders in two equal payments of SEK 1.18 per share.

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

## **Item 18 – Principles for remuneration to Group Executive Management**

The Board of Directors proposes that the annual general meeting 2019 resolves on the following principles for remuneration to Group Executive Management. Group Executive Management is defined as the President and the other members of the Management Team.

The objective of the principles is to ensure that the Company can attract and retain the best people in order to support the purpose and strategy of the Company. Remuneration to Group Executive Management should be built on a total reward approach and be market relevant, but not leading. The remuneration principles should enable international hiring and should support diversity within Group Executive Management. The market comparison should be made against a set of peer group companies with comparable sizes, industries and complexity. The total reward approach should consist of fixed salary, pension benefits, conditions for notice and severance pay and other benefits.

### Fixed salary

The fixed salary of a Group Executive Management member should be based on competence, responsibility and performance. The Company uses an international evaluation system in order to evaluate the scope and responsibility of the position. Market benchmark is conducted on a regular basis. The individual performance is monitored and used as a basis for annual reviews of fixed salaries.

### Pension

Pension and retirement benefits should be based on a defined contribution model, which means that a premium is paid amounting to a certain percentage of the individual's annual salary. When deciding the size of the premium the level of total remuneration should be considered. The level of contribution should be benchmarked and may vary due to the composition of fixed salary and pension. The retirement age is normally 65 years of age.

### Other benefits

The Company provides other benefits in accordance with market practice. A Group Executive Management member may be entitled to a company car, health and care provisions, etc. Internationally hired Group Executive Management members and those who are asked to move to another country can be offered mobility related benefits for a limited period of time.

### Notice of termination and severance pay

The termination period for a Group Executive Management member may be up to six (6) months (twelve (12) months for the President) when given by the employee and up to twelve (12) months when given by the Company. In case the termination is given by the Company the individual may be entitled to a severance payment. Remuneration during termination period and severance payment shall not exceed a maximum of twenty-four (24) months in total remuneration.

Severance pay shall not constitute a basis for calculation of vacation pay or pension benefits. Remuneration during termination period and severance pay will also be reduced if the individual will be entitled to pay from a new employment or if the individual will be conducting own business during the termination period or the severance period.

The Board of Directors may also deviate from the above principles if there in individual cases are special reasons for this.

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

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

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

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

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

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

The purpose of the authorization to *repurchase* the Company's own shares is also to provide the Board of Directors with an instrument to adapt and improve the Company's capital structure and thereby create added value for the shareholders, and/or to give a possibility to the Company to transfer own shares to the participants in the Company's long-term incentive programs. Please note that any subsequent transfer of such repurchased shares to the participants in the long-term incentive programs require a separate resolution by the general meeting as set out in item 20 (b) below.

The Board of Directors may decide on the other terms and conditions for the repurchase and transfer. The Board of Directors may also authorize the chair of the Board of Directors to make any minor adjustments that may prove necessary to carry out the Board of Directors' resolution to repurchase and transfer the Company's own shares.

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

Background

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

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

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

Outline of the Performance Share Program 2019/2022

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

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

Further, the maximum aggregate market value of Performance Shares which can be received by a participant following the end of the Performance Period (i.e. on the vesting



of the award when the participant becomes entitled to receive their shares) shall not exceed 60 percent of the participant's annual gross base salary (i.e. before taxes) per year-end 2021 (the "2021 Base Salary").

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

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

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

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

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

The participants' rights to receive Performance Shares under the program are not securities and cannot be pledged or transferred to others. Neither are any shareholders' rights transferred to participants in the program prior to the day when they receive their Performance Shares and become the owners of the shares. An estimated market value of the conditional rights to receive Performance Shares can however be calculated. The Board of Directors has calculated the total value for the rights to receive Performance Shares under the Performance Share Program 2019/2022 as approximately SEK 46.5 million, under the following essential assumptions: (i) a share price of SEK 42.37 calculated as the average of the daily noted volume-weighted purchase price of the Company's shares on Nasdaq Stockholm's official list during December 2018, (ii) an annual employee turnover of five percent, (iii) a share price increase of five percent per year, (iv) a 50 percent achievement of the TSR condition and (v) a 50 percent achievement of the EBITDA performance condition. The total cost under these conditions would be SEK 74.4 million excluding the costs for the program's hedging measures and assuming a 60 percent mark-up for social security costs and pensions. The costs are accounted for as staff costs (share-based benefits) over the three-year Performance Period.

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

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

#### Dilution and effects on key ratios

The Performance Share Program 2019/2022 will not entail any dilution effect, as the program is proposed to be hedged by either treasury shares or a hedging arrangement with a bank or another financial institution relating to already issued shares. The costs for the Performance Share Program 2019/2022 are expected to have a marginal effect on the Group's key ratios.



#### Preparation of the proposal

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

#### Hedging

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

Since the social security costs are not expected to be significant in comparison with the Company's operating cash flow, such costs are intended to be financed by cash and bank holdings.

#### **The Board of Directors' proposals for resolutions**

The Board of Directors proposes that the annual general meeting 2019 resolves to (i) implement the Performance Share Program 2019/2022, based on no more than 2,194,830 Performance Shares, and on the further main terms and conditions set out in item (a) below, and (ii) transfer own shares to participants in the program, and to subsidiaries within the Group in order to secure their obligations to deliver Performance Shares under the program, in accordance with item (b) below.

##### **(a) Main terms and conditions for the Performance Share Program 2019/2022**

1. The Performance Share Program 2019/2022 shall be offered to approximately 200 key employees within the Group who will receive a conditional award over a number of Performance Shares (i.e. a right to receive such shares at a future date if the relevant conditions are met) in 2019.
2. Each participant will receive an award over a number of Performance Shares with an aggregate market value not exceeding 30 percent of the participant's 2018 Base Salary. The market value shall be calculated based on the average of the daily noted volume-weighted purchase price of Telia Company's shares on Nasdaq Stockholm's official list during December 2018.
3. Provided that the performance conditions described below, consisting of financial targets linked to EBITDA and TSR, are met during the Performance Period, participants in the Performance Share Program 2019/2022 will receive the Performance Shares subject to their award without consideration.
4. The performance conditions applying according to the Performance Share Program 2019/2022 will be based 50 percent on the Company's EBITDA<sup>1</sup> target during the

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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.

Performance Period (“EBITDA Part”) and 50 percent on the Company’s TSR during the Performance Period (“TSR Part”) in relation to TSR in a peer group of approximately 10 comparable Nordic and western European telecom companies defined by the Board of Directors (“TSR Comparator Group”).<sup>2</sup>

5. The financial targets include a minimum level which must be achieved in order for any Performance Shares to be received at all, as well as a maximum level in excess of which no additional Performance Shares will be received. Should lower financial results than the maximum levels be achieved, a proportionate lower number of Performance Shares may be received.
  - a. EBITDA part represents 50 percent of the total award:
    - i. If 100 percent (or above) of the EBITDA target is met, 100 percent of Performance Shares under the EBITDA part will vest.
    - ii. If 97.5 percent (or less) of the target is met, 0 percent of Performance Shares under the EBITDA part will vest.
    - iii. If between 97.5 to 100 percent of the target is met, a proportionate amount of Performance Shares under the EBITDA part will vest.
    - iv. No Performance Shares will vest under the EBITDA Part if the Company’s accumulated EBITDA is below the minimum level and no additional Performance Shares will vest if the Company’s accumulated EBITDA is above the maximum level.
  - b. TSR part represents 50 percent of the total award:
    - i. If the Company’s TSR is ranked first or second compared to the defined peer group of companies, 100 percent of the Performance Shares under the TSR part will vest.
    - ii. If the Company’s TSR is ranked third or fourth, 75 percent of the Performance Shares under the TSR part will vest.
    - iii. If the Company’s TSR is ranked fifth or sixth, 50 percent of the Performance Shares under the TSR part will vest.
    - iv. If the Company’s TSR is ranked seventh or lower, no Performance Shares under the TSR part will vest.
6. The receipt of Performance Shares shall normally be subject to the participant’s continued employment within the Group up to and including the day of publication of the interim report for the first quarter 2022.
7. Participants will receive their Performance Shares following the publication of the Company’s interim report for the first quarter 2022. Rounding off shall be made to the closest whole number of Performance Shares.
8. The maximum number of Performance Shares a participant may receive under the Performance Share Program 2019/2022 shall have an aggregate market value not exceeding 60 percent of the participant’s 2021 Base Salary. The market value shall be calculated based on the average of the daily noted volume-weighted purchase price of the Company’s shares on Nasdaq Stockholm’s official list during 20 trading

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<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 2018 shall be compared with December 2021 for the Company and for the companies included in the peer group defined by the Board of Directors. The peer group presently consists of Telenor ASA, Elisa Oyj, Tele2 AB, KPN NV, Orange SA, Deutsche Telekom AG, Vodafone Group Plc, Telefonica SA, DNA Plc and Swisscom AG.

days prior to the day of publication of the interim report for the first quarter 2022.  
Rounding off shall be made to the closest whole number of Performance Shares.

9. The Performance Share Program 2019/2022 shall in total comprise of no more than 2,194,830 Telia Company's shares, which corresponds to approximately 0.05 percent of the total number of outstanding shares in the Company.
10. Recalculation of the number of Performance Shares subject to an award granted under the Performance Share Program 2019/2022 shall take place in the event of an intervening bonus issue, split, rights issue and/or other similar events.
11. In addition to what is set out above, the Board of Directors shall under certain circumstances be entitled to reduce the number of Performance Shares subject to an award or, wholly or partially, terminate the Performance Share Program 2019/2022 in advance and to make such local adjustments of the program that may be necessary or appropriate to implement the program with reasonable administrative costs and efforts in the concerned jurisdictions, including, among other things, to offer cash settlement.
12. The Board of Directors shall be responsible for the further design and administration of the Performance Share Program 2019/2022 within the framework of the above stated main terms and conditions.

#### Performance outcome

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

#### (b) Transfer of own shares

The transfer of own shares to participants in the Performance Share Program 2019/2022, and to subsidiaries within the Group in order to secure their obligations to deliver Performance Shares under the program, may be made on the following terms and conditions.

1. No more than 2,194,830 Telia Company shares may be transferred to participants in the Performance Share Program 2019/2022 as Performance Shares.
2. The entitlement to receive Performance Shares without consideration shall only be offered to persons within the Group who are participants in the Performance Share Program 2019/2022. In addition, subsidiaries shall be entitled to acquire shares without consideration in order to immediately transfer such shares to participants in the Performance Share Program 2019/2022 in accordance with the terms and conditions of the Performance Share Program 2019/2022.
3. The transfer of shares without consideration shall be made when the participants are entitled to receive their Performance Shares in accordance with the terms and conditions of the Performance Share Program 2019/2022, which will be following the publication of the Company's interim report for the first quarter 2022.
4. The number of shares that may be transferred shall be subject to recalculation in the event of an intervening bonus issue, share repurchase offer, split, rights issue and/or other similar events.

The reason for this proposed deviation from the shareholders' preferential rights is because the transfer of own shares is an integral part of the implementation of the Performance Share Program 2019/2022 and the Board of Directors considers that the implementation of the Performance Share Program 2019/2022 will be to the advantage of the Company and the shareholders as it offers participants the opportunity to become shareholders in the Company.

The Board of Directors proposes that the resolutions under items (a) and (b) above will be voted on at the annual general meeting as two separate resolutions. The proposal under item (b) on the proposed transfer of shares is conditional on the annual general meeting having approved item (a), i.e. the implementation of the proposed Performance Share Program 2019/2022.

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

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

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

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

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

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

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

## **Item 22 – Amendment to the articles of association**

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

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

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

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

## **Other information**

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

The chair of the Board of Directors and the CEO's presentations at the meeting will be posted on the Company's website [www.teliacompany.com](http://www.teliacompany.com) after the meeting.

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

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

### **Majority requirements**

Valid resolutions to

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

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

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

**Documents, etc.**

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

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

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