Documentation to be presented
at the Annual General Meeting of

TELE2 AB (publ)

Wednesday 9 May 2007

Agenda

for the Annual General Meeting of Tele2 AB (publ) Wednesday 9 May 2007 at 1.30 p.m. CET at the Skandia cinema, Drottninggatan 82 in Stockholm.

Proposed agenda

1. Election of Chairman of the Meeting.

2. Preparation and approval of the voting list.

3. Approval of the agenda.

4. Election of one or two persons to check and verify the minutes.

5. Determination of whether the Meeting has been duly convened.

6. Presentation of the annual report and auditors' report and of the consolidated financial statements and the auditors' report on the consolidated financial statements.

7. Resolution on the adoption of the income statement and balance sheet and of the consolidated income statement and the consolidated balance sheet.

8. Resolution on the proposed treatment of the company's unappropriated earnings or accumulated loss as stated in the adopted balance sheet.

9. Resolution on the discharge of liability of the directors of the Board and the Chief Executive Officer.

10. Determination of the number of directors of the Board.

11. Determination of the remuneration to the Board of Directors and the auditor.

12. Election of the directors of the Board.

13. Approval of the procedure of the Nomination Committee.

14. Resolution on guidelines on remuneration for senior executives.

15. Resolution to amend the articles of association by inserting a provision on reclassification.

16. Resolution to authorise the Board of Directors to resolve on the purchase and transfer of the company's own shares.

17. Resolution to reduce the share capital by way of redemption of repurchased shares.

18. Resolution regarding incentive programme comprising the following resolutions:

(a) adoption of incentive programme,

(b) issue of warrants for on-selling to employees,

(c) authorisation for the Board of Directors to pass resolutions regarding the issue of warrants for ensuring the incentive programme.

19. Resolution to authorise the Board of Directors to raise certain loan financing.

20. Closing of the Meeting.

The Board of Directors' proposals to be presented at the Annual General Meeting of Tele2 AB (publ) on Wednesday 9 May 2007

The following proposals are numbered according to the proposed agenda.

DIVIDENDS (item 8)

The Board of Directors proposes a dividend of SEK 1.83 per share. The record date is proposed to be Monday 14 May 2007. A motivated statement in connection with the Board of Directors' proposal for treatment of the Company's unappropriated earnings according to Chapter 18, Section 4 of the Companies Act is found in **Appendix 1**.

GUIDELINES ON REMUNERATION FOR SENIOR EXECUTIVES (item 14)

The Board proposes the following guidelines for determining remuneration for senior executives, to be approved by the Meeting.

The objectives of the Tele2 remuneration guidelines are to offer competitive remuneration packages to attract, motivate, and retain senior group and operational management, within the context of the international peer group. The aim is to create an incentive for the management to deliver excellent operating results and also to align the shareholders' and the management's incentives. Remuneration to the senior executives should consist of a combination of fixed salary, variable compensation and long term incentive programmes.

Senior executives covered by the proposed guidelines include the CEO and members of the executive leading team (below "Senior Executives"). At present Tele2 has 14 Senior Executives.

The Senior Executives should receive an annually fixed salary and a variable compensation. The variable remuneration shall be based on the performance in relation to established goals. The goals are connected to the company's results and mainly the executive's performance, which is based on individual specific and result based targets and the variable compensation can amount to a maximum of 30-50 percent of the fixed salary. Based on exceptional performance, stretch goals, a super bonus above 50 percent may be granted, amounting to a maximum of one third of the total fixed salary for the Senior Executives.

Other benefits may include company cars and housing benefits for expatriated Senior Executives.

The Senior Executives are offered premium based pension plans which are designed to be competitive in each of the Executive's home states. Pension commitments are secured through premiums paid to insurance companies. The Senior Executives may also be offered health insurances.

The period of notice of termination of employment shall be 12 months in the event of termination by the CEO and six months in the event of termination by any of the other Senior Executives. In the event of termination by the company, the maximum notice period during which compensation is payable is 18 months for the CEO and maximum 12 months for any of the other Senior Executives.

In special circumstances, the Board may deviate from the above guidelines. In such a case the Board is obligated to give account for the reason for the deviation on the following Annual General Meeting.

RESOLUTION TO AMEND THE ARTICLES OF ASSOCIATION BY INSERTING A PROVISION ON RECLASSIFICATION (item 15)

With the purpose to entitle Class A shareholders to reclassify their holdings of Class A shares to Class B shares, the Board of Directors proposes that the Meeting resolves to amend § 5 of the Articles of Association. The amendment means that a provision is inserted stating that every Class A share, under the calendar months of January and July each year, after a request from a shareholder, may be reclassified to a Class B share. The reclassification request may include some or all of the shareholder's Class A shares and may be requested by stating the number of Class A shares that shall be reclassified, or the maximum percentage of the total number of votes in the company, that the shareholder wants to hold after the reclassification has taken place. The reclassification request shall be notified, in writing, to the Board of Directors, which thereafter shall consider the question of reclassification.

The proposed amendments to the Articles of Association are found in **Appendix 2**. The proposed amendments to the Articles of Association are italicised.

A valid resolution requires approval of shareholders representing at least two-thirds of the shares and number of votes represented at the Meeting.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO PURCHASE AND TRANSFER THE COMPANY'S OWN SHARES (item 16)

The Board of Directors proposes that the Meeting authorises the Board of Directors to pass a resolution on purchasing the Company's own shares in accordance with the following conditions:

1. The purchase of Class B shares shall take place on the Stockholm Stock Exchange in accordance with the rules regarding purchase and sale of own shares as set out in the company's listing agreement with the Stockholm Stock Exchange.

2. Purchase of Class B shares may take place on one or more occasions for the period up until the next Annual General Meeting.

3. So many Class B shares may be purchased up to an amount where the company's holding does not at any time exceed 5 percent of the total number of shares in the company.

4. Purchase of Class B shares at the Stockholm Stock Exchange may occur at a price within the share price interval registered at that time, where share price interval means the difference between the highest buying price and lowest selling price.

5. Payment for the shares shall be in cash.

Furthermore, the Board of Directors proposes that the Meeting authorises the Board of Directors to pass a resolution on transferring the Company's own shares in accordance with the following conditions:

1. The transfer of Class B shares shall take place:

(i) on the Stockholm Stock Exchange in accordance with the rules regarding purchase and sale of own shares as set out in the company's listing agreement with the Stockholm Stock Exchange; or

(ii) in connection with an acquisition of companies or businesses, on market terms.

2. The transfer of Class B shares may take place on one or more occasions for the period up until the next Annual General Meeting.

3. So many Class B shares may be transferred as are purchased according to the Meeting's authorisation to the Board of Directors to pass a resolution on purchasing the Company's own shares set out above.

4. The transfer of Class B shares on the Stockholm Stock Exchange may occur at a price within the share price interval registered at that time, where share price interval means the difference between the highest buying price and lowest selling price.

5. The authorisation includes the right to resolve on disapplication of the preferential rights of shareholders and that payment shall be able to be made in other forms than cash.

The purpose of the authorisations is so that the Board of Directors obtains increased freedom to act and obtains the ability to continuously adapt the company's capital structure and thereby contribute to increased shareholder value as well as have the ability to finance future acquisitions. The Board of Directors' intention is to reduce the company's share capital by redemption of repurchased, but not transferred, shares in accordance with the proposal in item 17 below.

A motivated statement in connection with the Board of Directors' proposal to repurchase the Company's own shares according to Chapter 19, Section 22 of the Companies Act is found in **Appendix 1**.

A valid resolution requires approval of shareholders representing at least two-thirds of the shares and number of votes represented at the Meeting.

RESOLUTION TO REDUCE THE SHARE CAPITAL BY WAY OF REDEMPTION OF REPURCHASED SHARES (item 17)

The Board of Directors proposes that the Meeting resolves to reduce the company's share capital by a maximum of SEK 27,792,683.75 by redemption, without repayment, of Class B shares, which the company has repurchased, but not transferred in accordance with the proposal in item 16 above. Furthermore, the Board of Directors proposes that the redemption amount should be reserved to non-restricted equity.

A valid resolution requires approval of shareholders representing at least two-thirds of the shares and number of votes represented at the Meeting.

According to the Companies Act, a resolution to reduce the share capital may only be exercised after the Swedish Companies Registration Office has registered the decision and after a leave has been granted by the Swedish Companies Registration Office. The Board of Directors shall, within four months of the resolution regarding a reduction of the share capital, notify the resolution for registration in the Companies Register.

Further, the Board of Directors proposes that the Meeting resolves to authorise the Board of Directors to do all adjustments as may be necessary for the registration of the reduction resolution at the Swedish Companies Registration Office.

RESOLUTION REGARDING INCENTIVE PROGRAMME (item 18)

The Extraordinary General Meeting held in February 2006 resolved to adopt an incentive programme for senior executives and other key employees within the Tele2 group based on a combination of warrants and stock options. Grants of options under the incentive programme have been performance-related. Further, it was stated that the Board of Directors intended to return in 2007 and 2008 with additional grants under the incentive programme provided the fulfilment of certain result-oriented and business-oriented performance conditions. During this three-year period, options corresponding to a maximum of 9,531,000 Class B shares will be granted or issued under the incentive programme, which means an annual allocation corresponding to 3,177,000 Class B shares. In 2006, options corresponding to 3,177,000 Class B shares were subsequently offered and 2,256,000 were allocated amongst the employees. Therefore, the Board of Directors proposes that the options, which were not allocated to the participants in 2006, will be added to the pot of the 2007 programme. The programme for 2007 will consequently entail options corresponding to a total of 4,098,000 Class B shares. The Board of Directors verifies that the established performance conditions for 2006 have been fulfilled, and, against this background, the Board of Directors proposes that the Meeting resolves on the performance based incentive programme for senior executives and other key employees within the Tele2 group.

In order to implement the proposed incentive programme, the Board of Directors proposes that the Meeting resolves in accordance with items a – c below. All resolutions are proposed to be conditional upon each other. A resolution in accordance with items a – c below must be supported by shareholders representing at least 9/10 of the shares and number of votes represented at the Meeting. The proposal is supported by the major shareholders, including inter alia AMF Pension, Emesco AB, Fjärde AP-fonden, Investment AB Kinnevik, Alecta and SEB Trygg Liv.

Adoption of incentive programme (item 18 a)

The Board of Directors proposes that the Meeting in resolves accordance with the resolution at the Extraordinary General Meeting of 2006 to adopt an incentive for senior executives and other key employees within the Tele2 group. The incentive programme entails that employees are offered a combination of warrants and stock options, which entitle them to purchase Class B shares in the company under the terms stipulated below. The Board of Directors proposes that the General Meeting approves the transfer of shares in accordance with the programme.

Summary of the programme

The participants in the incentive programme (a maximum of 80 individuals) shall be offered to purchase warrants on market terms. Each warrant entitles to subscription of one Class B share in the company. For each warrant purchased, the participant will be offered a maximum of two stock options for free, each carrying the right to purchase one Class B share.

The warrants

The warrants shall be governed by the following terms and conditions:

- A premium shall be paid on transfer and will correspond to the market price, as established by the Black & Scholes valuation model, in connection with the time of transfer of the warrant;
- Each warrant is valid for a period of approximately three years. Exercise through the warrants in Series I may take place during the period 15 May - 15 August 2010 and in Series II during the period 1 November 2010 - 31 January 2011;

- The warrants may be issued in two series, Series I and Series II. The exercise price for warrants in Series I shall correspond to 110 percent of the average closing price of the company's Class B share 10 trading days following the Annual General Meeting, i.e. during the period 10 May 2007 - 24 May 2007. The exercise price for warrants in Series II shall correspond to 110 percent of the average closing price of the company's Class B share 10 trading days following the announcement of the interim report for the three first quarters of 2007, i.e. during the period 25 October - 7 November 2007;
- Freely transferable; and
- Issued by Tele2 to a wholly owned subsidiary that should transfer the warrants to the participants in the programme.

The stock options

The stock options shall be governed by the following terms and conditions:

- No premium shall be paid at allocation;
- The stock options may be issued in two series, Series I and Series II. The exercise price for options in Series I shall correspond to 110 percent of the average closing price of the company's Class B share 10 trading days following the Annual General Meeting, i.e. during the period 10 May 2007 - 24 May 2007. The exercise price for options in Series II shall correspond to 110 percent of the average closing price of the company's Class B share 10 trading days following the announcement of the interim report for the three first quarters of 2007, i.e. during the period 25 October - 7 November 2007;
- Are valid for approximately five years and may be exercised not earlier than three years from the time when the options were granted;
- Non-transferable and exercise is subject to the option holder still being employed within the Tele2 group; and
- May be issued by the company or by other companies within the group.

Preparation and administration

The Board of Directors, or a committee established by the Board for these purposes, shall be entitled to decide upon the details of the terms and conditions of the incentive programme in accordance with the general terms and guidelines above. In conjunction therewith the Board of Directors shall be entitled to make local adjustments to meet special regulations and market conditions abroad. The Board of Directors may also make other adjustments if significant changes in the Tele2 group or its circumstances would result in a situation where the decided terms and conditions for allocation under the incentive programme become inappropriate to use.

The Board of Directors proposes that the following adjustments are made in the 2007 year programme compared to the 2006 year programme. The Board of Directors proposes that the 2007 year programme shall include a maximum of 80 individuals (the 2006 year programme included a maximum of 32 individuals) and in connection thereto the allocation structure is adjusted, see further below. Further, the Board of Directors proposes that an additional allocation period is introduced which should occur after the publication of the figures for Q3 2007 and means that new employees may be offered to participate in the programme.

Allocation 2007

The scope of the incentive programme for 2007 is proposed to amount to a maximum of 1,366,000 warrants and a maximum of 2,732,000 stock options.

The employees offered to participate are divided into four groups:

- Group 1, the CEO and other members of the executive board will be offered to purchase a maximum of 70,000 warrants and be offered a maximum of 140,000 stock options,
- Group 2, members of the executive leading team, the IR department, and key employees within sales and marketing, will each be offered to purchase a maximum of 25,000 warrants and be offered a maximum of 50,000 stock options,
- Group 3, country managers, excluding Russia, will each be offered to purchase a maximum of 7,000 warrants and be offered a maximum of 14,000 stock options,
- Group 4, key employees within the different market areas, will each be offered to purchase a maximum of 7,000 warrants and be offered a maximum of 14,000 stock options.

Dilution and costs for 2007

Given full exercise and subscription of all stock options and warrants, the maximum dilution effect for 2007 is estimated to no more than 0.92 percent of the share capital and 0.52 percent of the total number of votes. Considering the previously issued and outstanding warrants, the dilution effect will be approximately 1.48 percent of the total number of shares and approximately 0.84 percent of the total number of votes. Information on other incentive programmes in the company can be found in **Appendix 3**.

Given that transfers of warrants from the subsidiary to employees shall take place at a calculated market price, the warrants are in this respect not expected to result in any social security fees for the group. Social security fees for the stock options will be expensed in 2007 - 2010 based on the change in value of the stock option.

IFRS 2 stipulates that stock options should be expensed as personnel costs (excluding social security charges) over the vesting period and will be reported directly against equity. Based on an assumption that approximately 20 percent of the stock options that are offered will lapse before vesting as a result of personnel turnover, which is based on historical personnel turnover, the estimated cost for the stock options amounts to approximately SEK 39 millions allocated over the years 2007 – 2010. The accounted amount will be continuously reconsidered under the term of the warrants and stock options.

The cost for the company of paying a cash bonus to cover a part of the cost of the option premium (see below) amounts to approximately SEK 20 millions including social costs. The calculation is based on the following assumptions:

- that all warrants are acquired;
- that the personnel turnover over the vesting period is 20 percent; and
- that the option premium amounts to SEK 16.40.

Rationale for the deviation from the shareholders' preferential rights

The rationale for the deviation from the shareholders' preferential rights is that the Board of Directors of Tele2 considers that the employees' personal investment will strengthen their loyalty, improve the conditions for the company's continued demands on profitability and create an opportunity for the employees to take part in the group's development. The incentive programme will constitute a competitive incentive and a motivating offer for senior executives and other key employees within the group. The incentive programme has been structured to reward the participants for the increase in shareholder value by offering an allocation of warrants and stock options based on the fulfilment of certain performance conditions which are result-oriented as well as business-oriented performance targets. Moreover, participation in the programme requires a personal investment by each participant since the participant pays the market price of the warrants. By linking the employee's reward with the development of the company's profits and value, long-term growth is rewarded. With reference to the above, the Board of Directors considers that an incentive programme as set out herein has a positive effect on the Tele2 group's future development, and is thus beneficial to both the company and its shareholders.

Preparation

The Group Executive Board has, in consultation with external advisors, prepared the incentive programme in accordance with guidelines set out by the Remuneration Committee. The incentive programme has been reviewed at meetings of the Board of Directors during the spring of 2007.

Possible future bonus

The Meeting is informed that the Board of Directors considers resolving on a cash bonus to be paid three years after the purchase of the warrants and stock options. The rationale is to encourage participation in the proposed incentive programme. The cash bonus will only be paid if the warrants, stock options and/or Class B shares acquired through warrants and stock options are still held by the participant and if the participant is still employed within the Tele2 group. The net amount of the bonus may total a maximum of the difference between the purchase price for the warrants and two percent of the value of the total number of underlying Class B shares at the time of the acquisition of the warrants and the grant of the stock options.

Issue of warrants for on-selling to employees (item 18 b)

The Board of Directors proposes that the Meeting resolves to issue a maximum of 1,366,000 warrants each entitling the holder to subscribe for one new Class B share. The warrants are proposed to be issued in two series (Series I and II). However, the total number of warrants in Series I and II may not exceed 1,366,000 warrants, whereof a maximum of 266,000 warrants in Series II. For warrants in Series I, the exercise price shall correspond to 110 percent of the average closing price of the company's shares 10 trading days following the Annual General Meeting, i.e. during the period 10 May 2007 - 24 May 2007, and for warrants in Series II the exercise price shall correspond to 110 percent of the average closing price of the company's share during a period of ten trading days immediately following the announcement of the interim report for the three first quarters of 2007, i.e. during the period 25 October - 7 November 2007. Wholly-owned subsidiaries of Tele2 AB (publ) shall be entitled to subscribe and shall transfer the warrants to the participants in the incentive programme on market terms and in accordance with the provisions set out above. Exercise through the warrants in Series I may take place during the period 15 May - 15 August 2010 and in Series II during the period 1 November - 31 January 2011. The rationale for the deviation from the shareholders' preferential rights is to implement the incentive programme set out in item 18 a. The Board of Director's complete proposal and guidelines for the transfer of warrants are forth in **Appendix 4**.

Authorisation for the Board of Directors to pass resolutions regarding the issue of warrants for ensuring the incentive programme (item 18 c)

The Board of Directors proposes that the Meeting resolves to authorise the Board of Directors, until the next Annual General Meeting, on one or several occasions, to resolve to issue a maximum of 2,732,000 warrants, each entitling to subscription of one Class B share. The warrants shall solely be exercised in order to ensure delivery of Class B shares under the stock options. Wholly-owned subsidiaries of Tele2 AB (publ) shall be entitled to subscribe. The rationale for the deviation from the shareholders' preferential rights is to ensure fulfilment of the company's obligations under the terms of the stock options in the incentive programme described under item 18 a. The Board of Director's complete proposal is forth in **Appendix 4**.

RESOLUTION TO AUTHORISE THE BOARD OF DIRECTORS TO RAISE CERTAIN LOAN FINANCING (item 19)

According to the provisions of the new Companies Act, which entered into force on 1 January 2006, loan financing, where the interest rate is dependent upon the company's profits or financial position, is covered by the same resolution requirements as apply to participating debentures. This means that such loan financing must be resolved on by the General Meeting or by the Board of Directors with the support of an authorisation from the General Meeting. The Board of Directors proposes that the Meeting resolves to authorise the Board of Directors to resolve on one or several occasions during the period up until the next Annual General Meeting to raise certain loan financing on market terms that are subject to the provisions in Chapter 11 Section 11 of the Swedish Companies Act (2005:551), where the interest rate is dependent upon the company's profits or financial position. The authorisation may only be used if the Board of Directors assesses that this type of interest rate provision is the most marketable and favourable for the company in each individual case. The background to the authorisation is that the company is to have the ability at all times to raise loan financing on attractive terms for the company and thereby contribute to increased value for the shareholders.

The Nomination Committee’s proposals to be presented at the Annual General Meeting of Tele2 AB (publ) on Wednesday 10 May 2006

The following proposals are numbered according to the proposed agenda.

NOMINATION COMMITTEE PROPOSALS (items 1 and 10-13)

The Nomination Committee proposes that the lawyer Martin Börresen is appointed to be the Chairman of the Meeting.

The Nomination Committee proposes that the Board of Directors shall consist of 7 directors without alternate directors. For the period until the close of the next Annual General Meeting, the Nomination Committee proposes the re-election of Mia Brunell, Vigo Carlund, John Hepburn, John Shakeshaft and Cristina Stenbeck as directors of the Board and the election of Mike Parton and Pelle Törnberg as directors of the Board. The Nomination Committee proposes that the Meeting appoint Vigo Carlund to be Chairman of the Board of Directors. Furthermore, it is proposed that the Board of Directors at the Constituent Board Meeting appoint a Remuneration Committee and an Audit Committee.

The Nomination Committee proposes that the Meeting resolves that the remuneration to the Board of Directors (including remuneration for the work in the committees of the Board of Directors) for the period until the close of the next Annual General Meeting shall be a total of SEK 3,750,000, of which SEK 1,000,000 shall be allocated to the Chairman of the Board and SEK 400,000 to each of the other directors. The Nomination Committee proposes that for work within the Audit Committee SEK 150,000 shall be allocated to the chairman and SEK 50,000 to each of the members and for work within the Remuneration Committee SEK 50,000 shall be allocated to the chairman and SEK 25,000 to each of the members. Furthermore, remuneration to the auditor shall be paid in accordance with an approved bill which specifies time, persons who worked and tasks performed.

The Nomination Committee proposes that the Meeting approves the following procedure for preparation of the election of the Board of Directors and auditor. The work of preparing a proposal on the directors of the Board and auditor, and their remuneration, as well as the proposal on the Chairman of the Annual General Meeting of 2008 shall be performed by a Nomination Committee. The Nomination Committee, which will consist of at least three members (including Cristina Stenbeck) representing the shareholders of the company, will be formed during September 2007 in consultation with the largest shareholders in the company at that time. The Nomination Committee is elected for a term of office of one year. The majority of the members of the Committee may not be members of the Board of Directors or employed by the company. If a member of the Committee resigns before the work is concluded, a replacement member is to be appointed in the corresponding manner. Cristina Stenbeck will be a member of the Committee and will also act as its convenor. The members of the Committee will appoint the Chairman among themselves. The composition of the Committee will be communicated in the company’s interim report for the third quarter of 2007.

The above proposal is supported by shareholders representing more than 50 percent of the votes in the company including, among others, Alecta, AMF Pension, Emesco AB, Fjärde AP-Fonden and Investment AB Kinnevik.

A report on the Nomination Committee’s work is available at the company’s website, www.tele2.com.

CV's of proposed directors of Tele2 AB (publ)

Vigo Carlund, Chairman

Swedish, born 1949 and elected to the Board of Tele2 in 1995.

He has since 1980 been CEO for various companies, such as Svenska Motor AB SMA, SMA Group USA, Korsnäs AB and Transcom WorldWide S.A. Between May 1999 until August 2006 he was the President and CEO of Investment AB Kinnevik. Presently Chairman of the Board of Korsnäs AB, and moreover, Board member of Investment AB Kinnevik, Millicom International Cellular S.A., Modern Times Group MTG AB (will step down as Board member as of the AGM 2007) and Academic Work.

Dependent in relation to the company and its management, and moreover, dependent in relation to the company's major shareholders.

Shareholdings: 24,191 Class B-share

Mia Brunell

Swedish, born 1965 and elected to the Board of Tele2 in 2006.

Studies in Economics. She has held various positions in Modern Times Group MTG AB since 1992 before becoming CFO of the company in 2001 until 2006. Presently the President and CEO of Investment AB Kinnevik, as of August 2006. Board member of Invik & Co. AB, Metro International S.A., Transcom WorldWide S.A. and CTC Media, a Russian broadcast associate company of MTG. Proposed Board member of Modern Times Group MTG AB as of the AGM 2007.

Dependent in relation to the company and its management, and moreover, dependent in relation to the company's major shareholders.

Shareholdings: -

John Hepburn

Canadian, born 1949 and elected to the Board of Tele2 in 2005.

MBA, Harvard Business School and B.Sc. in Engineering, Princeton University. He has held various positions at Morgan Stanley since 1976, amongst other positions, Managing Director, Morgan Stanley & Co. and vice Chairman of Morgan Stanley Europe Ltd. Presently advisory director at Morgan Stanley as well as Chairman of the Board of Sportfact Ltd and vice Chairman of UKRD Ltd., and moreover, Board member of Grand Hotel Holdings AB.

Independent

Shareholdings: 95,015 Class B-shares

John Shakeshaft

UK citizen, born 1954 and elected to the Board of Tele2 in 2003.

MA, Cambridge University. He has worked as Executive Director at Morgan Stanley, 1990-1994, Managing Director and partner of Barings Bank, 1995-2000. Managing Director and partner of Lazard, 2000-2002, Managing director and partner of Cardona Lloyd, 2002-2004, and moreover, Managing Director of Financial Institutions, ABN AMRO Bank, 2004-2006. Presently Chairman of Altis Investment Management, Switzerland, and of the Alternative Theatre Company Ltd, and moreover, board member of the Economy Bank NV and Questair Inc, as well as external Audit Committee member at the University of Cambridge.

Independent

Shareholdings: -

Cristina Stenbeck

US citizen, born 1977 and elected to the Board of Tele2 in 2003.

B. Sc. in Economics. Presently vice Chairman of Investment AB Kinnevik and Board member of Invik & Co. AB, Metro International S.A., Millicom International Cellular S.A., Modern Times Group MTG AB and Transcom WorldWide SA. Proposed Chairman of the Board of Investment AB Kinnevik by the Nomination Committee in the company ahead of the AGM 2007.

Dependent in relation to the company and its management, and moreover, dependent in relation to the company's major shareholders.

Shareholdings: -

Mike Parton, new

UK citizen, born 1954 and proposed new Director of the Board in Tele2.

Trained as Chartered Management Accountant, 1976. Mike Parton is a senior executive with an extensive international career in the telecoms industry. Mike Parton was the CEO of Marconi Plc., a telecommunications business with global operations, between 2001 and 2006. During this period he successfully restructured the business, returning the company to profitability and revenue growth before eventually selling the product business to Ericsson for GBP 1.3 billion, in addition to creating a GBP 300 million telecom services business that now operates as Telent Plc. Mike Parton's early career included finance roles in the Michelin Tyre Company and ICL before he joined GEC (later to become Marconi) where he held a number of senior finance and general management roles culminating in his appointment as Group CEO. He joined the main board of Marconi Plc in 2000.

Independent

Shareholdings: -

Pelle Törnberg, new

Swedish, born 1956 and proposed new Director of the Board in Tele2.

Studies at the School of Journalism at Gothenburg University. He has established and launched a wide range of media companies within Industriförvaltnings AB Kinnevik before assuming responsibility for Kinnevik's media operations in 1993. He has, upon its demerger from Kinnevik in 1997, been the President and CEO of Modern Times Group MTG AB until 2000. He has since Metro International S.A.'s demerger from Modern Times Group MTG AB in 2000 served as the President and CEO of the company. Presently non-executive Director of Modern Times Group MTG AB, and moreover, Board member of RNB Retail and Brands AB and the Swedish American Chamber of Commerce.

Independent

Shareholdings: -

Appendix 1

The Board of Directors' statement in accordance with Chapter 18, Section 4, and Chapter 19, Section 22 of the Companies Act (2005:551)

The Board of Directors hereby presents the following statement in accordance with Chapter 18, Section 4 and Chapter 19, Section 22 of the Companies Act.

The Board of Directors' reasons for the proposed dividend and the authorisation to repurchase and transfer the Company's own Class B shares being in accordance with the provisions of Chapter 17, Section 3, para. 2 and 3 of the Companies Act are as follows:

The Company's objects, scope, and risks

The Company's objects and scope of business are set out in the articles of association and the annual reports provided. The business run by the Company does not entail any risks in excess of those that exist or may be deemed to exist in the industry or those risks which are generally associated with operating a business.

The financial position of the Company and the Group

The financial position of the Company and the Group as at 31 December 2006 is stated in the latest published interim report. The 2006 annual report also states which accounting principles are applied in the valuation of assets, allocations and liabilities.

The proposal on dividend states that the Board of Directors proposes a dividend of SEK 1.83 per share, which as of 31 March 2007 corresponds to amount of SEK 814 million. The proposed dividend constitutes 3.91 percent of the parent company's equity and 2.66 percent of the Group's equity. The non-restricted equity in the parent company and the Group's retained profits as of 31 March 2007 amounted to SEK 3,358 million and SEK 11,200 million respectively. The Board of Directors proposes that the record day provision for the dividend is Monday 14 May 2007.

As of 31 March 2007, the equity-debt ratio is 45 percent. The proposed dividend and authorisation to purchase and transfer the Company's own Class B shares does not endanger the completion of any necessary investments.

The company's financial position does not give rise to any other conclusion than that the Company can continue its business and that the Company can be expected to fulfil its obligations on both a short and long-term basis.

Justification for dividend and repurchase

With reference to the above and to what has otherwise come to the knowledge of the Board of Directors, the Board of Directors is of the opinion that after a comprehensive review of the financial position of the Company and of the Group it follows that the proposed dividend and authorisation to repurchase and transfer the Company' own Class B shares to create flexibility in the work with the Company's capital structure is justified according to the provisions of Chapter 17, Section 3, para. 2 and 3 of the Companies Act, i.e. with reference to the requirements that the objects of the business, its scope and risks place on the size of the company's and group's equity and the company's and the group's consolidating requirements, liquidity and financing needs in general.

Stockholm, April 2007

Tele2 AB (publ) - The Board of Directors

Appendix 2

The Board of Directors' proposed amendments to the Articles of Association

§ 5	
Current wording	**Proposed wording**
The shares shall be of three classes, Class A, Class B and Class C. Shares of Class A may be issued up to a maximum of 800,000,000, shares of Class B may be issued up to a maximum of 800,000,000 and Class C shares may be issued up to a maximum of 800,000,000. Class A shares entitle to ten votes each and Class B and Class C shares entitle to one vote each. Class C share do not entitle to dividends. Upon the company's liquidation, Class C shares carry an equivalent right to the Company's assets as the other classes of shares, however not to an amount exceeding up to the quota value of the share, annualised as per day of distribution with an interest rate of STIBOR 30 days with an additional 0.05 percentages calculated from the day of payment of the subscription price. STIBOR 30 days is set on the first business day of each calendar month. If the company resolves to issue new Class A, Class B, and Class C shares by a new issue of shares, other than by an issue in kind, each holder of Class A, B and C shares has preferential rights to subscribe for new shares of the same class in proportion to the number of old shares held by such holder (primary preferential rights). Shares not subscribed for with primary preferential rights shall be offered for subscription to all shareholders in the Company (subsidiary preferential rights). If the number of shares so offered is less than the number subscribed for with subsidiary preferential rights, the shares shall be distributed among the subscribers in proportion to the number of shares already held, or, to the extent that this is not possible, by lot. If the company resolves on an issue of new shares, other than by an issue in kind, solely of Class A, Class B or Class C shares, all shareholders, irrespective of which class of shares held, are entitled to preferential rights to	The shares shall be of three classes, Class A, Class B and Class C. Shares of Class A may be issued up to a maximum of 800,000,000, shares of Class B may be issued up to a maximum of 800,000,000 and Class C shares may be issued up to a maximum of 800,000,000. Class A shares entitle to ten votes each and Class B and Class C shares entitle to one vote each. Class C share do not entitle to dividends. Upon the company's liquidation, Class C shares carry an equivalent right to the Company's assets as the other classes of shares, however not to an amount exceeding up to the quota value of the share, annualised as per day of distribution with an interest rate of STIBOR 30 days with an additional 0.05 percentages calculated from the day of payment of the subscription price. STIBOR 30 days is set on the first business day of each calendar month. If the company resolves to issue new Class A, Class B, and Class C shares by a new issue of shares, other than by an issue in kind, each holder of Class A, B and C shares has preferential rights to subscribe for new shares of the same class in proportion to the number of old shares held by such holder (primary preferential rights). Shares not subscribed for with primary preferential rights shall be offered for subscription to all shareholders in the Company (subsidiary preferential rights). If the number of shares so offered is less than the number subscribed for with subsidiary preferential rights, the shares shall be distributed among the subscribers in proportion to the number of shares already held, or, to the extent that this is not possible, by lot. If the company resolves on an issue of new shares, other than by an issue in kind, solely of Class A, Class B or Class C shares, all shareholders, irrespective of which class of shares held, are entitled to preferential rights to

§ 5	
subscribe for new shares in proportion to the number of shares already held. The stipulations regarding preferential rights shall apply mutatis mutandis for new issues of warrants and convertible debt, and shall not infringe on the possibility to resolve on an issue in which the preferential rights of shareholders are waived. If the share capital is increased by a bonus issue, where new shares are issued, new shares of Class A and Class B shall be issued in relation to the number of shares of the same classes already held. In such cases, old shares of a specific class shall entitle to new shares of the same class. Class C shares do not carry rights to participate in bonus issues. Following a requisite amendment in the Articles of Association, the aforementioned stipulation shall not infringe on the possibility to issue shares of a new class by a bonus issue. Reduction of the share capital, however not below the minimum share capital, may on request of holders of Class C shares or as resolved by the Company's Board of Directors or General Meeting, be made by redemption of Class C shares. A request from a shareholder shall be made in writing to the Company's Board of Directors and the Board of Directors shall promptly act on the matter. When a resolution on reduction has been passed, an amount corresponding to the reduction amount shall be transferred to the Company's reserves, if the required funds are available. The redemption payment per Class C share shall correspond to the quota value of the share annualised per day with an interest rate of STIBOR 30 days with additional 0.05 percentages calculated from the day of payment of the subscription price. STIBOR 30 days shall be initially set on the day of payment of the subscription price. Following notice of the redemption resolution, holders having requested redemption shall promptly receive payment for the share, or, if authorisation from the Swedish Companies Registration Office or a court is required, following notice that the final decision has been	subscribe for new shares in proportion to the number of shares already held. The stipulations regarding preferential rights shall apply mutatis mutandis for new issues of warrants and convertible debt, and shall not infringe on the possibility to resolve on an issue in which the preferential rights of shareholders are waived. If the share capital is increased by a bonus issue, where new shares are issued, new shares of Class A and Class B shall be issued in relation to the number of shares of the same classes already held. In such cases, old shares of a specific class shall entitle to new shares of the same class. Class C shares do not carry rights to participate in bonus issues. Following a requisite amendment in the Articles of Association, the aforementioned stipulation shall not infringe on the possibility to issue shares of a new class by a bonus issue. Reduction of the share capital, however not below the minimum share capital, may on request of holders of Class C shares or as resolved by the Company's Board of Directors or General Meeting, be made by redemption of Class C shares. A request from a shareholder shall be made in writing to the Company's Board of Directors and the Board of Directors shall promptly act on the matter. When a resolution on reduction has been passed, an amount corresponding to the reduction amount shall be transferred to the Company's reserves, if the required funds are available. The redemption payment per Class C share shall correspond to the quota value of the share annualised per day with an interest rate of STIBOR 30 days with additional 0.05 percentages calculated from the day of payment of the subscription price. STIBOR 30 days shall be initially set on the day of payment of the subscription price. Following notice of the redemption resolution, holders having requested redemption shall promptly receive payment for the share, or, if authorisation from the Swedish Companies Registration Office or a court is required, following notice that the final decision has been

§ 5	
registered.	registered. *It shall be possible to reclassify Class A shares to Class B shares. Holders of Class A shares shall, during the calendar months January and July each year (the "**Reclassification periods**"), be entitled to request that all or part of the shareholder's Class A shares shall be reclassified to Class B shares. The request shall be made in writing and must have been received by the Board of Directors no later than on the last day of the specific Reclassification period. The request shall state (i) the number of Class A shares that the shareholder wants to reclassify or (ii) the maximum percentage of the total number of votes in the Company, that the shareholder wants to hold, after reclassification has been completed of all Class A shares requested to be reclassified during the specific Reclassification period. When making a request according to alternative (ii) above, the shareholder shall also state the total number of Class A and Class B shares that the shareholder holds at the time of the request.* *By the end of each Reclassification period, the Board of Directors shall consider the question of reclassification. Immediately thereafter, the Board of Directors shall report the reclassification to the Swedish Companies Register (Sw. Bolagsverket) for registration. The reclassification is effected when it has been registered and the reclassification been noted in the CSD Register.*

Appendix 3

Description of outstanding incentive programmes

Incentive programme 2002-2007

On 16 May 2002, the general annual meeting resolved on a stock option programme. The stock options entitle to acquisition of Class B shares in the company. The programme will expire in 2007. Senior executives and key employees are entitled to be allocated stock options. Inter alia the following terms and conditions are applicable to outstanding stock options:

The stock options are exercisable at the earliest three years and at the latest five years from time of grant. The stock option holders must at the time of exercise remain in employment of the Tele2 group. The stock options are granted free of charge and may not be transferred. The strike price and the number of granted and outstanding stock options are set forth in the summary below.

Year of grant	2002
Number of granted stock options	2,630,378
Number of lapsed stock options	-381,510
Number of exercised stock options	-2,002,415
Price per share (SEK)	60.80
Outstanding stock options as of 31 March 2007	246,453

Included in the above, warrants corresponding to 482,618 shares have been granted in 2002 to a wholly-owned group company for the purpose of securing future cash flows for social security expenses, of which 363,335 warrants have exercised and 119,283 were outstanding on 31 March 2007.

Incentive programme 2006-2011

The Extraordinary General Meeting on February 21, 2006, decided to adopt an incentive programme for senior executives and key employees in the Tele2 group, involving a combined offering of warrants and stock options. For each warrant acquired, two stock options were offered free of charge, each carrying an entitlement to acquire one class B share in the company.

Subscription for class B shares through the warrants may take place during 25 February – 25 May 2009, and the stock options run for five years, with the earliest exercise date three years after the grant date. The options can only be exercised if the employee is still in Tele2's employment on the date of exercise. The stock options are non-transferable. The strike price and the number of granted and outstanding warrants and stock options are set forth in the summary below.

Year of grant	2006
Number of granted warrants and stock options	2,256,000

Number of lapsed warrants and stock options	-230,000
Price per share (SEK)	94.80
Outstanding warrants and stock options (exercise may not take place until 2009)	2,026,000

Appendix 4

Proposal to the Annual General Meeting of Tele2 AB (publ)

§ 18 b

It was resolved to issue a maximum of 1,366,000 warrants (Series I) on the following terms and conditions:

1. Each warrant entitles to subscription for one new Class B share in Tele2 AB during the period 15 May - 15 August 2010.

2. The exercise price for a warrant corresponds to 110 percent of the average last trading price for Tele2 AB's Class B shares, during the period 10 May - 24 May 2007. The exercise price thus calculated shall be rounded off to the nearest whole ten öre, whereupon five öre shall be rounded downwards.

3. If all 1,366,000 warrants are completely exercised the share capital will increase by SEK 1,707,500. Class B share issued as a result of subscription will carry right to dividends as of the first record date for dividends, which has been established after subscription is executed.

4. Notwithstanding the shareholders' preferential rights, the party entitled to subscribe for the warrants shall be a wholly-owned subsidiary of Tele2 AB.

5. Subscription for warrants shall take place no later than 31 May 2007. The Board of Directors may prolong the subscription period. The warrants are issued free of charge.

6. The warrants shall in all other respects be governed by the terms and conditions set forth in **Appendix A**.

The exercise price upon exercise of warrants and the number of shares to which each warrant provides an entitlement to subscribe may be adjusted in accordance with section 8 of the terms and conditions for warrants, see Appendix A.

The rationale for the deviation from the shareholders' preferential rights is to implement an incentive program for senior executives and other key employees.

It was resolved that the Managing Director should be authorised to undertake such minor adjustments that may be required for the registration with the Companies Registration Office and VPC AB.

It was noted that over subscription is not possible.

It was resolved to issue a maximum of 266,000 warrants (Series II) on the following terms and conditions:

1. Each warrant entitles to subscription for one new Class B share in Tele2 AB during the period 1 November - 31 January 2011.

2. The exercise price for a warrant corresponds to 110 percent of the average last trading price for Tele2 AB's Class B shares, during the period 25 October - 7 November 2007 or, if the interim report for the first three quarters of 2006 has not been announced before the beginning of the calculation period, the later period, including 10 trading days starting immediately after the announcement of such interim report. The exercise price thus calculated shall be rounded off to the nearest whole ten öre, whereupon five öre shall be rounded downwards.

3. If all 266,000 warrants are completely exercised the share capital will increase by SEK 332,500. Class B share issued as a result of subscription will carry right to dividends as of the first record date for dividends, which has been established after subscription is executed.

4. Notwithstanding the shareholders' preferential rights, the party entitled to subscribe for the warrants shall be a wholly-owned subsidiary of Tele2 AB.

5. Subscription for warrants shall take place no later than 31 January 2008. The Board of Directors may prolong the subscription period. The warrants are issued free of charge.

6. The warrants shall in all other respects be governed by the terms and conditions set forth in **Appendix B**.

The exercise price upon exercise of warrants and the number of shares to which each warrant provides an entitlement to subscribe may be adjusted in accordance with section 8 of the terms and conditions for warrants, see Appendix B.

The rationale for the deviation from the shareholders' preferential rights is to implement an incentive program for senior executives and other key employees.

It was resolved that the Managing Director should be authorised to undertake such minor adjustments that may be required for the registration with the Companies Registration Office and VPC AB.

It was noted that over subscription is not possible.

It was noted that the following terms should apply in respect of the transfer of warrants:

Notwithstanding the shareholders' preferential rights, the issued warrants shall be subscribed for by wholly owned subsidiary of Tele2 AB, whereby this company shall offer the warrants to employees within the Tele2 Group. The subsidiary may subscribe and transfer no more than in total 1,366,000 warrants in Series I and II. The transfer of warrants shall be made at a price corresponding to the market value of the warrants.

The Board of Directors shall, according to the following guidelines, resolve on the allocation of warrants:

– Group 1, the CEO and other members of the executive board will be offered to purchase a maximum of 70,000 warrants,

– Group 2, members of the executive leading team, the IR department, and key employees within sales and marketing, will each be offered to purchase a maximum of 25,000 warrants,

– Group 3, country managers, excluding Russia, will each be offered to purchase a maximum of 7,000 warrants,

– Group 4, key employees within the different market areas, will each be offered to purchase a maximum of 7,000 warrants.

It was resolved to approve the above stated principles for the transfer of warrants in accordance with Chapter 16, Section 5 of the Companies Act (2005:551) (Certain Directed Issues).

§ 18 c

It was resolved to authorise the Board of Directors, until the next Annual General Meeting, on one or several occasions, to resolve to issue a maximum of 2,732,000 warrants, each entitling to subscription of one Class B share. Wholly-owned subsidiaries of Tele2 AB (publ) shall be entitled to subscribe for the warrants.

The rationale for the deviation from the shareholders' preferential rights is to ensure fulfilment of the company's obligations under the terms of the stock options in the adopted incentive program described above under item 18 a.

Appendix A

Terms and Conditions for Warrants 2007/2010 Series I for Subscription of Shares in Tele2 AB (publ)

1 Definitions

In these terms and conditions, the following terms shall have the meanings given below:

"Bank"	the bank or account operator which the Company at each time has appointed to handle the administration of the Warrants in accordance with these terms and conditions;
"Business Day"	a day which is not a Saturday, Sunday or other public holiday or, with respect to the payment of promissory notes, is not equated with a public holiday in Sweden;
"Companies Act"	the Swedish Companies Act (SFS 2005:551);
"Company"	Tele2 AB (publ) reg. no. 556410-8917;
"Market Quotation"	listing of shares in the Company on a stock exchange, authorised market place or other corresponding market place;
"Securities Account"	a securities account (Sw. *avstämningskonto*) with VPC in which the respective Warrant Holders' holdings of Warrants or holdings of shares acquired pursuant to Warrants are registered;
"Subscription"	subscription of shares in the Company on exercise of Warrants in accordance with Chapter 14 of the Companies Act;
"Subscription Price"	the price at which Subscription for new shares may take place on exercise of Warrants;
"VPC"	VPC AB, (the Swedish Central Securities Depository and Clearing Organisation);
"Warrant""	the right to subscribe for newly issued Class B shares in the Company in exchange for payment in accordance with these terms and conditions;
"Warrant Holder"	a person registered in a Securities Account as the holder of a Warrant;
"weekday"	a day which is not a Sunday or public holiday.

2 Warrants and registration

The total number of Warrants in Series I amounts to no more than 1,366,000. The Warrants shall be registered in Securities Accounts in accordance with Chapter 4 of the Financial Instruments Accounts Act (SFS 1998:1479).

Requests for particular registration measures in respect of the Warrants shall be submitted to the account operator with which the Warrant Holder has opened a Securities Account.

3 Right to subscribe for new shares

Each Warrant entitles the holder thereof to subscribe for one new Class B share in the Company at a Subscription Price amounting to 110 percent of the average closing price of the company's Class B share during the period 10 May - 24 May 2007.

The Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe may be recalculated in the circumstances set out in section 8 below.

Subscription may only take place in respect of the entire number of shares for which the total number of Warrants entitles the Warrant Holder to subscribe and which a single Warrant Holder desires to exercise. On such Subscription, any excess fractions of Warrants which cannot be exercised shall be disregarded.

4 Application for Subscription

Application for Subscription of shares may take place during the period 15 May 2010 – 15 August 2010 or such earlier date as may be determined in accordance with section 8 below. If an application for Subscription is not submitted within the time stated above, the Warrant shall lapse.

On application for Subscription, a completed application form in the predetermined form shall be submitted to the Company. Applications for Subscription are binding and irrevocable.

5 Payment for new shares

On application for Subscription, payment for the number of shares which the application for Subscription covers shall be made simultaneously. Payment shall be made in cash to a bank account designated by the Company.

6 Registration in Securities Account and in the share register

Following payment for subscribed shares, Subscription shall be effected through the registration of the new shares as interim shares in the Company’s share register and on the respective Warrant Holder’s Securities Account. Following registration with the Swedish Companies Registration Office, the registration of the new shares in the share register and on Securities Accounts will become definitive. According to section 8 below such registration might in certain circumstances be postponed.

7 Dividends on new shares

Shares issued following Subscription shall entitle the holders thereof to participate in the distribution of dividends for the first time on the record date that occurs immediately following the Subscription.

8 Recalculation of Subscription Price and the number of shares

The following provisions shall govern the right that vests in Warrant Holder in the event the share capital prior to the Subscription is increased or reduced, convertible bonds or warrants are issued, or the Company is dissolved or ceases to exist as a consequence of a merger or division, or there is an Extraordinary Dividend (as defined below):

A *Bonus issue*

In the event of a bonus issue, where an application for Subscription is submitted at such time that the allotment of shares cannot be made on or before the fifth weekday prior to the general meeting which resolves to make the bonus issue, Subscription shall be effected only after the general meeting has adopted a resolution approving the bonus issue. Shares which vest pursuant to Subscription effected after the adoption of a resolution approving the bonus issue shall be registered in the Warrant Holder's Securities Account as interim shares, and accordingly such shares shall not entitle the holder thereof to participate in the bonus issue. Definitive registration in Securities Accounts shall only take place after the record date for the bonus issue.

In conjunction with Subscription which is effected after the adoption of a resolution to make a bonus issue, a recalculated Subscription Price as well as a recalculated number of shares for which each Warrant entitles the Warrant Holder to subscribe shall be applied. The recalculation shall be carried out by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price) x (the number of shares in the Company prior to the bonus issue) / (the number of shares in the Company after the bonus issue)

Recalculated number of shares for which each Warrant entitles the Warrant Holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the number of shares in the Company after the bonus issue) / (the number of shares in the Company prior to the bonus issue).

The Subscription Price and the number of shares which each Warrant entitles the holder to subscribe for, recalculated as set out above, shall be determined by the Company as soon as possible after the general meeting has adopted a resolution approving the bonus issue.

B *Reverse share split/share split*

In the event the Company effects a reverse share split or share split, the provisions of sub-section A above shall apply *mutatis mutandis*. The record date shall be deemed to be the date on which the reverse share split or share split is carried out by VPC at the request of the Company.

C *New issue*

If the Company issues new shares subject to preferential rights for shareholders to subscribe for new shares in exchange for cash payment, the following shall apply with respect to the right to participate in the new issue held by the shareholders whose shares vest as a consequence of Subscription on exercise of the Warrant:

1. If the Board of Directors of the Company has resolved to carry out a new issue conditional on the approval of the general meeting of the shareholders or pursuant to authorisation granted by the general meeting of the shareholders, the resolution of the new issue shall state the last day on which Subscription must be effected in order to entitle the holders of the shares held pursuant to the Subscription to participate in the new issue.

2. If the general meeting adopts a resolution to issue new shares, where an application for Subscription is submitted at such time that it cannot be effected on or before the fifth weekday prior to the general meeting which shall address the

question of the new issue, Subscription shall only be effected following the adoption of a resolution with respect thereto by the general meeting. Shares which vest as a consequence of such Subscription shall be registered in the Securities Account as interim shares, and accordingly shall not entitle the holders to participate in the new issue. Definitive registration in Securities Accounts shall only take place after the record date for the new issue.

Where Subscription is effected at such time that no right to participate in the new issue arises, a recalculated Subscription Price as well as a recalculated number of shares for which each Warrant entitles the holder to subscribe shall apply. Recalculations shall be made by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price) x (the average quoted price of the share during the subscription period stated in the resolution approving the issue (referred to below as the "average price of the share")) / (the average price of the share increased by the theoretical value of the subscription right calculated on the basis thereof)

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the theoretical value of the subscription right calculated on the basis thereof) / (the average price of the share)

The average price of the share shall be deemed to be the equivalent of the average calculated mean value, for each trading day during the subscription period, of the highest and lowest quoted paid price on that day according to the stock exchange or market place list on which the shares are quoted. In the absence of a quoted paid price, the bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

The theoretical value of the subscription right is calculated in accordance with the following formulae:

Theoretical value of subscription right = (the maximum number of new shares which may be issued pursuant to the resolution approving the issue) x ((the average price of the share) – (the issue price of the new share)) / (the number of shares prior to the adoption of the resolution approving the issue)

If this results in a negative value, the theoretical value of the subscription right shall be deemed to be zero.

The Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe, recalculated as set out above, shall be determined by the Company two Business Days after the expiry of the subscription period and shall apply to each Subscription effected thereafter.

If the Company’s shares, at the time of the resolution to issue the new shares, are not subject to a Market Quotation, a corresponding recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe shall take place. The recalculation, which shall be made by the Company, shall be based on the assumption that the value of the Warrants shall remain unchanged.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe, Subscription shall only be effected on a preliminary basis. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

D Issue of convertible bonds or warrants in accordance with Chapter 14 of the Companies Act

In the event the Company issues convertible bonds or warrants, in both cases subject to preferential rights for the shareholders to subscribe for such equity related instrument in exchange for cash payment, the provisions of sub-section C, first paragraph, sub-paragraphs 1 and 2 shall apply *mutatis mutandis* in respect of the right to participate in the issue for any share which has been issued through Subscription.

Where Subscription is effected at a such time that no right to participate in the new issue arises, a recalculated Subscription Price as well as a recalculated number of shares for which each Warrant entitles the holder to subscribe shall apply. Recalculations shall be made by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price) x (the average quoted price of the share during the relevant period stated in the resolution approving the issue (referred to below as the "average price of the share")) / (the average price of the share increased by the value of the subscription right).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the value of the subscription right) / (the average price of the share).

The average price of the share shall be calculated in accordance with the provisions of sub-section C above.

The value of the subscription right shall be deemed to be the equivalent of the average calculated mean value, for each trading day during the subscription period, of the highest and lowest quoted paid price on that day according to the stock exchange or market place list on which the subscription rights are quoted. In the absence of a quoted paid price, the quoted bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

If the subscription rights are not subject to a Market Quotation, the value of the subscription right shall, to the greatest extent possible, be determined based upon the change in the market value of the Company's shares which may be deemed to have occurred as a consequence of the issue of the convertible bonds or warrants.

The Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe, recalculated as set out above, shall be determined by the Company two Business Days after the expiry of the subscription period and shall apply to each Subscription effected thereafter.

If the Company's shares, at the time of the resolution to issue the notes, are not subject to a Market Quotation, a corresponding recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe shall take place. The recalculation, which shall be made by the Company, shall be based on the assumption that the value of the Warrants shall remain unchanged.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe, Subscription shall only be effected on a preliminary basis. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

E *Other offers to shareholders*

Where the Company, in circumstances other than those referred to in sub-sections A-D above, makes offers to the shareholders, subject to preferential rights for the shareholders in accordance with the principles set out in Chapter 12, section 2 of the Companies Act, to acquire securities or rights of any type from the Company or resolves, in accordance with the principles mentioned above, to distribute such securities or rights to the shareholders without consideration, in conjunction with Subscription which is effected at such time that the shares thereby received do not entitle the holder to participate in the offer, a recalculated Subscription Price as well as a recalculated number of shares for which each Warrant entitles the holder to subscribe shall apply. Recalculations shall be made by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price*)* x (the average quoted price of the share during the application period for the offer (referred to below as the "average price of the share")) / (the average price of the share increased by the value of the right to participate in the offer (referred to below as the “value of the purchase right”).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the value of the purchase right) / (the average price of the share).

The average price of the share shall be calculated in accordance with the provisions of sub-section C above.

Where shareholders have received purchase rights and trading in these has taken place, the value of the right to participate in the offer shall be deemed to be equivalent to the value of the purchase rights. For this purpose, the value of the purchase right shall be deemed to be equivalent to the average calculated mean value, for each trading day during the application period, of the highest and lowest quoted paid price during the day according to the stock exchange or market place list on which the purchase rights are quoted. In the absence of a quoted paid price, the quoted bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

If the shareholders do not receive purchase rights or where such trading in purchase rights as referred to in the preceding paragraph otherwise does not take place, the recalculation of the Subscription Price shall be made as far as possible by applying the principles set out above in this sub-section E and the following shall apply. Where listing of the securities or rights offered to the shareholders takes place, the value of the right to participate in the offer shall be deemed to be equivalent to the average calculated mean value, for each trading day during the period of 25 trading days calculated from the first day of listing, of the highest and lowest transaction prices quoted for trades in such securities or rights on the securities exchange or other marketplace for financial instruments on which those securities or rights are listed, reduced where appropriate by the consideration paid for these in conjunction with the offer. In the absence of a quoted paid price, the quoted bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation of the value of the right to participate in the offer. In the recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe, the period of 25 trading days referred to above shall be deemed to be the application period determined for the offer pursuant to the first paragraph of this Section E.

Where no listing of such securities or rights offered to the shareholders takes place, the value of the right to participate in the offer shall, to the greatest extent possible, be determined based on the change in the market value of the Company's shares which may be deemed to have occurred as a consequence of the offer.

The Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe, recalculated in accordance with the above, shall be determined by the Company as soon as possible after it becomes possible to calculate the value of the right to participate in the offer.

If the Company's shares, at the time of the offer, are not subject to a Market Quotation, a corresponding recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe shall take place. The recalculation, which shall be made by the Company, shall be based on the assumption that the value of the Warrants shall remain unchanged.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe, Subscription shall only be effected on a preliminary basis. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

F Equal treatment of Warrant Holders and shareholders

Where the Company issues new shares or makes an issue pursuant to Chapters 14 or 15 of the Companies Act, with preferential rights for shareholders to subscribe for equity related instruments in exchange for cash payment, the Company may grant all Warrant Holders the same preferential rights as the shareholders. In conjunction therewith, each Warrant Holder, irrespective of whether subscription for shares has been made, shall be deemed to be the owner of the number of shares which such Warrant Holder would have received, had Subscription on the basis of the Warrant been effected in respect of the Subscription Price, and the number of shares for which each Warrant entitles the holder to subscribe, in effect at the time of the resolution to issue the shares.

If the Company resolves to make an offer to the shareholders as described in sub-section E above, what has been stated in the preceding paragraph shall apply mutatis mutandis. However, the number of shares of which each warrant holder shall be deemed to be the owner shall, in such circumstances, be determined on the basis of the Subscription Price, and the number of shares for which each Warrant entitles the holder to subscribe, in effect at the time of the resolution to make the offer.

If the Company resolves to grant the warrant holders preferential rights in accordance with the provisions set out in this sub-section F, no recalculation as set out in sub-sections C, D, or E above of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe for shall be made.

G *Extraordinary Dividend*

If the Company decides to pay a cash dividend to shareholders of an amount which, combined with other dividends paid during the same fiscal year, exceeds 15 percent. of the average price of the share during the period of 25 trading days immediately preceding the day on which the Company's Board of Directors announced its intention to propose that the general meeting approve such a dividend, a recalculation of the Subscription Price, and the number of shares for which each Warrant entitles the holder to subscribe, shall be made in respect of any Subscription requested at such a time that the shares thereby received do not carry rights to receive such dividend. The recalculation shall be based on that part of the total dividend which exceeds 15 percent. of the average price of the shares during the above-mentioned period of 25 trading days (referred to below as "Extraordinary Dividend").

The recalculation shall be made by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price*)* x (the average quoted price of the share during a period of 25 trading days calculated from the day on which the share is listed without any right to Extraordinary Dividend (referred to below as the "average price of the share")) / (the average price of the share increased by the Extraordinary Dividend paid per share).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the Extraordinary Dividend paid per share) / (the average price of the share).

The average price of the share shall be deemed to be the equivalent of the average calculated mean value during the above-mentioned period of 25 trading days of the highest and lowest quoted paid price on each day according to the stock exchange or market place list on which the shares are quoted. In the absence of a quoted paid price, the bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

The recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe shall be determined by the Company two Business Days after the expiry of the above-mentioned period of 25 trading days and shall apply to each Subscription effected from the day on which the share is listed without any right to Extraordinary Dividend.

If the Company's shares, at the time of the resolution to pay a dividend, are not subject to a Market Quotation and it is resolved to pay a cash dividend to shareholders of an amount which, combined with other dividends paid during the same fiscal year, exceeds 50 percent. of the Company's earnings after tax in accordance with the Company's consolidated income statement adopted in the financial year immediately preceding the year in which the resolution was adopted to pay the dividend, a recalculation of the Subscription Price, and the number of shares for which each Warrant entitles the holder to subscribe, shall be made in respect of any Subscription requested at such a time that the shares thereby received do not carry rights to receive such dividend. The recalculation shall be based on that part of the total dividend which exceeds 50 percent. of the Company's earnings after tax and shall be made by the Company in accordance with the above-mentioned principles.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe, Subscription shall only be effected on a preliminary basis. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

H Reduction of share capital

If the Company's share capital is reduced through a repayment to the shareholders, and such reduction is compulsory, a recalculated Subscription Price and a recalculated number of shares for which each Warrant entitles the holder to subscribe, shall be applied.

The recalculations shall be made by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price) x (the average quoted price of the share during a period of 25 trading days calculated from the day on which the share is listed without any right to participate in the distribution (referred to below as the "average price of the share")) / (the average price of the share increased by the amount repaid per share).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the amount repaid per share) / (the average price of the share).

The average price of the share is calculated in accordance with the provisions set out in sub-section C above.

In carrying out the recalculations according to the above and where the reduction is made through redemption of shares, instead of using the actual amount which is repaid for each share, an amount calculated as follows shall be applied:

Calculated amount to be repaid for each share = (the actual amount repaid for each redeemed share reduced by the average market price of the share during a period of 25 trading days immediately prior to the day on which the share is listed without any right to participate in the reduction (referred to below as the "average price of the share")) / (the number of shares of the Company which carry an entitlement to the redemption of one share, reduced by 1)

The average exchange price is calculated in accordance with the provisions set out in sub-section C above.

The Subscription Price and number of shares for which each Warrant entitles the holder to subscribe, recalculated as set out above, shall be determined by the Company two Business Days after the expiry of the above-mentioned period of 25 trading days, and shall apply to each Subscription effected thereafter.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe, Subscription shall only be effected on a preliminary basis. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

If the Company's share capital is reduced through redemption of shares with repayment to the shareholders, where such reduction is not compulsory, but where, in the opinion of the Company, the reduction, due to its technical structure and its financial effects, is equivalent to a compulsory reduction, the recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe shall be made, to the greatest extent possible, in accordance with the principles stated above in this sub-section H.

If the Company's shares, at the time of the reduction of share capital, are not subject to a Market Quotation, a corresponding recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe shall take place. The recalculation, which shall be made by the Company, shall be based on the assumption that the value of the Warrants shall remain unchanged.

I Recalculation shall give a reasonable result

Should the Company take actions such as those stated in sub-sections A-E, G or H above and if, in the Company's opinion, application of the recalculation formula established for such action, taking into account the technical framework of such action or for other reasons, could not be made or would result in the Warrant Holders receiving, in relation to the shareholders, economic compensation that is not reasonable, the Company shall, subject to prior written approval by the Board of Directors of the Company, make the recalculation of the Subscription Price, and the number of shares for which each Warrant entitles the holder to subscribe, in such a manner as the Company determines is appropriate to ensure that the recalculation gives a reasonable result.

J Rounding off

On recalculation of the Subscription Price in accordance with the above, the Subscription Price shall be rounded off to the nearest ten öre, for which purposes five öre shall be rounded downwards and the number of shares shall be rounded off to two decimal places.

K Mergers

Where the general meeting adopts a resolution to approve a merger plan pursuant to Chapter 23, section 15 of the Companies Act, pursuant to which the Company is to be merged into another company or where the Board of Directors adopts a resolution pursuant to Chapter 23, section 28 of the Companies Act adopts a resolution that the Company be merged into its parent company, the Warrant Holders shall receive rights in the acquiring company corresponding at least to the rights held in the Company (the transferor company), unless, pursuant to the merger plan, the Warrant Holders are entitled to demand redemption of their Warrants by the acquiring company.

L Division

Where the general meeting adopts a resolution to approve a division plan pursuant to Chapter 24, section 17 of the Companies Act, pursuant to which a proportion of the assets and liabilities of the Company are taken over by two or more other companies, a recalculated subscription price and a recalculated number of shares for which each

Warrant entitles the Warrant Holder to subscribe shall be calculated. The provisions of sub-section G regarding Extraordinary Dividend shall then apply *mutatis mutandis*. The recalculation shall be based on the proportion of the assets and liabilities of the Company that are taken over by the transferee company or companies.

Where all assets and liabilities of the companies are taken over by two or more other companies, on paying consideration to the shareholders of the Company, the provisions of sub-section M below regarding liquidation shall apply *mutatis mutandis*. Inter alia, this means that the right to demand Subscription shall terminate simultaneously with the registration in accordance with Chapter 24, section 27 of the Companies Act and that the Warrant Holder shall be notified no later than four weeks before the division plan shall be submitted for approval to the general meeting.

M Liquidation

If it is resolved that the Company be put into liquidation, for whatever reason, Subscription may not take place thereafter. The right to demand Subscription shall terminate simultaneously with the adoption of the resolution to put the Company in liquidation, irrespective of whether such resolution has become final.

Not later than four weeks prior to the adoption of a resolution by a general meeting in respect of whether or not the Company should be put into liquidation in accordance with Chapter 25 of the Companies Act, the Warrant Holders shall be notified with respect to the planned liquidation in accordance with section 10 below. The notice shall state that subscription may not take place following the adoption of the resolution in respect of liquidation.

If the Company gives notice of a planned liquidation pursuant to the above, the Warrant Holders shall, notwithstanding the provisions of section 4 in respect of the earliest date for application for Subscription, be entitled to apply for Subscription commencing on the day on which the notice is given, provided that Subscription may be effected not later than prior to the general meeting at which the resolution regarding the liquidation of the Company shall be addressed.

Notwithstanding the provisions above pursuant to which Subscription may not take place after the adoption of a resolution regarding liquidation, the right to subscribe shall be reinstated in the event the liquidation is not carried out.

N Insolvent liquidation

If the Company is put into insolvent liquidation, Subscription may not take place through the exercise of Warrants. Where, however, the decision to put the Company into insolvent liquidation is set aside by a higher court, subscription rights shall be reinstated.

9 Nominees

According to Chapter 3 section 7 of the Financial Instruments Accounts Act (SFS 1998:1479), a legal entity shall be entitled to be registered as nominee. Such a nominee shall be regarded as a Warrant Holder for the purposes of the application of these terms and conditions.

10 Notices

Notices relating to these Warrant Terms and Conditions shall be provided to each Warrant Holder and any other rights holders registered in Securities Accounts.

11 Right to represent Warrant Holders

The Bank shall be entitled to represent Warrant Holders in matters of a formal nature concerning the Warrants without special authorisation from the Warrant Holders.

12 Amendments to terms and conditions

The Company shall be entitled, in consultation with the Bank, to amend the terms and conditions of the Warrants to the extent required by legislation, decisions of courts of law or decisions of governmental authorities or where otherwise, in the Company's opinion, such is necessary or expedient for practical reasons and provided that the rights of the Warrant Holders are in no way prejudiced.

13 Confidentiality

The Company and VPC may not, without authorisation, disclose information regarding the Warrant Holders to any third party. The Company shall have access to information contained in the register of warrants held by VPC which sets out the persons registered as holders of Warrants.

14 Limitation of liability

In respect of measures which it is incumbent on the Company, VPC or the Bank to take in accordance with the terms and conditions of the Warrants, taking into considearation the provisions of the Financial Instruments Accounts Act (SFS 1998:1479), neither the Company, VPC nor the Bank shall be liable for loss which arises as a consequence of Swedish or foreign legislation, the actions of Swedish or foreign governmental authorities, acts of war, strikes, blockades, boycotts, lockouts, or other similar circumstances. The reservation in respect of strikes, blockade, boycotts, and lockouts shall apply notwithstanding that the Company, VPC or the Bank is itself the subject of, or effects, such measures.

Nor shall VPC be liable for loss which arises under other circumstances provided VPC has duly exercised normal caution. The Company and the Bank shall also enjoy a corresponding limitation of liability. In addition, under no circumstances shall the Company or the Bank be liable for indirect loss.

If the Company, VPC or the Bank is unable to perform its obligations as a consequence of a circumstance specified in the first paragraph, such performance may be postponed until such time as the cause for the impediment has terminated.

15 Applicable law and forum

The Warrants, and all legal issues related to the Warrants, shall be determined and interpreted in accordance with Swedish law. Legal proceedings relating to the Warrants shall be brought before the Stockholm District Court or such other forum as is accepted in writing by the Company.

Appendix B

Terms and Conditions for Warrants 2007/2010 Series II for Subscription of Shares in Tele2 AB (publ)

1 Definitions

In these terms and conditions, the following terms shall have the meanings given below:

"Bank"	the bank or account operator which the Company at each time has appointed to handle the administration of the Warrants in accordance with these terms and conditions;
"Business Day"	a day which is not a Saturday, Sunday or other public holiday or, with respect to the payment of promissory notes, is not equated with a public holiday in Sweden;
"Companies Act"	the Swedish Companies Act (SFS 2005:551);
"Company"	Tele2 AB (publ) reg. no. 556410-8917;
"Market Quotation"	listing of shares in the Company on a stock exchange, authorised market place or other corresponding market place;
"Securities Account"	a securities account (Sw. *avstämningskonto*) with VPC in which the respective Warrant Holders' holdings of Warrants or holdings of shares acquired pursuant to Warrants are registered;
"Subscription"	subscription of shares in the Company on exercise of Warrants in accordance with Chapter 14 of the Companies Act;
"Subscription Price"	the price at which Subscription for new shares may take place on exercise of Warrants;
"VPC"	VPC AB, (the Swedish Central Securities Depository and Clearing Organisation);
"Warrant""	the right to subscribe for newly issued Class B shares in the Company in exchange for payment in accordance with these terms and conditions;
"Warrant Holder"	a person registered in a Securities Account as the holder of a Warrant;
“weekday”	a day which is not a Sunday or public holiday.

2 Warrants and registration

The total number of Warrants in Series II amounts to no more than 266,000. The Warrants shall be registered in Securities Accounts in accordance with Chapter 4 of the Financial Instruments Accounts Act (SFS 1998:1479).

Requests for particular registration measures in respect of the Warrants shall be submitted to the account operator with which the Warrant Holder has opened a Securities Account.

3 Right to subscribe for new shares

Each Warrant entitles the holder thereof to subscribe for one new Class B share in the Company at a Subscription Price amounting to 110 percent of the average closing price of the company's Class B share during the period 25 October - 7 November 2007 or, if the interim report for the first three quarters of 2006 has not been announced before the beginning of the calculation period, the later period, including 10 trading days starting immediately after the announcement of such interim report.

The Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe may be recalculated in the circumstances set out in section 8 below.

Subscription may only take place in respect of the entire number of shares for which the total number of Warrants entitles the Warrant Holder to subscribe and which a single Warrant Holder desires to exercise. On such Subscription, any excess fractions of Warrants which cannot be exercised shall be disregarded.

4 Application for Subscription

Application for Subscription of shares may take place during the period 1 November 2010 – 31 January 2011 or such earlier date as may be determined in accordance with section 8 below. If an application for Subscription is not submitted within the time stated above, the Warrant shall lapse.

On application for Subscription, a completed application form in the predetermined form shall be submitted to the Company. Applications for Subscription are binding and irrevocable.

5 Payment for new shares

On application for Subscription, payment for the number of shares which the application for Subscription covers shall be made simultaneously. Payment shall be made in cash to a bank account designated by the Company.

6 Registration in Securities Account and in the share register

Following payment for subscribed shares, Subscription shall be effected through the registration of the new shares as interim shares in the Company’s share register and on the respective Warrant Holder’s Securities Account. Following registration with the Swedish Companies Registration Office, the registration of the new shares in the share register and on Securities Accounts will become definitive. According to section 8 below such registration might in certain circumstances be postponed.

7 Dividends on new shares

Shares issued following Subscription shall entitle the holders thereof to participate in the distribution of dividends for the first time on the record date that occurs immediately following the Subscription.

8 Recalculation of Subscription Price and the number of shares

The following provisions shall govern the right that vests in Warrant Holder in the event the share capital prior to the Subscription is increased or reduced, convertible bonds or warrants are issued, or the Company is dissolved or ceases to exist as a consequence of a merger or division, or there is an Extraordinary Dividend (as defined below):

A Bonus issue

In the event of a bonus issue, where an application for Subscription is submitted at such time that the allotment of shares cannot be made on or before the fifth weekday prior to the general meeting which resolves to make the bonus issue, Subscription shall be effected only after the general meeting has adopted a resolution approving the bonus issue. Shares which vest pursuant to Subscription effected after the adoption of a resolution approving the bonus issue shall be registered in the Warrant Holder's Securities Account as interim shares, and accordingly such shares shall not entitle the holder thereof to participate in the bonus issue. Definitive registration in Securities Accounts shall only take place after the record date for the bonus issue.

In conjunction with Subscription which is effected after the adoption of a resolution to make a bonus issue, a recalculated Subscription Price as well as a recalculated number of shares for which each Warrant entitles the Warrant Holder to subscribe shall be applied. The recalculation shall be carried out by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price) x (the number of shares in the Company prior to the bonus issue) / (the number of shares in the Company after the bonus issue)

Recalculated number of shares for which each Warrant entitles the Warrant Holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the number of shares in the Company after the bonus issue) / (the number of shares in the Company prior to the bonus issue).

The Subscription Price and the number of shares which each Warrant entitles the holder to subscribe for, recalculated as set out above, shall be determined by the Company as soon as possible after the general meeting has adopted a resolution approving the bonus issue.

B Reverse share split/share split

In the event the Company effects a reverse share split or share split, the provisions of sub-section A above shall apply *mutatis mutandis*. The record date shall be deemed to be the date on which the reverse share split or share split is carried out by VPC at the request of the Company.

C New issue

If the Company issues new shares subject to preferential rights for shareholders to subscribe for new shares in exchange for cash payment, the following shall apply with respect to the right to participate in the new issue held by the shareholders whose shares vest as a consequence of Subscription on exercise of the Warrant:

1. If the Board of Directors of the Company has resolved to carry out a new issue conditional on the approval of the general meeting of the shareholders or pursuant to authorisation granted by the general meeting of the shareholders, the resolution of the new issue shall state the last day on which Subscription must be effected in order to entitle the holders of the shares held pursuant to the Subscription to participate in the new issue.

2. If the general meeting adopts a resolution to issue new shares, where an application for Subscription is submitted at such time that it cannot be effected on or before the fifth weekday prior to the general meeting which shall address the question of the new issue, Subscription shall only be effected following the adoption of a resolution with respect thereto by the general meeting. Shares which vest as a consequence of such Subscription shall be registered in the Securities Account as interim shares, and accordingly shall not entitle the holders to participate in the new issue. Definitive registration in Securities Accounts shall only take place after the record date for the new issue.

Where Subscription is effected at such time that no right to participate in the new issue arises, a recalculated Subscription Price as well as a recalculated number of shares for which each Warrant entitles the holder to subscribe shall apply. Recalculations shall be made by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price*)* x (the average quoted price of the share during the subscription period stated in the resolution approving the issue (referred to below as the "average price of the share")) / (the average price of the share increased by the theoretical value of the subscription right calculated on the basis thereof)

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the theoretical value of the subscription right calculated on the basis thereof) / (the average price of the share)

The average price of the share shall be deemed to be the equivalent of the average calculated mean value, for each trading day during the subscription period, of the highest and lowest quoted paid price on that day according to the stock exchange or market place list on which the shares are quoted. In the absence of a quoted paid price, the bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

The theoretical value of the subscription right is calculated in accordance with the following formulae:

Theoretical value of subscription right = (the maximum number of new shares which may be issued pursuant to the resolution approving the issue) x ((the average price of the share) – (the issue price of the new share)) / (the number of shares prior to the adoption of the resolution approving the issue)

If this results in a negative value, the theoretical value of the subscription right shall be deemed to be zero.

The Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe, recalculated as set out above, shall be determined by the Company two Business Days after the expiry of the subscription period and shall apply to each Subscription effected thereafter.

If the Company's shares, at the time of the resolution to issue the new shares, are not subject to a Market Quotation, a corresponding recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe shall take place. The recalculation, which shall be made by the Company, shall be based on the assumption that the value of the Warrants shall remain unchanged.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe, Subscription shall only be effected on a preliminary basis. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

D Issue of convertible bonds or warrants in accordance with Chapter 14 of the Companies Act

In the event the Company issues convertible bonds or warrants, in both cases subject to preferential rights for the shareholders to subscribe for such equity related instrument in exchange for cash payment, the provisions of sub-section C, first paragraph, sub-paragraphs 1 and 2 shall apply *mutatis mutandis* in respect of the right to participate in the issue for any share which has been issued through Subscription.

Where Subscription is effected at a such time that no right to participate in the new issue arises, a recalculated Subscription Price as well as a recalculated number of shares for which each Warrant entitles the holder to subscribe shall apply. Recalculations shall be made by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price*)* x (the average quoted price of the share during the relevant period stated in the resolution approving the issue (referred to below as the "average price of the share")) / (the average price of the share increased by the value of the subscription right).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the value of the subscription right) / (the average price of the share).

The average price of the share shall be calculated in accordance with the provisions of sub-section C above.

The value of the subscription right shall be deemed to be the equivalent of the average calculated mean value, for each trading day during the subscription period, of the highest and lowest quoted paid price on that day according to the stock exchange or market place list on which the subscription rights are quoted. In the absence of a quoted paid price, the quoted bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

If the subscription rights are not subject to a Market Quotation, the value of the subscription right shall, to the greatest extent possible, be determined based upon the change in the market value of the Company's shares which may be deemed to have occurred as a consequence of the issue of the convertible bonds or warrants.

The Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe, recalculated as set out above, shall be determined by the Company two Business Days after the expiry of the subscription period and shall apply to each Subscription effected thereafter.

If the Company's shares, at the time of the resolution to issue the notes, are not subject to a Market Quotation, a corresponding recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe shall take place.

The recalculation, which shall be made by the Company, shall be based on the assumption that the value of the Warrants shall remain unchanged.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe, Subscription shall only be effected on a preliminary basis. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

E Other offers to shareholders

Where the Company, in circumstances other than those referred to in sub-sections A-D above, makes offers to the shareholders, subject to preferential rights for the shareholders in accordance with the principles set out in Chapter 12, section 2 of the Companies Act, to acquire securities or rights of any type from the Company or resolves, in accordance with the principles mentioned above, to distribute such securities or rights to the shareholders without consideration, in conjunction with Subscription which is effected at such time that the shares thereby received do not entitle the holder to participate in the offer, a recalculated Subscription Price as well as a recalculated number of shares for which each Warrant entitles the holder to subscribe shall apply. Recalculations shall be made by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price) x (the average quoted price of the share during the application period for the offer (referred to below as the "average price of the share")) / (the average price of the share increased by the value of the right to participate in the offer (referred to below as the “value of the purchase right”).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the value of the purchase right) / (the average price of the share).

The average price of the share shall be calculated in accordance with the provisions of sub-section C above.

Where shareholders have received purchase rights and trading in these has taken place, the value of the right to participate in the offer shall be deemed to be equivalent to the value of the purchase rights. For this purpose, the value of the purchase right shall be deemed to be equivalent to the average calculated mean value, for each trading day during the application period, of the highest and lowest quoted paid price during the day according to the stock exchange or market place list on which the purchase rights are quoted. In the absence of a quoted paid price, the quoted bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

If the shareholders do not receive purchase rights or where such trading in purchase rights as referred to in the preceding paragraph otherwise does not take place, the recalculation of the Subscription Price shall be made as far as possible by applying the principles set out above in this sub-section E and the following shall apply. Where listing of the securities or rights offered to the shareholders takes place, the value of the right to participate in the offer shall be deemed to be equivalent to the average calculated mean value, for each trading day during the period of 25 trading days calculated from the first day of listing, of the highest and lowest transaction prices quoted for trades in such securities or rights on the securities exchange or other marketplace for financial instruments on which those securities or rights are listed, reduced where appropriate by the consideration paid for these in conjunction with the offer. In the absence of a quoted paid price, the quoted bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation of the value of the right to participate in the offer. In the recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe, the period of 25 trading days referred to above shall be deemed to be the application period determined for the offer pursuant to the first paragraph of this Section E.

Where no listing of such securities or rights offered to the shareholders takes place, the value of the right to participate in the offer shall, to the greatest extent possible, be determined based on the change in the market value of the Company's shares which may be deemed to have occurred as a consequence of the offer.

The Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe, recalculated in accordance with the above, shall be determined by the Company as soon as possible after it becomes possible to calculate the value of the right to participate in the offer.

If the Company's shares, at the time of the offer, are not subject to a Market Quotation, a corresponding recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe shall take place. The recalculation, which shall be made by the Company, shall be based on the assumption that the value of the Warrants shall remain unchanged.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe, Subscription shall only be effected on a preliminary basis. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

F Equal treatment of Warrant Holders and shareholders

Where the Company issues new shares or makes an issue pursuant to Chapters 14 or 15 of the Companies Act, with preferential rights for shareholders to subscribe for equity related instruments in exchange for cash payment, the Company may grant all Warrant Holders the same preferential rights as the shareholders. In conjunction therewith, each Warrant Holder, irrespective of whether subscription for shares has been made, shall be deemed to be the owner of the number of shares which such Warrant Holder would have received, had Subscription on the basis of the Warrant been effected in respect of the Subscription Price, and the number of shares for which each Warrant entitles the holder to subscribe, in effect at the time of the resolution to issue the shares.

If the Company resolves to make an offer to the shareholders as described in sub-section E above, what has been stated in the preceding paragraph shall apply mutatis mutandis. However, the number of shares of which each warrant holder shall be deemed to be the owner shall, in such circumstances, be determined on the basis of the Subscription Price, and the number of shares for which each Warrant entitles the holder to subscribe, in effect at the time of the resolution to make the offer.

If the Company resolves to grant the warrant holders preferential rights in accordance with the provisions set out in this sub-section F, no recalculation as set out in sub-sections C, D, or E above of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe for shall be made.

G Extraordinary Dividend

If the Company decides to pay a cash dividend to shareholders of an amount which, combined with other dividends paid during the same fiscal year, exceeds 15 percent. of the average price of the share during the period of 25 trading days immediately preceding the day on which the Company's Board of Directors announced its intention to propose that the general meeting approve such a dividend, a recalculation of the Subscription Price, and the number of shares for which each Warrant entitles the holder to subscribe, shall be made in respect of any Subscription requested at such a time that the shares thereby received do not carry rights to receive such dividend. The recalculation shall be based on that part of the total dividend which exceeds 15 percent. of the average price of the shares during the above-mentioned period of 25 trading days (referred to below as "Extraordinary Dividend").

The recalculation shall be made by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price) x (the average quoted price of the share during a period of 25 trading days calculated from the day on which the share is listed without any right to Extraordinary Dividend (referred to below as the "average price of the share")) / (the average price of the share increased by the Extraordinary Dividend paid per share).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the Extraordinary Dividend paid per share) / (the average price of the share).

The average price of the share shall be deemed to be the equivalent of the average calculated mean value during the above-mentioned period of 25 trading days of the highest and lowest quoted paid price on each day according to the stock exchange or market place list on which the shares are quoted. In the absence of a quoted paid price, the bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

The recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe shall be determined by the Company two Business Days after the expiry of the above-mentioned period of 25 trading days and shall apply to each Subscription effected from the day on which the share is listed without any right to Extraordinary Dividend.

If the Company's shares, at the time of the resolution to pay a dividend, are not subject to a Market Quotation and it is resolved to pay a cash dividend to shareholders of an amount which, combined with other dividends paid during the same fiscal year, exceeds 50 percent. of the Company's earnings after tax in accordance with the Company's consolidated income statement adopted in the financial year immediately preceding the year in which the resolution was adopted to pay the dividend, a recalculation of the Subscription Price, and the number of shares for which each Warrant entitles the holder to subscribe, shall be made in respect of any Subscription requested at such a time that the shares thereby received do not carry rights to receive such dividend. The recalculation shall be based on that part of the total dividend which exceeds 50 percent. of the Company's earnings after tax and shall be made by the Company in accordance with the above-mentioned principles.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe, Subscription shall only be effected on a preliminary basis. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

H Reduction of share capital

If the Company's share capital is reduced through a repayment to the shareholders, and such reduction is compulsory, a recalculated Subscription Price and a recalculated number of shares for which each Warrant entitles the holder to subscribe, shall be applied.

The recalculations shall be made by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price) x (the average quoted price of the share during a period of 25 trading days calculated from the day on which the share is listed without any right to participate in the distribution (referred to below as the "average price of the share")) / (the average price of the share increased by the amount repaid per share).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the amount repaid per share) / (the average price of the share).

The average price of the share is calculated in accordance with the provisions set out in sub-section C above.

In carrying out the recalculations according to the above and where the reduction is made through redemption of shares, instead of using the actual amount which is repaid for each share, an amount calculated as follows shall be applied:

Calculated amount to be repaid for each share = (the actual amount repaid for each redeemed share reduced by the average market price of the share during a period of 25 trading days immediately prior to the day on which the share is listed without any right to participate in the reduction (referred to below as the "average price of the share")) / (the number of shares of the Company which carry an entitlement to the redemption of one share, reduced by 1)

The average exchange price is calculated in accordance with the provisions set out in sub-section C above.

The Subscription Price and number of shares for which each Warrant entitles the holder to subscribe, recalculated as set out above, shall be determined by the Company two Business Days after the expiry of the above-mentioned period of 25 trading days, and shall apply to each Subscription effected thereafter.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe, Subscription shall only be effected on a preliminary basis. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

If the Company's share capital is reduced through redemption of shares with repayment to the shareholders, where such reduction is not compulsory, but where, in the opinion of the Company, the reduction, due to its technical structure and its financial effects, is equivalent to a compulsory reduction, the recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe shall be made, to the greatest extent possible, in accordance with the principles stated above in this sub-section H.

If the Company's shares, at the time of the reduction of share capital, are not subject to a Market Quotation, a corresponding recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe shall take place. The recalculation, which shall be made by the Company, shall be based on the assumption that the value of the Warrants shall remain unchanged.

I Recalculation shall give a reasonable result

Should the Company take actions such as those stated in sub-sections A-E, G or H above and if, in the Company's opinion, application of the recalculation formula established for such action, taking into account the technical framework of such action or for other reasons, could not be made or would result in the Warrant Holders receiving, in relation to the shareholders, economic compensation that is not reasonable, the Company shall, subject to prior written approval by the Board of Directors of the Company, make the recalculation of the Subscription Price, and the number of shares for which each Warrant entitles the holder to subscribe, in such a manner as the Company determines is appropriate to ensure that the recalculation gives a reasonable result.

J Rounding off

On recalculation of the Subscription Price in accordance with the above, the Subscription Price shall be rounded off to the nearest ten öre, for which purposes five öre shall be rounded downwards and the number of shares shall be rounded off to two decimal places.

K Mergers

Where the general meeting adopts a resolution to approve a merger plan pursuant to Chapter 23, section 15 of the Companies Act, pursuant to which the Company is to be merged into another company or where the Board of Directors adopts a resolution pursuant to Chapter 23, section 28 of the Companies Act adopts a resolution that the Company be merged into its parent company, the Warrant Holders shall receive rights in the acquiring company corresponding at least to the rights held in the Company (the transferor company), unless, pursuant to the merger plan, the Warrant Holders are entitled to demand redemption of their Warrants by the acquiring company.

L Division

Where the general meeting adopts a resolution to approve a division plan pursuant to Chapter 24, section 17 of the Companies Act, pursuant to which a proportion of the assets and liabilities of the Company are taken over by two or more other companies, a recalculated subscription price and a recalculated number of shares for which each Warrant entitles the Warrant Holder to subscribe shall be calculated. The provisions of sub-section G regarding Extraordinary Dividend shall then apply *mutatis mutandis*. The recalculation shall be based on the proportion of the assets and liabilities of the Company that are taken over by the transferee company or companies.

Where all assets and liabilities of the companies are taken over by two or more other companies, on paying consideration to the shareholders of the Company, the provisions of sub-section M below regarding liquidation shall apply *mutatis mutandis*. Inter alia, this means that the right to demand Subscription shall terminate simultaneously with the registration in accordance with Chapter 24, section 27 of the Companies Act and that the Warrant Holder shall be notified no later than four weeks before the division plan shall be submitted for approval to the general meeting.

M Liquidation

If it is resolved that the Company be put into liquidation, for whatever reason, Subscription may not take place thereafter. The right to demand Subscription shall terminate simultaneously with the adoption of the resolution to put the Company in liquidation, irrespective of whether such resolution has become final.

Not later than four weeks prior to the adoption of a resolution by a general meeting in respect of whether or not the Company should be put into liquidation in accordance with Chapter 25 of the Companies Act, the Warrant Holders shall be notified with respect to the planned liquidation in accordance with section 10 below. The notice shall state that subscription may not take place following the adoption of the resolution in respect of liquidation.

If the Company gives notice of a planned liquidation pursuant to the above, the Warrant Holders shall, notwithstanding the provisions of section 4 in respect of the earliest date for application for Subscription, be entitled to apply for Subscription commencing on the day on which the notice is given, provided that Subscription may be effected not later than prior to the general meeting at which the resolution regarding the liquidation of the Company shall be addressed.

Notwithstanding the provisions above pursuant to which Subscription may not take place after the adoption of a resolution regarding liquidation, the right to subscribe shall be reinstated in the event the liquidation is not carried out.

N Insolvent liquidation

If the Company is put into insolvent liquidation, Subscription may not take place through the exercise of Warrants. Where, however, the decision to put the Company into insolvent liquidation is set aside by a higher court, subscription rights shall be reinstated.

9 Nominees

According to Chapter 3 section 7 of the Financial Instruments Accounts Act (SFS 1998:1479), a legal entity shall be entitled to be registered as nominee. Such a nominee shall be regarded as a Warrant Holder for the purposes of the application of these terms and conditions.

10 Notices

Notices relating to these Warrant Terms and Conditions shall be provided to each Warrant Holder and any other rights holders registered in Securities Accounts.

11 Right to represent Warrant Holders

The Bank shall be entitled to represent Warrant Holders in matters of a formal nature concerning the Warrants without special authorisation from the Warrant Holders.

12 Amendments to terms and conditions

The Company shall be entitled, in consultation with the Bank, to amend the terms and conditions of the Warrants to the extent required by legislation, decisions of courts of law or decisions of governmental authorities or where otherwise, in the Company's opinion, such is necessary or expedient for practical reasons and provided that the rights of the Warrant Holders are in no way prejudiced.

13 Confidentiality

The Company and VPC may not, without authorisation, disclose information regarding the Warrant Holders to any third party. The Company shall have access to information contained in the register of warrants held by VPC which sets out the persons registered as holders of Warrants.

14 Limitation of liability

In respect of measures which it is incumbent on the Company, VPC or the Bank to take in accordance with the terms and conditions of the Warrants, taking into considearation the provisions of the Financial Instruments Accounts Act (SFS 1998:1479), neither the Company, VPC nor the Bank shall be liable for loss which arises as a consequence of Swedish or foreign legislation, the actions of Swedish or foreign governmental authorities, acts of war, strikes, blockades, boycotts, lockouts, or other similar circumstances. The reservation in respect of strikes, blockade, boycotts, and lockouts shall apply notwithstanding that the Company, VPC or the Bank is itself the subject of, or effects, such measures.

Nor shall VPC be liable for loss which arises under other circumstances provided VPC has duly exercised normal caution. The Company and the Bank shall also enjoy a corresponding limitation of liability. In addition, under no circumstances shall the Company or the Bank be liable for indirect loss.

If the Company, VPC or the Bank is unable to perform its obligations as a consequence of a circumstance specified in the first paragraph, such performance may be postponed until such time as the cause for the impediment has terminated.

15 Applicable law and forum

The Warrants, and all legal issues related to the Warrants, shall be determined and interpreted in accordance with Swedish law. Legal proceedings relating to the Warrants shall be brought before the Stockholm District Court or such other forum as is accepted in writing by the Company.