

Translation of Minutes of the Annual General Meeting of shareholders of Tele2 AB (publ), reg. no 556410-8917, 24 May 2016 at Hotel Rival in Stockholm.

Time: 10.00 a.m. – 12.40 p.m.

Present: Shareholders and proxy holders, Appendix 1, stating the number of shares and votes. Furthermore, noted as present were the Chairman of the Board Mike Parton, the Board members Lorenzo Grabau (also the Chairman of the Nomination Committee), Irina Hemmers, Erik Mitteregger, Eamonn O'Hare and Carla Smits-Nusteling, the proposed new Board members Sofia Arhall Bergendorff, Georgi Ganeev and Cynthia Gordon, the Company and Group CEO Allison Kirkby, Group CFO Lars Nordmark and the auditor-in-charge Thomas Strömberg.

§ 1

Opening of the Annual General Meeting (agenda item 1)

Mike Parton opened the Annual General Meeting and welcomed the shareholders.

§ 2

Election of Chairman of the Annual General Meeting (agenda item 2)

The Meeting elected Wilhelm Lüning, member of the Swedish Bar Association, as Chairman of the Meeting, in accordance with the Nomination Committee's proposal.

The Chairman informed that Caroline Fellenius-Omnell, Group Legal Counsel, had been appointed to act as minutes keeper at the Meeting, that the Meeting was simultaneously interpreted, that an audio recording for internal use was made and that other audio or video recording was not permitted.

The Chairman informed the Meeting on the voting procedures with electronic voting devices and that he intended to use the electronic voting devices on resolutions for which it would facilitate the voting procedure.

The Meeting resolved that shareholders who had not registered their shares for voting, invited guests, representatives of media and other persons who were not shareholders were entitled to attend the Meeting, but without the rights to address the Meeting or participate in the Meeting's resolution.

§ 3

Preparation and approval of the voting list (agenda item 3)

The Meeting approved the procedure for drawing up the voting list and that the list of shareholders who had given notice to attend and were present at the Meeting, Appendix 1, should be the voting list at the Meeting.

The Chairman informed that a number of shareholders that were represented at the Meeting had given special voting instructions regarding certain of the proposed resolutions, and that these instructions had been recorded in the electronic voting system. Furthermore, the Chairman informed that the voting instructions were available for review at the Meeting, if any shareholder so wished,

and that the voting instructions only should be recorded in the minutes in the event they would have an effect on the Meeting's resolutions.

§ 4

Approval of the agenda (agenda item 4)

The Meeting approved the proposed agenda of the Meeting, Appendix 2, which had been included in the notice to attend the Meeting.

The Chairman informed that the complete proposals of the Board and Nomination Committee had been included in the notice.

The statements and reports of the Board and the Nomination Committee, as well as the other documents to the Annual General Meeting, which had been held available in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, were presented.

§ 5

Election of one or two persons to check and verify the minutes (agenda item 5)

The Meeting elected Mats Enebrink, representing Första AP-fonden, and Åsa Nisell, representing Swedbank Robur fonder, to check and verify the minutes jointly with the Chairman of the Meeting.

§ 6

Determination of whether the Annual General Meeting had been duly convened (agenda item 6)

Notice to attend the Annual General Meeting had been made by way of an announcement in the Swedish Official Gazette on 21 April 2016 and by having made the notice to attend available on the company's website since 19 April 2016, and by the company having announced information that the notice had been made in Svenska Dagbladet on 21 April 2016.

The Chairman found that notice had been made in accordance with the provisions in the Swedish Companies Act and the Articles of Association.

The Meeting resolved to approve the notice procedure and declared the Meeting duly convened.

§ 7

Remarks by the Chairman of the Board (agenda item 7)

Mike Parton gave his remarks on the work of the Board and commented on the Board's proposals to the Meeting.

§ 8

Presentation by the Chief Executive Officer (agenda item 8)

Allison Kirkby presented the company's business and development.

§ 9

Presentation of annual report, auditor's report and the consolidated financial statements and the auditor's report on the consolidated financial statements (agenda item 9)

The Annual Report of the parent company and Group and Auditor's Report in respect parent company and the Group for 2015, were presented.

Auditor-in-charge Thomas Strömberg, Deloitte, reported on the audit work and thereafter commented on the Auditor's Report in respect of the parent company and the Group for 2015.

After the Chairman had opened for questions Nina Bönnelyche, representing Folksam and others, Åsa Nisell, representing Swedbank Robur fonder, Christoffer Ödmann, representing Aktiespararna and others, Thorwald Arvidsson, Gunnar Tjellström and Ackad Barsom asked questions. Their questions concerned, among other things, how Tele2 educates their employees and business partners in sustainability and follow up on the implementation of the company's sustainability and whistle blower policies, how Tele2 work to influence the authorities and Tele2's business partners in Kazakhstan to follow the UN principles for conducting business and human rights, on-going investments and joint ventures, the company's tax situation, shareholder's loans to Tele2 Kazakhstan as well as status in the on-going preliminary ruling in the EC court regarding certain data storage questions. The questions were answered by Mike Parton, Allison Kirkby, Lars Nordmark and Caroline Fellenius-Omnell.

§ 10

Resolution on the adoption of the income statement and the balance sheet and of the consolidated income statement and the consolidated balance sheet (agenda item 10)

The Meeting adopted the income statements for 2015 and balance sheets per 31 December 2015 for the parent company and the Group.

§ 11

Resolution on the proposed treatment of the Company's earnings as stated in the adopted balance sheet (agenda item 11)

The Chairman presented the Board's proposal regarding distribution of profits and noted that the Board had given a reasoned statement with respect to the distribution and that the company's auditor had approved the proposal.

The Meeting resolved, in accordance with the Board's proposal, that the unappropriated earnings at the Meeting's disposal should be distributed through a dividend of SEK 5.35 per share and that the remaining unappropriated earnings should be carried forward.

The Meeting further determined, in accordance with the Board's proposal, that the record date for entitlement to payment of dividend should be 26 May 2016.

The Chairman informed that the payment of dividend was expected to be paid out to the shareholders on or around 31 May 2016.

§ 12

Resolution on the discharge from liability for the Directors of the Board and the Chief Executive Officer (agenda item 12)

The Meeting discharged the Board and the Chief Executive Officer from liability for the management of the company and its affairs during the financial year 2015.

It was noted that the members of the Board and the Chief Executive Officer did not take part in the resolution and it was recorded that all shareholders attending the Meeting supported the resolution, except for those shareholders that had given special instructions for nor and abstain votes.

§ 13

Determination of the number of members of the Board (agenda item 13)

Lorenzo Grabau presented the Nomination Committee's motivated proposal regarding the Board.

The proposed Directors of the Board Sofia Arhall Bergendorff, Georgi Ganev and Cynthia Gordon presented themselves to the Meeting.

Thorwald Arvidsson asked a question regarding the shareholdings of the proposed Directors. The question was answered by Lorenzo Grabau.

The Meeting resolved that, for the period until the close of the next Annual General Meeting, the Board of Directors shall consist of eight members.

§ 14

Determination of the remuneration to the members of the Board and the auditor (agenda item 14)

The Chairman presented the Nomination Committee's proposals regarding remuneration to the Board and the auditor, which was that, a total remuneration of SEK 6,004,000 for work within the Board (of which SEK 724,000 for work within the committees of the Board) to be allocated as follows:

- SEK 1,430,000 to the Chairman of the Board and SEK 550,000 to each of the other seven members of the Board,
- SEK 210,000 to the Chairman of the Audit Committee and SEK 105,000 to each of the other three members, and
- SEK 79,000 to the Chairman of the Remuneration Committee and SEK 40,000 to each of the other three members.

Remuneration to the auditor was proposed to be paid in accordance with approved invoices.

The Meeting resolved in accordance with the proposal.

§ 15

Election of the members of the Board (agenda items 15(a)-(h))

The Chairman informed the Meeting of the assignments the proposed members of the Board held in other companies.

Arne Swahn asked a question regarding the composition of the Board. The question was answered by Lorenzo Grabau.

The Meeting voted, by electronic voting devices, on election of each one of the proposed members of the Board under items 15(a)-(h) and resolved in accordance with the proposal of the Nomination Committee to re-elect Lorenzo Grabau, Irina Hemmers, Eamonn O'Hare, Mike Parton and Carla Smits-Nusteling as Board members and elected Sofia Arhall Bergendorff, Georgi Ganev and Cynthia Gordon as new members of the Board.

The result of the counting of votes is presented in Appendix 3.

§ 16Election of the Chairman of the Board (agenda item 16)

In accordance with the Nomination Committee's proposal the Meeting re-elected Mike Parton as Chairman of the Board.

§ 17Determination of the number of auditors and election of auditor (agenda item 17)

The Meeting resolved, in accordance with the proposal from the Nomination Committee, that the company shall have a registered accounting firm as auditor and to re-elect the registered accounting firm Deloitte as the company's auditor for the period until the close of the 2017 Annual General Meeting.

It was noted that Thomas Strömberg will continue as auditor-in-charge and that the length of the term is conditional on the Meeting resolving to amend the Articles of Association regarding the term of the auditor from four (4) years to one (1) year in accordance with the Board's proposal under agenda item 22.

§ 18Approval of the procedure of the Nomination Committee (agenda item 18)

The Chairman presented the main terms of the Nomination Committee's proposal in respect of approval of the procedure of the Nomination Committee.

Thorwald Arvidsson proposed that the Nomination Committee's proposal should be complemented with the following: "When fulfilling its assignment, the Nomination Committee shall pay particular attention to issues related to gender and ethnicity."

After the Nomination Committee's proposal was put against Thorwald Arvidsson's proposal, the Chairman noted that the Meeting resolved in accordance with the Nomination Committee's proposal in Appendix 4 regarding the procedure of the Nomination Committee.

Thorwald Arvidsson made a reservation against the resolution.

§ 19Resolution regarding guidelines for remuneration to senior executives (agenda item 19)

The Chairman of the Remuneration Committee, Lorenzo Grabau, presented the Board's proposal to resolve on (i) guidelines for remuneration to senior executives, and (ii) incentive plan.

Christoffer Ödmann, representing Aktiespararna and others, asked a question regarding the structure and the level of the remuneration to the Group CEO. The question was answered by Mike Parton and Lorenzo Grabau.

The Chairman noted that the auditor had made a statement that the guidelines that the previous Annual General Meetings resolved on had been followed by the company.

The Meeting resolved in accordance with the proposal, Appendix 5, regarding guidelines for remuneration to senior executives.

§ 20

Resolution regarding incentive programme (agenda items 20(a)-(d))

The Meeting voted, by electronic voting devices, jointly on the proposals in agenda items 20(a)-(d) and resolved with more than nine-tenths of both the votes cast and the shares represented at the Meeting, in accordance with the proposal in Appendix 6, to (a) adopt an incentive plan, (b) authorise the Board to resolve on issue of Class C-shares, (c) authorise the Board to resolve on repurchase of own Class C-shares, and (d) transfer of own Class B-shares to the participants in accordance with the terms under the incentive plan.

The result of the counting of votes is presented in Appendix 3.

§ 21

Resolution to authorise the Board of Directors to resolve on repurchase of own shares (agenda item 21)

The Chairman presented the main terms of the Board's proposal to authorise the Board to resolve on repurchase of own shares and further noted that the Board had given a reasoned statement regarding the repurchase proposal.

The Meeting voted, by electronic voting devices, and resolved with more than two-thirds of the votes cast and the shares represented at the Meeting, in accordance with the Board's proposal in Appendix 7 to authorise the Board to resolve on repurchase of own shares.

Christoffer Ödmann, representing Aktiespararna and others, made a reservation against the resolution.

The result of the counting of votes is presented in Appendix 3.

§ 22

Resolution regarding amendments of the Articles of Association (agenda item 22)

The Meeting resolved, with more than two-thirds of the votes cast and the shares represented at the Meeting, in accordance with the Board's proposal in Appendix 8 regarding amendments to the Articles of Association.

The new Articles of Association are set out in Appendix 9.

The result of the counting of votes is presented in Appendix 3.

§ 23

Resolution on proposals from shareholder Thorwald Arvidsson (agenda items 23(a)-(q))

The Chairman presented the main content of the proposals from Thorwald Arvidsson.

The Meeting resolved to reject Thorwald Arvidsson's proposals. The Meeting voted, by electronic voting devices, on agenda items 23(k), (m) and (p).

The result of the counting of votes is presented in Appendix 3.

Thorwald Arvidsson made a reservation against all resolutions.

§ 24Resolution on proposal from shareholder Karolis Stasiukynas (agenda item 24)

Karolis Stasiukynas commented on his proposal.

The Meeting resolved to reject Karolis Stasiukynas' proposal.

§ 25Resolution on proposal from shareholder Martin Green (agenda item 25)

The Chairman noted that the shareholder Martin Green was not present at the Meeting. Following a request from Thorwald Arvidsson Martin Green's proposal was presented to the Meeting

The Meeting resolved to reject Martin Green's proposal.

§ 26Closing of the Annual General Meeting (agenda item 26)

The Chairman declared the Annual General Meeting closed.

At the minutes:

Caroline Fellenius-Omnell

Minutes checkers:

Wilhelm Lüning

Mats Enebrink

Åsa Nisell

PROPOSED AGENDA

1. Opening of the Annual General Meeting.
2. Election of Chairman of the Annual General Meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to check and verify the minutes.
6. Determination of whether the Annual General Meeting has been duly convened.
7. Remarks by the Chairman of the Board.
8. Presentation by the Chief Executive Officer.
9. Presentation of the annual report, the auditor's report and the consolidated financial statements and the auditor's report on the consolidated financial statements.
10. Resolution on the adoption of the income statement and the balance sheet and of the consolidated income statement and the consolidated balance sheet.
11. Resolution on the proposed treatment of the company's earnings as stated in the adopted balance sheet.
12. Resolution on the discharge of liability for the members of the Board and the Chief Executive Officer.
13. Determination of the number of members of the Board.
14. Determination of the remuneration to the members of the Board and the auditor.
15. Election of Board members;
 - (a) Lorenzo Grabau (re-election, proposed by the Nomination Committee).
 - (b) Irina Hemmers (re-election, proposed by the Nomination Committee).
 - (c) Eamonn O'Hare (re-election, proposed by the Nomination Committee).
 - (d) Mike Parton (re-election, proposed by the Nomination Committee).
 - (e) Carla Smits-Nusteling (re-election, proposed by the Nomination Committee).
 - (f) Sofia Arhall Bergendorff (new election, proposed by the Nomination Committee).
 - (g) Georgi Ganev (new election, proposed by the Nomination Committee).
 - (h) Cynthia Gordon (new election, proposed by the Nomination Committee).
16. Election of the Chairman of the Board.
17. Determination of the number of Auditors and election of Auditor.
18. Approval of the procedure of the Nomination Committee.
19. Resolution regarding guidelines for remuneration to senior executives.
20. Resolution regarding a long-term incentive plan, including the following resolutions:
 - (a) adoption of an incentive programme;
 - (b) authorisation to resolve on new issue of Class C shares;
 - (c) authorisation to resolve on repurchase of own Class C shares; and
 - (d) transfer of own Class B shares.
21. Resolution to authorise the Board to resolve on repurchase of own shares.
22. Resolution regarding amendments of the Articles of Association.

23. Resolutions regarding shareholder Thorwald Arvidsson's proposals (a)-(q).
24. Resolutions regarding shareholder Karolis Stasiukynas' proposal.
25. Resolutions regarding shareholder Martin Green's proposal.
26. Closing of the Annual General Meeting.

Results from counting of votes

Election of Board members (agenda items 15(a)-(h))

Board member	Number of votes in favour
Lorenzo Grabau	432,530,716
Irina Hemmers	436,428,740
Eamonn O'Hare	435,725,400
Mike Parton	436,895,593
Carla Smits-Nusteling	436,302,399
Sofia Arhall Bergendorff	436,868,072
Georgi Ganev	436,848,962
Cynthia Gordon	436,597,519

Resolutions regarding a long-term incentive plan (agenda items 20(a)-(d))

99,884 per cent of the votes cast and 99,612 per cent of the shares represented voted in favour of the proposals.

Resolution to authorise the Board to resolve on repurchase of own shares (agenda item 21)

99,917 per cent of the votes cast and 99,681 per cent of the shares represented voted in favour of the proposal.

Resolution regarding amendments to the Articles of Association (agenda item 22)

99,948 per cent of the votes cast and 99,733 per cent of the shares represented voted in favour of the proposal.

Proposal from Thorwald Arvidsson (agenda item 23(k))

99,998 per cent of the votes cast and 99,996 per cent of the shares represented voted and 95,24 per cent of all shares of Class A and 100 per cent of the represented shares of Class A voted in favour of rejecting the proposal.

Proposal from Thorwald Arvidsson (agenda item 25(m))

99,999 per cent of the votes cast and 99,998 per cent of the shares represented voted in favour of rejecting the proposal.

Proposal from Thorwald Arvidsson (agenda item 25(p))

0,004 per cent of the votes cast and 0,002 per cent of the shares represented voted in favour of the proposal.

Approval of the procedure of the Nomination Committee (item 18)

The Nomination Committee proposes that the work of preparing proposals to the 2017 Annual General Meeting regarding the Board and auditor, in the case that an auditor should be elected, and their remuneration, Chairman of the Annual General Meeting and the procedure for the Nomination Committee shall be performed by a Nomination Committee.

The Nomination Committee will be formed during September 2016 in consultation with the largest shareholders of the company as per 31 August 2016. The Nomination Committee will consist of at least three members appointed by the largest shareholders of the company who have wished to appoint a member. The Chairman of the Board will be a member of the Committee and will also act as its convenor. The members of the Committee will appoint the Committee Chairman at their first meeting.

The Nomination Committee is appointed for a term of office commencing at the time of its formation in September 2016 and ending when a new Nomination Committee is formed. If a member resigns during the Committee term, the Nomination Committee may choose to appoint a new member. The shareholder that appointed the resigning member shall in such case be asked to appoint a new member, provided that the shareholder still is one of the largest shareholders in the company. If that shareholder declines participation on the Nomination Committee, the Committee may choose to ask the next largest qualified shareholder to participate. In the event of changes to the ownership structure of the company, the Committee may choose to amend its composition in order to ensure that the Committee appropriately reflects the ownership of the company. However, unless there are special circumstances, the composition of the Nomination Committee may remain unchanged following changes in the ownership structure of the company that are either minor or occur less than three months prior to the 2017 Annual General Meeting.

The Nomination Committee shall have the right to upon request receive personnel resources such as secretarial services from the company, and to charge the company with costs for recruitment consultants and related travel if deemed necessary.

Guidelines for remuneration to senior executives (item 19)

The Board proposes the following guidelines for determining remuneration for senior executives.

The objectives of Tele2's remuneration guidelines are to offer competitive remuneration packages to attract, motivate, and retain key employees within the context of an international peer group. The aim is to create incentives for the management to execute strategic plans and deliver excellent operating results, and to align management's incentives with the interests of the shareholders. Senior executives covered by the proposed guidelines include the CEO and members of the Leadership Team ("**senior executives**").

Remuneration to the senior executives should comprise annual base salary, and variable short-term incentive (STI) and long-term incentive (LTI) programs. The STI shall be based on the performance in relation to established objectives. The objectives shall be related to the company's overall result and the senior executives' individual performance. The STI can amount to a maximum of 100 percent of the annual base salary.

Over time, it is the intention of the Board to increase the proportion of variable performance-based compensation as a component of the senior executives' total compensation.

Other benefits may include e.g. company car and for expatriated senior executives e.g. housing benefits for a limited period of time. The senior executives may also be offered health care insurances.

The senior executives are offered defined contribution pension plans. Defined contributions for pensions to the CEO can amount to a maximum of 25 percent of the annual salary (base salary and STI). For the other senior executives defined contributions for pensions can amount to a maximum of 20 percent of the senior executive's annual salary (base salary and STI).

The maximum 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 12 months for any of the other senior executives.

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

Board members, elected at General Meetings, may in certain cases receive a fee for services performed within their respective areas of expertise, outside of their Board duties. Compensation for these services shall be paid at market terms and be approved by the Board.

In accordance with the Swedish Corporate Governance Code the Remuneration Committee within the Board monitors and evaluates the application of the guidelines for remuneration to the senior executives established by the Annual General Meeting. Also, the company's auditor has, pursuant to Ch 8 Sec 54 of the Companies Act (2005:551), provided a statement with respect to whether there has been compliance with the guidelines for remuneration to the senior executives which have been applied during 2015. The Remuneration Committee's evaluation and the auditor's review states that Tele2 during 2015 has complied with the guidelines for remuneration which has been adopted by the Annual General Meeting.

Incentive programme (items 20(a)-(d))

The Board proposes that the Annual General Meeting resolves to adopt a retention and performance based incentive programme in accordance with items 20(a)-(d) below. Since the resolutions are conditional upon each other they are proposed to be adopted in connection with each other.

Adoption of an incentive programme (item 20(a))

Summary of the programme

The Board proposes that the Annual General Meeting resolves to adopt a retention and performance based incentive programme (the "**Plan**"), based on the same structure as last year. The Plan is proposed to include in total approximately 200 senior executives and other key employees within the Tele2 group. The participants in the Plan are required to hold Tele2 shares. These shares can either be shares already held or shares purchased on the market in connection with the notification to participate in the Plan. The participants will thereafter be granted free of charge retention and performance rights on the terms stipulated below.

In the event delivery of shares under the Plan cannot be achieved at reasonable costs, with reasonable administrative efforts or due to market conditions, participants may instead be offered a cash-based settlement.

The rationale for the proposal

The objective of the proposed Plan is to create conditions for retaining competent employees in the Tele2 group. The Plan has been designed based on the view that it is desirable that senior executives and other key employees within the group are shareholders in the company. Participation in the Plan requires a personal investment in Tele2 shares, be it shares already held or shares purchased on the market in connection the application to participate in the Plan.

By offering an allotment of performance rights which are based on profits and other retention and performance based conditions, the participants are rewarded for increased shareholder value. Further, the Plan rewards employees' loyalty and long-term value growth in the company. Against this background, the Board is of the opinion that the adoption of the Plan will have a positive effect on the Tele2 group's future development and thus be beneficial for both the company and its shareholders.

Personal investment

In order to participate in the Plan, the employees have to own Tele2 shares. These shares can either be shares already held, provided that the shares are not used as investment shares under the equity-related incentive programmes for the years 2014 or 2015, or shares purchased on the market in connection with notification to participate in the Plan. The maximum number of shares that the employee can hold under the Plan will correspond to approximately 8-13 per cent of the employee's annual base salary as further described below. For each Tele2 share held under the Plan, the participants will be granted retention and performance rights by the company.

General terms and conditions

Subject to fulfilment of certain retention and performance based conditions during the period 1 April 2016 – 31 March 2019 (the "**Measurement Period**") and the participant maintaining at the release of the interim report January – March 2019 the invested shares and, with certain exceptions, the employment within the Tele2 group, each right entitles the participant to receive one Tele2 Class B share. The retention and performance rights do not entitle the holder to receive dividends, but in order to align the participants' and the shareholders' interests, the company will compensate the participants for any dividends paid on the underlying share during the Measurement Period by increasing the number of shares that each retention and performance right entitles to at the end of the vesting period. It should be noted that the participants in the Plan will not be compensated for dividend proposed at the Annual General Meeting 2016.

Retention and performance conditions

The rights are divided into Series A (retention rights) and Series B and C (performance rights). The number of Class B shares the respective participant will receive after vesting depends on which category the participant belongs to and on the fulfilment of the following defined retention and performance based conditions:

Series A The total shareholder return on the Tele2 share (TSR) during the Measurement Period exceeding 0 per cent as entry level.

Series B Tele2's average normalised return of capital employed (ROCE) during the Measurement Period being at least 5.5 per cent as entry level and at least 8 per cent as the stretch target.

Series C The total shareholder return on the Tele2 shares (TSR) during the Measurement Period being equal to the median TSR for a peer group comprising Elisa, Iliad, Millicom International Cellular, TalkTalk Telecom Group, Telenor, TeliaSonera and TDC as entry level, and exceeding the median TSR for the peer group with 10 percentage points as the stretch target.

The determined levels of the conditions include an "entry" level and a "stretch" target with a linear interpolation applied between those levels as regards the number of rights that vest. The entry level constitutes the minimum level which must be reached in order to enable vesting of the rights in the relevant series. If the entry level is reached, the number of rights that vests and give right to Class B shares is proposed to be 100 per cent for Series A, 20 per cent for Series B and 50 per cent for Series C. If the entry level is not reached for a certain series, all retention or performance rights (as applicable) in that series lapse. If stretch target for Series B and Series C is met, all retention or performance rights (as applicable) vest in the relevant series. The Board intends to disclose the outcome of the retention and performance based conditions in the annual report for the financial year 2019.

Retention and performance rights

The retention and performance rights shall be governed by the following terms and conditions:

- Granted free of charge after the Annual General Meeting 2016.
- Vest three years after grant (vesting period).
- May not be transferred or pledged.
- Each right entitles the participant to receive one Tele2 Class B share after the three year vesting period, if the participant, with certain exceptions, maintains the employment within the Tele2 group and the invested shares at the release of the interim report for the period January – March 2019.
- In order to align the participants' and the shareholders' interests, the company will compensate the participants for any dividends paid by increasing the number of Class B shares that each retention and performance right entitles to at the end of the vesting period. It can be noted that the participants in the Plan will not be compensated for dividend proposed at the Annual General Meeting 2016.

Preparation and administration

The Board, or a committee established by the Board for these purposes, shall be responsible for preparing the detailed terms and conditions of the Plan, in accordance with the mentioned terms and guidelines. To this end, the Board shall be entitled to make adjustments to meet foreign regulations or market conditions. The Board may also make other adjustments if significant changes in the Tele2 group or its operating environment would result in a situation where the decided terms and conditions of the Plan no longer serve their purpose. The Board's possibility to make such adjustments does not include the grant of continued participation for senior executives in the company's long-term incentive programmes after the termination of their respective employments.

Allocation

In total, the Plan is estimated to comprise up to 319,500 Tele2 shares held by the participants entitling to allotment of up to 1,512,000 rights whereof 319,500 retention rights and 1,192,500 performance rights. The participants are divided into different categories and in accordance with the above, the Plan will comprise the following number of shares and maximum number of rights for the different categories:

- the CEO: may acquire up to 10,000 shares within the Plan, entitling the holder to allotment of 1 Series A right and 4.5 rights each of Series B and C per invested share, which entitles the holder to receive a maximum of 10,000 Series A rights and 45,000 rights each of Series B and C;
- senior executives and certain key employees (approximately 8 individuals) are divided into two subcategories where category (i) (approximately 4 individuals) may acquire up to 7,500 shares each within the Plan, entitling the holder to allotment of 1 Series A right and 3.5 rights each of Series B and C per invested share, which entitles the holder to receive a maximum of 7,500 Series A rights and 26,250 rights each of Series B and C. Category (ii) (approximately 4 individuals) may acquire up to 4,500 shares each within the Plan, entitling the holder to allotment of 1 Series A right and 3 rights each of Series B and C per invested share, which entitles the holder to receive a maximum of 4,500 Series A rights and 13,500 rights each of Series B and C;
- category 1 (approximately 44 individuals in total): may acquire up to 2,000 shares each within the Plan, entitling the holder to allotment of 1 Series A right and 1.5 rights each of Series B and C per invested share, which entitles the holder to receive a maximum of 2,000 Series A rights and 3,000 rights each of Series B and C;
- category 2 (approximately 53 individuals in total): may acquire up to 1,500 shares each within the Plan, entitling the holder to allotment of 1 Series A right and 1.5 rights each of Series B and C per invested share, which entitles the holder to receive a maximum of 1,500 Series A rights and 2,250 rights each of Series B and C; and
- category 3 (approximately 94 individuals in total): may acquire up to 1,000 shares each within the Plan, entitling the holder to allotment of 1 Series A right and 1.5 rights each of Series B and C per invested share, which entitles the holder to receive a maximum of 1,000 Series A rights and 1,500 rights each of Series B and C.

Scope and costs of the Plan

The Plan will be accounted for in accordance with IFRS 2 which stipulates that the rights should be recorded as a personnel expense in the income statement during the vesting period. Based on the assumptions of a share price of SEK 69.95 (closing share price of the Tele2 Class B shares on 31 March 2016 of SEK 75.30 less deduction for the proposed dividend of SEK 5.35 per share), a maximum participation, an annual employee turnover of 7 per cent among the participants of the Plan, an average fulfilment of performance conditions of approximately 50 per cent, and full vesting of retention rights, the cost for the Plan, excluding social security costs, is estimated to approximately SEK 47 million. The cost will be allocated over the years 2016-2019. At a 100 per cent fulfilment of the performance conditions the cost is approximately SEK 60 million.

Social security costs will also be recorded as a personnel expense in the income statement by current reservations. The social security costs are estimated to around SEK 28 million with the assumptions above (approximately SEK 43 million at a 100 per cent fulfilment of the performance conditions), an average social security tax rate of 33 per cent and an annual share price increase for Tele2's Class B shares of 10 per cent during the vesting period.

The participant's maximum profit per right in the Plan is limited to SEK 256, which equals four times the average closing share price of the Tele2 Class B shares during February 2016 with deduction for

the proposed dividend. If the value of the Tele2 Class B shares exceeds SEK 256 at vesting, the number of Class B shares that each right entitles the participant to receive will be reduced correspondingly. The maximum dilution is up to 0.41 per cent of outstanding shares, 0.29 per cent of votes and 0.24 per cent in terms of costs for the Plan as defined in IFRS 2 divided by Tele2's market capitalisation, excluding the dividend proposed to the Annual General Meeting 2016. Together with rights granted under the shares based incentive programmes for the years 2013, 2014 and 2015, the maximum dilution is up to 1.00 per cent of outstanding shares and 0.71 per cent of votes.

If the maximum profit of SEK 256 per right is reached, all invested shares are retained under the Plan and a fulfilment of the performance conditions of 100 per cent, the maximum cost of the Plan as defined in IFRS 2 is approximately SEK 74 million and the maximum social security cost is approximately SEK 128 million.

For information on Tele2's other equity-related incentive programmes, reference is made to the annual report for 2015, note 33.

Effect on key ratios

If the Plan had been introduced in 2015 with the assumptions above, the impact on basic earnings per share would have resulted in a dilution of 0.8 per cent or from SEK 2.82 to SEK 2.80 on a pro forma basis.

The annual cost of the Plan including financing costs and social charges is estimated to approximately SEK 26 million given the above assumptions. This cost can be related to the company's total personnel costs, including social charges, of SEK 3,417 million in 2015.

Delivery of shares under the Plan

To ensure the delivery of Tele2 Class B shares under the Plan as well as other outstanding equity-related incentive programmes, the Board proposes that the Annual General Meeting resolves to authorise the Board to resolve on a directed issue of Class C shares to Nordea Bank AB (publ) in accordance with item 20(b), and further to authorise the Board to subsequently resolve to repurchase the Class C shares from Nordea Bank AB (publ) in accordance with item 20(c). The Class C shares will then be held by the company, whereafter the appropriate number of Class C shares will be reclassified into Class B shares and subsequently be delivered to the participants under the Plan as well other outstanding equity-related incentive programmes.

The Board further proposes that the Annual General Meeting resolves that a maximum of 1,820,000 Class B shares may be transferred to the participants in accordance with the terms of the Plan. These shares can either be Class B treasury shares held by the company or Class B shares held by the company after reclassification from Class C shares.

Preparation

Tele2's Remuneration Committee has prepared this Plan in consultation with external advisors and major shareholders. The Plan has been reviewed by the Board at board meetings during the end of 2015 and the first months of 2016.

The above proposal is supported by major shareholders.

Authorisation to issue Class C shares (item 20(b))

The Board proposes that the Annual General Meeting resolves to authorise the Board, during the period until the Annual General Meeting 2017, to increase the company's share capital by not more than SEK 2,275,000 by the issue of not more than 1,820,000 Class C shares, each with a ratio value of SEK 1.25. With disapplication of the shareholders' preferential rights, Nordea Bank AB (publ) shall be entitled to subscribe for the new Class C shares at a subscription price corresponding to the ratio value of the shares. The purpose of the authorisation and the reason for the disapplication of the shareholders' preferential rights in connection with the issue of shares is to ensure delivery of Class B shares to participants under the Plan.

Authorisation to resolve to repurchase own Class C shares (item 20(c))

The Board proposes that the Annual General Meeting resolves to authorise the Board, during the period until the Annual General Meeting 2017, to repurchase its own Class C shares. The repurchase may only be effected through a public offer directed to all holders of Class C shares and shall comprise all outstanding Class C shares. The purchase may be effected at a purchase price corresponding to not less than SEK 1.25 and not more than SEK 1.35 per share. Payment for the Class C shares shall be made in cash. The purpose of the repurchase is to ensure the delivery of Class B shares under the Plan.

Resolution on the transfer of own Class B shares (item 20(d))

The Board proposes that the Annual General Meeting resolves that Class C shares that the company purchases by virtue of the authorisation to repurchase its own Class C shares in accordance with item 20(c) above, following reclassification into Class B shares, may be transferred to participants in the Plan as well as participants in other outstanding equity-related incentive programmes in accordance with the approved terms.

The Board further proposes that the Annual General Meeting resolves that a maximum of 1,820,000 Class B shares may be transferred to participants in accordance with the terms of the Plan. These shares can either be Class B treasury shares held by the company or Class B shares held by the company after reclassification from Class C shares.

Authorisation for the Board to resolve on repurchase of own shares (item 21)

The Board proposes that the Board is authorised to pass a resolution on repurchasing the company's own shares if the purpose is to retire shares through a decrease of the share capital in accordance with the following conditions:

- The repurchase of Class A and/or Class B shares shall take place on Nasdaq Stockholm in accordance with Nasdaq Stockholm's rules regarding purchase of own shares.
- The repurchase of Class A and/or Class B shares may take place on one or more occasions for the period up until the next Annual General Meeting.
- So many Class A and/or Class B shares may, at the most, be repurchased so that the company's holding does not at any time exceed 10 percent of the total number of shares in the company.
- The repurchase of Class A and/or Class B shares at Nasdaq Stockholm 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.
- It is the from time to time lowest-priced, available, shares that shall be repurchased by the company.
- Payment for the shares shall be in cash.

The purpose of the authorisation is to give the Board flexibility to continuously decide on changes to the capital structure during the year and thereby contribute to increased shareholder value.

The Board shall be able to resolve that repurchase of own shares shall be made within a repurchase program in accordance with the Commission's Regulation (EC) no 2273/2003, if the purpose of the authorisation and the repurchase only is to decrease the company's share capital.

Amendment of the Articles of Association (item 22)

The Board proposes amendments to the Articles of Association. The proposed amendments comprise that it is clarified that the company shall have a registered accounting firm as auditor, the auditor's term of office is changed from four (4) to one (1) year and certain adjustments of the Articles of Association due to changed legislation.

*Current wording**Proposed wording***§ 7**

The Company shall *have no more than three Auditors, with no more than the same number of Deputy Auditors, or a registered accounting firm.* The Auditors term of office shall last until the end of the Annual General Meeting which is held *during the fourth financial year after the Auditor was elected.*

The Company shall *as Auditor have no less than one and no more than three registered accounting firms.* The Auditors term of office shall last until the end of the *first* Annual General Meeting which is held *after the year the Auditor was appointed.*

§ 10

To be entitled to participate in a general meeting, shareholders must be recorded in a print-out or another presentation of the complete share register relating to the circumstances as of five business days before the meeting, and give notice to the company no later than *1 p.m.* on the day stipulated in the notice of the meeting. This day may not be a Sunday, another public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve, and may not fall before the fifth business day prior to the meeting.

To be entitled to participate in a general meeting, shareholders must be recorded in a print-out or another presentation of the complete share register relating to the circumstances as of five business days before the meeting, and give notice to the company no later than on the day stipulated in the notice of the meeting. This day may not be a Sunday, another public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve, and may not fall before the fifth business day prior to the meeting.

§ 11

The shareholder or nominee who on the record date is registered in the share register and in a central securities depository register pursuant to Chapter 4 of the Financial Instruments Accounts Act (1998:1479) or any person who is registered in a central securities depository account pursuant to Chapter 4, Section 18 first paragraph 6-8 of the mentioned Act, shall be deemed to be authorised to exercise the rights set out in Chapter 4, Section 39 of the Companies Act (2005:551).

The shareholder or nominee who on the record date is registered in the share register and in a central securities depository register pursuant to Chapter 4 of the *Central Securities Depositories and* Financial Instruments Accounts Act (1998:1479) or any person who is registered in a central securities depository account pursuant to Chapter 4, Section 18 first paragraph 6-8 of the mentioned Act, shall be deemed to be authorised to exercise the rights set out in Chapter 4, Section 39 of the Companies Act (2005:551).

Articles of Association
Tele2 AB, reg. no 556410-8917

Adopted by the Annual General Meeting on 24 May 2016

N.B. This is an in-house translation of the authorised Swedish Articles of Association and for convenience only.

§ 1

The registered name of the company is Tele2 AB. The company is a public company (publ).

§ 2

The registered office of the board of directors is in the Municipality of Stockholm.

§ 3

The primary objective of the company's operations shall be to generate profits for its shareholders. Moreover, the company shall provide services and technical expertise, broadcast and transmit radio and television programmes and carry out related operations. Furthermore, the company shall send and transmit telephony carried by radio waves and cable and carry out related operations. The company shall also be able to own and manage real property as well as shares and other chattels and carry out related operations. The company shall be entitled to give guarantees or other securities for undertakings entered into by another company in the same group.

§ 4

The company's share capital shall be not less than SEK 250,000,000 and not more than SEK 1,000,000,000.

The number of shares shall be not less than 400,000,000 and not more than 1,600,000,000.

§ 5

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 1,600,000,000, shares of Class B may be issued up to a maximum of 1,600,000,000 and Class C shares may be issued up to a maximum of 1,600,000,000. 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 1.00 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 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 1.00 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 registered.

Upon decision by the Board of Directors, Class C shares shall be reclassified into Class B shares, provided that the shares are held by the Company. 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.

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.

§ 6

The number of members of the board of directors shall amount to at least five and no more than nine members, with no more than the same number of deputies.

§ 7

The Company shall as Auditor have no less than one and no more than three registered accounting firms. The Auditors term of office shall last until the end of the first Annual General Meeting which is held after the year the Auditor was appointed.

§ 8

The company's financial year shall be the calendar year.

§ 9

Notice of a General Meeting of shareholders shall be published in the Official Swedish Gazette (Sw. Post- och Inrikes Tidningar) as well as on the company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Svenska Dagbladet.

§ 10

To be entitled to participate in a general meeting, shareholders must be recorded in a print-out or another presentation of the complete share register relating to the circumstances as of five business days before the meeting, and give notice to the company no later than on the day stipulated in the notice of the meeting. This day may not be a Sunday, another public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve, and may not fall before the fifth business day prior to the meeting.

§ 11

The shareholder or nominee who on the record date is registered in the share register and in a central securities depository register pursuant to Chapter 4 of the Central Securities Depositories and Financial Instruments Accounts Act (1998:1479) or any person who is registered in a central securities depository account pursuant to Chapter 4, Section 18 first paragraph 6-8 of the mentioned Act, shall be deemed to be authorised to exercise the rights set out in Chapter 4, Section 39 of the Companies Act (2005:551).
