

**Press Release**  
2022-03-07

## **Notice to Telia Company's Annual General Meeting 2022**

**The Annual General Meeting of Telia Company AB (publ), reg. no. 556103-4249, will be held on Wednesday, April 6, 2022. Due to COVID-19, the Board of Directors has decided that the Meeting is to be held only through postal voting in accordance with temporary legislation. It will not be possible to attend the Meeting in person or by way of a proxy holder.**

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 Wednesday, April 6, 2022, as soon as the result of the postal voting has been finally confirmed.

A presentation by the Company's CEO Allison Kirkby will be available on Telia Company's website [www.teliacompany.com](http://www.teliacompany.com) in connection with the Meeting on Wednesday, April 6, 2022.

### **Participation**

Those wishing to participate in the Meeting through postal voting must

- be recorded in the presentation of the share register prepared by the Swedish central securities depository Euroclear Sweden AB concerning the circumstances on Tuesday, March 29, 2022, and
- give notice of participation no later than on Tuesday, April 5, 2022, by casting their postal vote in accordance with the instructions under the below heading "Postal voting", so that the postal vote is received by Euroclear Sweden AB no later than that day.

### **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 their own name so that the shareholder is recorded in the presentation of the share register as of Tuesday, March 29, 2022. Such re-registration may be temporary (so-called voting rights registration) and can be requested from the nominee in accordance with the nominee's procedures in such time in advance as the nominee determines. Voting rights registrations effected no later than on Thursday, March 31, 2022, will be considered in the presentation of the share register.

### **Postal voting**

Shareholders may only exercise their voting rights at the Meeting through postal voting in advance pursuant to Section 22 of the Act (2022:121) 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 postal voting form is available on Telia Company's website [www.teliacompany.com](http://www.teliacompany.com).

The completed and signed postal voting form must be received by Euroclear Sweden AB (administering the forms on behalf of Telia Company) no later than on Tuesday, April 5, 2022. The

form can be submitted by e-mail to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com), or by post to Telia Company AB, "AGM 2022", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. Shareholders may also cast their postal votes electronically through BankID verification via Euroclear Sweden's website, <https://anmalan.vpc.se/euroclearproxy>. If the shareholder votes in postal by proxy, a power of attorney shall be enclosed to the form. A template proxy form is available on Telia Company's website [www.teliacompany.com](http://www.teliacompany.com). If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. Further instructions and conditions are included in the postal voting form.

### **Proposed agenda**

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 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 2021
7. Resolution to adopt the income statement, the balance sheet, the consolidated income statement and the consolidated balance sheet for 2021
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 2021
10. Presentation and 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 Hannes Ametsreiter
  - 13.9 Tomas Eliasson
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 any deputy auditors
18. Resolution on instruction for the Nomination Committee
19. Resolution on authorization for the Board of Directors to decide on repurchase and transfer of own shares
20. Resolutions on
  - (a) implementation of a long-term share incentive program 2022/2025, and
  - (b) transfer of own shares
21. Resolution on shareholder proposal from Carl Axel Bruno that Telia Sverige in Luleå shall reply to all letters no later than two months from the date of receipt
22. Resolution on shareholder proposal from Per Rinder, including resolutions regarding
  - (a) to instruct the Board of Directors to adopt a customer relations policy that creates trust among Telia Company's customers, and

- (b) that the Board of Directors shall instruct the CEO to take the necessary actions to ensure that the customer support operates in such a way that customers experience Telia Company as the best choice in the market

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

The Nomination Committee of Telia Company for the Meeting has been appointed based on the ownership structure as of July 2021 in accordance with the instruction for the Nomination Committee. The Nomination Committee comprises Daniel Kristiansson, chair (the Swedish state), Jan Andersson (Swedbank Robur Funds), Erik Durhan (Nordea Funds) and Lilian Fossum Biner (Handelsbanken Funds). In addition, the chair of the Board of Directors Lars-Johan Jarnheimer has been appointed as a co-opted member of the Nomination Committee.

The Nomination Committee presents the following proposals:

- **Item 1** – Chair of the Meeting: Wilhelm Lüning, Attorney-at-Law, or in the event he is prevented from participating, the person appointed by the Board of Directors.
- **Item 11** – Number of directors: Until the end of the Annual General Meeting 2023, nine (9) directors elected by the General Meeting.
- **Item 12** – Remuneration payable to the directors: Remuneration payable to the directors until the next Annual General Meeting will be SEK 2,000,000 to the chair (2021: SEK 1,910,000), SEK 940,000 to the vice-chair (2021: SEK 900,000) and SEK 670,000 to each other director elected by the General Meeting (2021: SEK 640,000). The chair of the Board of Directors' Audit and Responsible Business Committee will receive remuneration of SEK 300,000 (2021: SEK 285,000) and other members of the Audit and Responsible Business Committee will receive SEK 170,000 each (2021: SEK 160,000), the chair of the Board of Directors' Remuneration Committee will receive SEK 75,000 (2021: SEK 75,000) and other members of the Remuneration Committee will receive SEK 75,000 each (2021: SEK 75,000).
- **Item 13** – Election of directors: Re-election of Ingrid Bonde, Luisa Delgado, Rickard Gustafson, Lars-Johan Jarnheimer, Jeanette Jäger, Nina Linander and Jimmy Maymann. Election of Hannes Ametsreiter and Tomas Eliasson as new directors. Martin Tivéus is not available for re-election.

Dr. Hannes Ametsreiter was born in 1967. He is a member of the Group Executive Committee of Vodafone PLC, one of the largest telecommunications companies in the world. He is also the CEO of Vodafone Germany. Hannes has over 25 years of experience in the telco industry. Among others he was Group CEO for Telekom Austria and held executive positions at mobilkom Austria. He was also serving as chairman of Austrian fintech PayBox A1 Bank. Hannes has a PhD in Philosophy and a Master of Arts from the University of Salzburg. He also attended executive education courses at Harvard Business School, Stanford University and INSEAD.

Tomas Eliasson was born in 1962. He has previously been CFO at Sandvik, Electrolux, Assa Abloy and Seco Tools and board member of Millicom International Cellular S.A. He holds a degree in Business and Economics from Uppsala University. Tomas Eliasson will bring his significant experience as a CFO for multinational and global Swedish companies, roles in which he has driven several important and effective processes and procedures within global finance functions. He will also bring knowledge and experience from Millicom, having served as a board member, and chair of the audit committee from May 2014 through to May 2021. As previously announced, the Nomination Committee of Millicom has proposed Tomas Eliasson as new board member to the Annual General Meeting in May 2022.

Information about the proposed directors as well as the Nomination Committee's motivated statement are available on Telia 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 2023, 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 instruction for the Nomination Committee

The Nomination Committee proposes the following instruction for the Nomination Committee.

1. The Nomination Committee (the "Committee") shall be nominated by the four (4) largest shareholders in terms of voting rights at the end of July, who wish to participate in the Committee's work for the period until the next Annual 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 in terms of voting rights 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 (as defined below) 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 of Directors shall be appointed as a co-opted member as determined by the Committee. In addition, the Committee may appoint, at its sole discretion, one (1) or two (2) co-opted members. Such co-opted 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). A co-opted member shall 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 resign and, applying the principle of voting size, offer another owner to appoint a replacement.

#### The Committee's work

6. The Committee shall propose the chair of the Annual General Meeting, the number of directors, chair and, if needed, vice-chair of the Board of Directors and other directors. The Committee shall also present a proposal for remuneration, which shall be specified between the chair of the Board of Directors, the vice-chair if applicable, other directors and any remuneration for work within the Board committees. Where applicable, the Committee shall also propose 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 annual performed evaluation of the Board of Directors,
  - ii. determine the required profile for the new director or directors 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 of Directors 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 co-opted members, before information Telia Company considers confidential is presented.
10. The Committee shall have the right to obtain resources from Telia Company such as expenses for secretarial services. Telia Company shall bear costs such as costs of recruitment consultants and travel expenses related to the Committee's assignment. In connection with the procurement of the secretary and consultants, the Committee shall approve the remuneration to these and record the decision. Members of the Committee shall not be entitled to fees from Telia Company for the assignment in the Committee.

#### Telia Company's website

11. Telia Company shall provide space for communications from the Committee on its website [www.teliacompany.com](http://www.teliacompany.com) and the resources necessary to maintain the website.
12. This instruction and the names of the members of the Committee shall be posted on the website. The website shall also provide an e-mail address via which shareholders may submit proposals to the Committee.
13. In conjunction with the issuance of the notice of the Annual General Meeting, the Committee shall update the website with a list of its proposals as per Section 6 above, an explanation of how it has conducted its work and the following information.

Regarding directors:

- i. year of birth, main education and professional experience,
- ii. any assignments in Telia Company and significant assignments in other companies and organizations,
- iii. any holdings of shares and other financial instruments in Telia Company owned by the proposed director or related natural or legal persons,
- iv. whether the proposed director is considered to be independent in relation to the Company and the executive management as well as in relation to major shareholders in Telia Company, whereby the Committee shall justify its position regarding a candidates' independence when circumstances exist that may call this independence into question,
- v. upon re-election, the year the director 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 the proposed director.

Regarding auditors:

- i. information about circumstances that may be relevant to shareholders in assessing the competence and independence of the proposed auditor,
- ii. the scope of services provided by the proposed 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

14. 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.

This instruction shall apply until a new instruction for the Committee is resolved by the General Meeting.

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



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

The Board of Directors proposes Erik Durhan, Nordea Funds, and Peter Lundkvist, Third Swedish National Pension Fund, or if one or both of them are prevented from participating, the person or persons appointed by the Board of Directors, to check the minutes of the Meeting together with the chair. The assignment to check the minutes also include verifying the voting list and that the received postal votes are correctly reflected in the minutes of the Meeting.

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

The voting list proposed to be approved is the voting list prepared by Euroclear Sweden AB on behalf of the Telia Company, based on the General Meeting share register and received postal votes, verified by the persons assigned to check the minutes of 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 2.05 per share is distributed to the shareholders in two payments of SEK 1.00 per share and SEK 1.05 per share, respectively.

The record date for the first payment is proposed to be on Friday, April 8, 2022, and for the second payment on Thursday, October 27, 2022. If the Meeting resolves in accordance with the proposal, it is estimated that Euroclear Sweden AB will execute the first payment on Wednesday, April 13, 2022, and the second payment on Tuesday, November 1, 2022.

**Item 19 – Authorization for the Board of Directors to decide on repurchase and transfer of 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 2023.
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. Transfers 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 2023.
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* own shares, and the reason for the deviation from the shareholders' preferential rights (in relation to transfers of own shares), is to enable the Company in a time efficient way to use 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* 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 share incentive programs. Please note that any transfer of such repurchased shares to the participants in the long-term share incentive programs requires a separate resolution by the Meeting, for example as set out in item 20(b) below for the long-term share incentive program 2022/2025.

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 share incentive program 2022/2025 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. Selected key employees participate in long-term share 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 2010-2021 neither short-term nor long-term variable cash remuneration is paid to members of the Group's Executive Management team.

The Board of Directors have carried out a review of the Group's long-term share incentive 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 share incentive program should be implemented for key employees of the Group also this year.

The long-term share incentive program proposed by the Board of Directors to be implemented during 2022, relating to the financial years 2022-2024 and that may result in Telia Company shares being received during the spring of 2025 (the "Performance Share Program 2022/2025"), is further described below.

##### **Main changes compared to the Group's long-term share incentive program for 2021/2024**

In order to strengthen the link to long-term company performance, and to align the performance measures with the Group's strategic priorities as well as to align the program with market trends, the following main changes are proposed to the Performance Share Program 2022/2025 as compared to the Group's long-term share incentive program for 2021/2024:



- the number of participants in the program is increased from 200 to 250 participants.
- the previous EBITDA target (Earnings Before Interest, Tax, Depreciation and Amortization) is replaced by a Cashflow target (Operational Free Cashflow) with a weighting of 25 percent.
- a new ESG target (Environmental, Social and Governance) is introduced with a weighting of 15 percent.
- the targets on Return on Capital Employed (ROCE) and TSR (Total Shareholder Return) remain as in the 2021/2024 program, but with a weighting of 20 percent and 40 percent, respectively.

### **Outline of the Performance Share Program 2022/2025**

The Performance Share Program 2022/2025 shall be offered to approximately 250 key employees within the Group. Provided that the conditions of the Performance Share Program 2022/2025, and to the extent the performance conditions consist of targets linked to Cashflow, TSR, ROCE and ESG, are met during the financial years 2022-2024 (the "Performance Period"), participants in the Performance Share Program 2022/2025 will, free-of-charge, receive Telia Company shares ("Performance Shares").

Participants in the Performance Share Program 2022/2025 will be awarded a conditional right to receive 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 increases compared to the program for 2021/2024, due to the increase in the number of participants from 200 to 250. Under the Performance Share Program 2022/2025, 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 2021 or, if a participant has become employed thereafter, the calculated annual gross base salary for 2022 (the "2021 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 2024 (the "2024 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 2025.

Participants will receive their Performance Shares following the publication of the Company's interim report for the first quarter 2025.

The Performance Share Program 2022/2025 shall in total comprise of no more than 3,428,025 Telia Company shares, which corresponds to approximately 0.08 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 2022/2025**

The conditional rights to receive Performance Shares awarded to the participants 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 such 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 2022/2025 as approximately SEK 78 million, under the following essential assumptions: (i) a share price of SEK 35.01, 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 2021, (ii) an annual employee turnover of five (5) percent, (iii) a share price increase of five (5) percent per year, (iv) a 50 percent achievement of the TSR performance condition, (v) a 100 percent

achievement of the ROCE performance condition, (vi) a 50 percent achievement of the Cashflow performance condition and (vii) a 50 percent achievement of the ESG performance condition. The total cost under these conditions would be SEK 99.1 million excluding the costs for the program's hedging measures and assuming a 27 percent mark-up for social security costs. The costs are accounted for as staff costs (share-based benefits) over the three-year Performance Period.

If the Cashflow performance condition is achieved to 100 percent whilst the other assumptions (i) through (v) and (vii) remain unchanged, the total value of the Performance Share Program 2022/2025 is estimated to be approximately SEK 89.3 million. The total cost would in this case be SEK 113.3 million.

If all performance conditions are achieved to 100 percent, the total value of the Performance Share Program 2022/2025 would amount to SEK 120 million assuming conditions (i) through (iii) remain unchanged. The total costs would in this case amount to SEK 152.4 million.

### **Dilution and effects on key ratios**

The Performance Share Program 2022/2025 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 2022/2025 are expected to have a marginal effect on the Group's key ratios.

### **Preparation of the proposal**

The proposal regarding the Performance Share Program 2022/2025 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 2022/2025; either (i) the transfer of shares held in treasury to participants in the Performance Share Program 2022/2025 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 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 2022/2025, based on no more than 3,428,025 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 share incentive program 2022/2025**

##### *Main terms and conditions*

1. The Performance Share Program 2022/2025 shall be offered to approximately 250 key employees within the Group who in 2022 will be awarded conditional rights over a number of Performance Shares (i.e. a right to receive such shares at a future date if the relevant conditions are met).
2. Each participant will be awarded a conditional right to a number of Performance Shares with an aggregate market value not exceeding 30 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 Telia Company's shares on Nasdaq Stockholm's official list during December 2021.
3. Provided that the conditions of the Performance Share Program 2022/2025, and to the extent the performance conditions described below, consisting of targets linked to Cashflow, TSR, ROCE and ESG are met during the Performance Period, participants in the Performance Share Program 2022/2025 will, free-of-charge, receive the Performance Shares subject to their award.
4. The performance conditions applying under the Performance Share Program 2022/2025 will to 25 percent be based on the Company's Cashflow<sup>1</sup> target during the Performance Period (the "Cashflow Part"), to 40 percent on the Company's TSR during the Performance Period (the "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<sup>2</sup>, to 20 percent on the Company's ROCE target during the Performance Period (the "ROCE Part") and to 15 percent on the Company's ESG target during the Performance Period (the "ESG Part")<sup>3</sup>.
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. The Cashflow Part represents 25 percent of the total award:
    - i. If 100 percent (or above) of the Cashflow target is met, 100 percent of Performance Shares under the Cashflow Part will vest.
    - ii. If less than 90 percent of the Cashflow target is met, no Performance Shares under the Cashflow Part will vest.
    - iii. If 90 percent of the Cashflow target is met, 25 percent of Performance shares under the Cashflow Part will vest.
    - iv. If between 90 to 100 percent of the Cashflow target is met, a proportionate amount of Performance Shares under the Cashflow Part will vest.
  - b. The TSR Part represents 40 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, 25 percent of the Performance Shares under the TSR Part will vest.
    - v. If the Company's TSR is ranked eight or lower, no Performance Shares under the TSR Part will vest.
  - c. The ROCE Part represents 20 percent of the total award:
    - i. If 100 percent (or above) of the ROCE target is met, 100 percent of Performance Shares under the ROCE Part will vest.
    - ii. If less than 90 percent of the ROCE target is met, no Performance Shares under the ROCE Part will vest.

- iii. if 90 percent of the ROCE target is met, 25 percent of the Performance Shares under the ROCE Part will vest.
    - iv. if between 90 to 100 percent of the ROCE target is met, a proportionate amount of Performance Shares under the ROCE Part will vest.
  - d. The ESG Part represents 15 percent of the total award:
    - i. If 100 percent (or above) of the ESG target is met, 100 percent of Performance Shares under the ESG part will vest.
    - ii. If the minimum level is not reached, no Performance Shares under the ESG part will vest.
    - iii. If the minimum level is reached, 25 percent of Performance shares under the ESG part will vest.
    - iv. If between the minimum level and 100 percent of the ESG target is met, a proportionate amount of Performance Shares under the ESG 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 2025.
- 7. Participants will receive their Performance Shares following the publication of the Company's interim report for the first quarter 2025. 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 2022/2025 shall have an aggregate market value not exceeding 60 percent of the participant's 2024 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 2025. Rounding off shall be made to the closest whole number of Performance Shares.
- 9. The Performance Share Program 2022/2025 shall in total comprise of no more than 3,428,025 Telia Company shares, which corresponds to approximately 0.08 percent of the total number of outstanding shares in the Company.
- 10. Recalculation of the number of Performance Shares that may be received under the Performance Share Program 2022/2025 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 to be received or, wholly or partially, terminate the Performance Share Program 2022/2025 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 2022/2025 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, 2024), in 2025. 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 2022/2025, 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 3,428,025 Telia Company shares may be transferred to participants in the Performance Share Program 2022/2025 as Performance Shares.
2. The entitlement to receive Performance Shares free-of-charge shall only be offered to persons within the Group who are participants in the Performance Share Program 2022/2025. In addition, subsidiaries shall be entitled to acquire shares free-of-charge in order to immediately transfer such shares to participants in the Performance Share Program 2022/2025 in accordance with the terms and conditions of the Performance Share Program 2022/2025.
3. The transfer of shares free-of-charge 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 2022/2025, which will be following the publication of the Company's interim report for the first quarter 2025.
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 the 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 2022/2025 and the Board of Directors considers that the implementation of the Performance Share Program 2022/2025 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 own shares is conditional on the Meeting having approved item (a), i.e. the implementation of the proposed Performance Share Program 2022/2025.

## **Shareholder proposals**

**Item 21 – Shareholder proposal from Carl Axel Bruno that Telia Sverige in Luleå shall reply to all letters no later than two months from the date of receipt**

**Item 22 – Shareholder proposal from Per Rinder, including resolutions regarding (a) to instruct the Board of Directors to adopt a customer relations policy that creates trust among Telia Company's customers, and (b) that the Board of Directors shall instruct the CEO to take the necessary actions to ensure that the customer support operates in such a way that customers experience Telia Company as the best choice in the market**

The Board of Directors proposes that the Meeting rejects the shareholder proposals under items 21 and 22(a)-(b).

## **Other information**

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

The total number of shares and votes in the Company amounts to 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 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 in writing to Telia Company AB, att. Legal Counsel Carl Knudsen, SE-169 94 Solna, Sweden, or by e-mail to [teliacompany-bolagsstamma@teliacompany.com](mailto:teliacompany-bolagsstamma@teliacompany.com) no later than on Monday, March 28, 2022. The information is provided by being available on Telia Company's website [www.teliacompany.com](http://www.teliacompany.com) and at the Company's head office at Stjärntorget 1 in Solna, Sweden, no later than from Friday, April 1, 2022. The information will also be sent, within the same period of time, to the shareholders who requested it and stated their postal or e-mail address.

**Majority requirements**

A valid resolution to authorize the Board of Directors to decide on repurchase and transfer of 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 transfer of own shares under item 20(b) requires support by shareholders holding at least nine-tenths of both the votes cast and shares represented at the Meeting.

**Documentation**

The Board of Directors' and the Nomination Committee's proposals to the Meeting are set out in this notice. Information about the proposed directors as well as the Nomination Committee's motivated statement are available on Telia Company's website [www.teliacompany.com](http://www.teliacompany.com).

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 2021, the Board of Directors' remuneration report, the auditor's report 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 on Telia Company's website [www.teliacompany.com](http://www.teliacompany.com) and at the Company's head office at Stjärntorget 1 in Solna, Sweden, from Friday, March 11, 2022. The documents are presented by being available at the Company and on the Company's website. Hard copies of the documents will also be sent to those shareholders who so request and state their postal or email address. The documents can be ordered by post to Telia Company AB, "AGM 2022", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden, or by telephone number +46 (0)8 402 90 50.

The General Meeting share register will be held available on the Company's head office at Stjärntorget 1 in 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 AB 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's Group Data Protection Officer: [dpo-tc@teliacompany.com](mailto:dpo-tc@teliacompany.com)

Telia Company AB  
Group Data Protection Officer





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Stockholm, March 2022  
Telia Company AB (publ)  
*The Board of Directors*

<sup>1</sup> Cashflow is defined as Operational free cash flow, which in turn is defined as Free cash flow (the total of cash flow from operating activities and cash CAPEX) from continuing operations excluding cash CAPEX for licenses and spectrum fees, dividends from associated companies net of taxes and including repayment of lease liabilities, 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 2021 shall be compared with December 2024 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.

<sup>3</sup> ESG is defined by three separate performance conditions based on Climate, Digital Inclusion and Privacy which have been set in line with targets in the Company's annual and sustainability reporting. The three performance conditions entail 5 percent weight respectively. For each performance condition, a minimum level of achievement is required for any Performance Shares to be received. The performance condition on Climate is based on the Company's 2025 climate target for the supply chain emission-target. Digital Inclusion is based on the Company's 2025 target on promotion of digital competences, with focus on groups who without sufficient digital skills risk falling behind or end up in vulnerable situations when society is increasingly digitized. Privacy is based on the Company's ranking position in respecting customer integrity compared to competitors.

**For more information, please contact our press office +46 771 77 58 30, visit our [Newsroom](#) or follow us on Twitter [@Teliacompany](#).**

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We are Telia Company. Our approximately 20,000 talented colleagues serve millions of customers every day in one of the world's most connected regions. With a strong connectivity base, we're the hub in the digital ecosystem, empowering people, companies and societies to stay in touch with everything that matters 24/7/365 - on their terms. Read more at [www.teliacompany.com](http://www.teliacompany.com)