

CORPORATE GOVERNANCE STATEMENT

STATEMENT OF MATERIALITY AND SIGNIFICANT AUDIENCES

Telia Company AB is registered in Sweden and is bound by the Swedish Companies Act (2005:551). The act requires the Board of Directors to govern the company in a way that is profitable and creates value for its shareholders. It is Telia Company's firm belief that the best way of ensuring sustainable growth and profitability is integrating sustainable, responsible business practices into all parts of business and strategy, to create long term shared value for the company, its stakeholders and society.

Telia Company has adopted a stakeholder based approach to identify and manage the most material business aspects, including related risks and opportunities. The approach involves engaging with significant stakeholder groups to understand Telia Company's current and future impact on its stakeholders, the environment and society. Material aspects guide how Telia Company develops and drives its business strategy, including how the company contributes to the fulfillment of the UN Sustainable Development Goals. Telia Company monitors and discloses the progress on these material aspects through this combined Annual and Sustainability Report.

Significant stakeholder groups include:

- Shareholders and investors
- Consumers
- Business customers
- Employees
- Suppliers
- Society

The Annual General Meeting is the primary forum for shareholder engagement. Telia Company continuously engages with other stakeholder groups in many ways.

Telia Company is committed to a number of international guidelines on human rights, labor rights, anti-corruption and environmental responsibility. These include:

- The UN Universal Declaration of Human Rights
- The core conventions of the International Labour Organization (ILO)
- The OECD Guidelines for Multinational Enterprises
- The UN Global Compact
- The UN Guiding Principles on Business and Human Rights
- The Children's Rights and Business Principles

These guidelines form the foundation of the Code of Responsible Business Conduct which is approved by the Board. The requirements set by the Code, which go beyond legal compliance and apply to all employees, lay out how to engage with stakeholders in a way that ensures the highest degree of ethical business practices and behavior.

COMPLIANCE

This Corporate Governance Statement was adopted by the Board of Directors at its meeting on March 7, 2018. It was prepared according to the Swedish Corporate Governance Code and the Swedish Annual Reports Act and has been examined by the external auditors. The Statement presents an overview of Telia Company's corporate governance model and includes the Board's description of the internal control environment and risk management regarding financial reporting.

It is the opinion of the Board that Telia Company in all respects complied with the Swedish Corporate Governance Code during 2017.

Further, there was no infringement of applicable stock exchange rules and no breach of good practice on the securities market reported by the Nasdaq Stockholm Disciplinary Committee or the Swedish Securities Council.

Updated information required by the Swedish Corporate Governance Code is available at: www.teliacompany.com/en/about-the-company/corporate-governance/ (Information on the Telia Company website does not form part of this Statement)

GOVERNING BODIES

Telia Company's main governing bodies are:

- The Shareholders at the General Meeting
- The Board of Directors
- The CEO, assisted by Group Executive Management

SHAREHOLDERS

Telia Company is a Swedish public limited liability company and is bound by the Swedish Companies Act, the Nasdaq Stockholm Rule Book for Issuers, the Swedish Corporate Governance Code and the company's Articles of Association. The Annual General Meeting is the company's highest decision-making forum where the owners exercise their shareholder power.

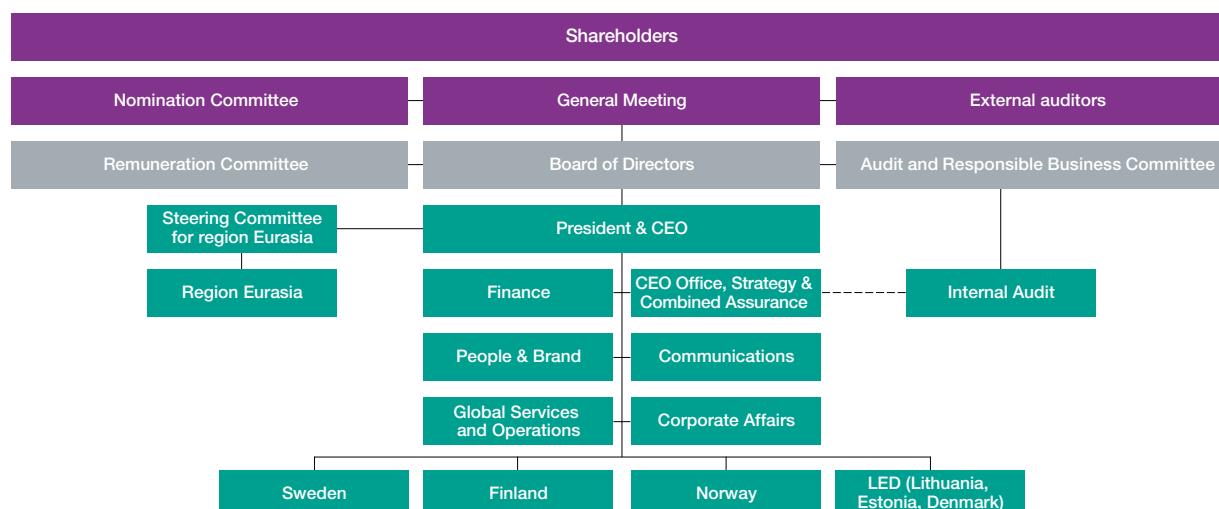
For further information regarding: – Swedish Companies Act (2005:551), Annual Reports Act (1995:1554), Securities Market Act (2007:528): www.riksdagen.se/en, www.government.se – Nasdaq Stockholm (issuer rules and surveillance): www.business.nasdaq.com/list/listing-options/European-Markets/ – Swedish Corporate Governance Code and specific features of Swedish corporate governance: www.corporategovernanceboard.se.

Telia Company has one type of shares. Each share represents one vote at the Annual General Meeting. As of December 31, 2017, Telia Company had 496,434 shareholders.

The Swedish State is the largest shareholder, owning a 37.3 percent stake at year-end. For companies with State ownership, the Swedish Government has issued an ownership policy, which sets forth requirements related to, responsible business, diversity and gender equality. In companies where the State does not have a majority ownership, the State acts in dialogue with other owners to promote application of the policy.

The Telia Company share is listed on Nasdaq Stockholm and Nasdaq Helsinki. For more information on the Telia Company share and the shareholder structure, see the Board of Directors' Report.

TELIA COMPANY'S GOVERNING BODIES



Annual General Meeting 2017

The Annual General Meeting 2017 was held in Stockholm on April 5, 2017, and decided, among other issues, on the following:

- Approval of the income statement and balance sheet
- Discharged the members of the Board and CEO from liability
- Composition of the Board
- Election of auditors
- Composition of the Nomination Committee
- Appropriation of earnings
- Remuneration policy for the executive management
- Long-term incentive program for key employees
- Authorization for the Board to decide on repurchase of the Company's own shares, within certain limits, and transfer of the same shares

Telia Company's Articles of Association are available at: www.teliacompany.com/en/about-the-company/corporate-governance/articles-of-association/, and AGM minutes and related documents at: www.teliacompany.com/en/investors/annual-general-meeting/ (Information on the Telia Company website does not form part of this Statement)

NOMINATION COMMITTEE

Telia Company's Nomination Committee consists of representatives of the four largest shareholders in terms of votes at the turn of the month before the notice of the Annual General Meeting and which also wish to participate in the nomination process ("Nominating Shareholders"), and the Chair of the Board. The members of the Nomination Committee carefully consider potential conflicts of interest before accepting the assignment. The Nomination Committee presently consists of:

- Daniel Kristiansson, Chair (the Swedish State)
- Petter Söderström (Solidium Oy)
- Erik Durhan (Nordea Funds)
- Jan Andersson (Swedbank Robur Funds)
- Marie Ehrling, Chair of the Board

In accordance with its instruction as adopted by the Annual General Meeting, the Nomination Committee shall:

- Propose the number of Board members elected by the Annual General Meeting
- Nominate the Chair, the Vice-Chair and other members of the Board
- Propose the Board remuneration that is divided among the Chair, the Vice-Chair and other members and remuneration for serving on committees
- Nominate the Chair of the Annual General Meeting
- Nominate the external auditors and propose remuneration payable to the auditors
- Nominate members of the Nomination Committee until the next Annual General Meeting

The Nomination Committee performs interviews and receives information from the Chair of the Board, other

Board members, including employee representatives, and the CEO on internal work of the Board, Telia Company's position and strategic direction, and other relevant circumstances. Based on this information, the Nomination Committee assesses the functioning of the Board and the competences needed in the Board as a whole. The Nomination Committee has concluded that competences currently needed are experiences from:

- The telecommunications industry and industries closely related to it
- Digitalization
- Relevant markets
- Consumer oriented operations and markets
- Sustainability work
- Board work in listed companies
- Work in executive positions
- Structural changes and change processes
- Finance

On the basis of these competence needs, the Nomination Committee evaluates the competences of the present Board members and the composition of the Board.

Taking into account the competences needed in the future, diversity, the gender distribution on the Board, the competences of present Board members and the present Board members' availability for re-election, the Nomination Committee nominates Board members to the Annual General Meeting.

The Nomination Committee has reported that it complies with the provisions of the Swedish Corporate Governance Code and that it intends to report its activities on the company's website. In its deliberations, the Nomination Committee has specifically discussed the Corporate Governance Code's requirements on diversity and equal gender distribution in the Board. In its work, the Nomination Committee applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. The objective of the policy is for the board to have a composition appropriate to the company's operations, phase of development and other relevant circumstances; that the board members collectively are to exhibit diversity and breadth of qualifications, experience and background; and to strive for gender balance. The Nomination Committee has specifically discussed gender diversity in the Board as part of its efforts to compose the most competent Board. The annual general meeting 2017 resolved to appoint board members in accordance with the Nomination Committee's proposal. Currently, four (4) of the board members elected by the general meeting are women and four (4) are men, i.e. an equal representation of women and men. The Nomination Committee reviews its instruction annually and as necessary proposes changes thereto to the Annual General Meeting.

Shareholders are welcome to send nomination proposals to the Nomination Committee. Proposals can be sent by e-mail to: forslagtill-styrelseledamot@teliacompany.com

BOARD OF DIRECTORS

Responsibilities

The Board is responsible for the organization of the company and the administration of the company's affairs. The Board regularly assesses the company's and the group's financial position and ensures that the company is organized so that accounting, management of funds and the company's financial conditions in general are controlled in a satisfactory manner.

The tasks of the Board include, amongst other things, to:

- Establish business objectives and strategy
- Appoint, continuously evaluate and, if required, remove the CEO from office
- Ensure that there are effective systems in place for monitoring and controlling of the group's operations and financial position compared to its stated objectives
- Ensure that there is satisfactory control of the company's compliance with laws and other regulations applicable to the company's operations
- Ensure that policies to govern the company's and the group's ethical conduct are adopted
- Ensure that the company's external disclosure of information is marked by openness and is correct, relevant and reliable, by way of, among other things, adopting a communication policy

Instructions for the work of the Board are set forth in its rules of procedure, which are reviewed and adopted annually. The rules of procedure set out the number of ordinary Board meetings, agenda items and matters to be addressed at ordinary Board meetings, the duties of the Chair of the Board and the allocation of responsibilities between the Board and the CEO, including the CEO's reporting to the Board. It also includes instructions for the work in Board Committees, inter alia stipulating the Committees' duties, the number of Committee meetings, matters to be addressed at the meetings and reporting to the Board.

Members and independence

The Board consists of eight members elected by the Annual General Meeting, serving one-year terms, and three employee representatives (with three deputies) from the Swedish operations. A Finnish employee representative, without voting right, is present at the Board meetings. Marie Ehrling is Chair of the Board. The other members of the Board elected by the Annual General Meeting are Olli-Pekka Kallasvuo (Vice-Chair), Susanna Campbell, Mikko Kosonen, Nina Linander, Martin Lorentzon, Anna Settman and Olaf Swantee.

The Board members are presented in more detail, including meeting attendance, remuneration and holdings of Telia Company shares, at the end of this Statement.

In accordance with the guidelines of the Swedish Corporate Governance Code, all Board members elected by the Annual General Meeting 2017 are considered to be independent in relation to the company, to the administration of the company and to major shareholders.

Annual work cycle

The work of the Board follows an annual cycle, enabling the Board to appropriately address each of its duties and to keep strategic issues, risk assessment and value creation high on the agenda.

Board meetings are normally held in Stockholm, Sweden, but the Board's ambition is to hold at least one other meeting elsewhere to be able to discuss local issues more deeply, make specific site visits, etc. In 2017, the Board held its annual two-day strategy meeting in Tallinn, Estonia and the board meeting in December was held in Helsinki, Finland.

Board meetings

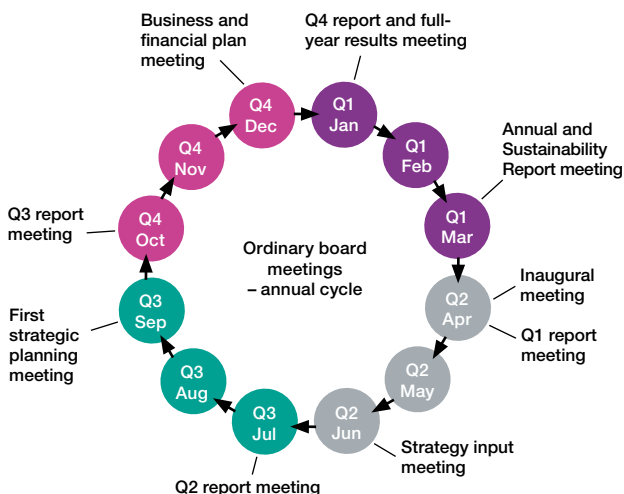
The annual board cycle starts and ends at the Annual General Meeting. During the year, approximately seven ordinary meetings are held, including the inaugural meeting and a two-day strategy meeting. The meetings address, inter alia:

- Approval of financial reports and review of risk reports
- Approval of management business and financial plan
- Strategy review and evaluation
- Evaluation of corporate governance and policies and approval of updated governance documents
- Capital structure and allocation, including dividend proposal
- Self-assessment of Board work and Board members
- Notice to the Annual General Meeting
- Targets setting for Group Executive Management
- Approval of the Annual and Sustainability Report

In addition, ordinary Board meetings include the following:

- An integrated management report by the CEO commenting on status and progress on high-priority matters
- Updates on progress towards the long-term ambitions in terms of customers, shareholders, people and sustainability
- Financial performance and operational updates regarding competitor, commercial, technology, people, and legal issues
- Updates on strategy issues and on M&A activities, internally as well as industry developments
- Reports on Committee work by the respective Committee Chair
- A closed session without management being present

THE BOARD'S ANNUAL WORK CYCLE



Board work in 2017

In 2017, the Board held ten (10) ordinary meetings (whereof one inaugural meeting) and four (4) extra meetings. In addition to following up on the day-to-day business of the group, the Board paid special attention to:

- Strategic options, with specific review of the changing business environment in the telecom industry
- Assessment of the operations in region Eurasia, focusing both on business and compliance issues
- Follow-up of major strategic initiatives within the business operations
- Review of the overall sustainability risks for the group, including decisions on new or updated group policies
- Continued close monitoring and control of the investigations of the severe corruption and money-laundering allegations related to the investments in Uzbekistan, by the Swedish Prosecution Authority, by the Dutch prosecutor and police authorities, and by the US Department of Justice and the US Securities and Exchange Commission
- Approval of global settlement of the investigations by the US Department of Justice, the US Security and Exchange Commission and the Dutch prosecutor
- Follow-up and review of the Telia Company's exit process from Eurasia
- Acquisitions of Phonero and Nebula, divestment of Telia Company's holding in Tcell, MegaFon and its direct holding in Turkcell, as well as other M&A activities
- Reviewing efficiency initiatives and cost-reduction programs
- Regulatory developments in the telecom industry
- Potential acquisitions, joint ventures and increase of ownership in subsidiaries
- Investments in telecom licenses and frequency permits
- Follow-up of CAPEX, in particular related to network investments
- Developments in the associated companies in Turkey and Russia

- Capital structure of the group
- Operating model and organizational issues
- Human Resources issues, in particular succession planning and performance management

Further, the Board evaluated its internal work during 2017 by self-assessment, based on individually responding to formal surveys and bilateral interviews with the Chair of the Board and the Nomination Committee, the latter to which the result of the evaluation was also reported.

Board Committees

To improve board work efficiency, the Board has appointed a Remuneration Committee and an Audit and Responsible Business Committee. The Committees prepare recommendations for the Board and make proposals on matters that require the Board's approval. The Committees also continuously give reports to the Board in relation to its work.

Remuneration Committee

The Remuneration Committee handles issues regarding salary and other remuneration to the CEO and Group Executive Management, incentive programs that target a broader group of employees and succession planning. The Remuneration Committee has the authority to approve remuneration to the members of Group Executive Management, except for the CEO remuneration which is decided by the entire Board.

Audit and Responsible Business Committee

During 2017, the Board merged the Sustainability and Ethics Committee and the Audit Committee into the new integrated Audit and Responsible Business Committee, for the purpose of integrating reporting and control processes and having one committee with a more comprehensive overview over relevant matters.

The Audit and Responsible Business Committee assists the Board in fulfilling of its responsibility in relation to financial reporting, internal control, internal and external audit, enterprise risk management and the company's process for monitoring compliance with laws and regulations. It also monitors efficiency and results of the company's internal compliance and sustainability programs, as well as the whistle-blower system, and the implementation of such programs.

Remuneration Committee work in 2017

Marie Ehrling is Chair of the Remuneration Committee. In 2017, the Committee held five (5) meetings. Committee work included, amongst others, the following issues:

- Structure for target model and financial targets
- Succession planning
- Performance management
- Variable pay and long-term incentive programs
- Remuneration to the CEO and Group Executive Management

Audit and Responsible Business Committee work in 2017

Nina Linander is Chair of the Audit and Responsible Business Committee. In 2017, the Committee held eight (8) meetings. Committee work in 2017 included, amongst others, the following issues:

- Overseeing improvements of financial reporting and financial processes, with specific focus on risk identification and assessment of the internal control environment
- Assessment and review of the quality and integrity of risk management, risk assessment and risk reporting as well as review and follow-up of whistle-blower reports
- Reviews of the company's external financial reporting
- Reviews of important risk areas, e.g. treasury, sourcing, taxes, litigation, insurance and IT systems
- Review of the CAPEX process and quarterly follow-up of CAPEX programs
- Reviews of significant accounting policies and key sources of estimation uncertainty, e.g. accounting for discontinued operations and assets held for sale, revenue recognition, valuation of pension obligations, and asset valuation, including the annual impairment testing process and setting of significant testing parameters
- With regards to the external auditors: reviews of audit reports and follow-up of recommended actions, assessment and approval of audit plans, closed sessions without management being present, independence and performance assessment, and submitting a nomination proposal for auditor election to the Nomination Committee
- With regards to the internal auditors: reviews of audit reports and follow-up of recommended actions, assessment and approval of audit plans, closed sessions without management being present, and performance assessment
- Map and review of the status of ongoing ethics, compliance and sustainability initiatives
- Approval and regular follow-up of the responsible business focus area plans, with special attention on status and actions of the anti-bribery and corruption program, including e.g. country-level corruption risk-assessment, instructions and training, whistle-blowing tools, etc.
- Review of whistle-blower cases and follow-up of recommended actions
- Reviews of sustainability-related risks in the quarterly risk reports
- Review of Telia Company's external sustainability reporting

As part of the Board's overall assessment, the Remuneration Committee and the Audit and Responsible Business Committee evaluated its internal work during 2017 by self-assessment.

ORGANIZATION OF THE BOARD



CEO AND GROUP EXECUTIVE MANAGEMENT

The CEO is responsible for the company's business development, and leads and coordinates the day-to-day operations in accordance with the Board's instructions for the CEO and other decisions made by the Board.

Headed by the CEO, the Group Executive Management currently comprises of the CEO, CFO, General Counsel and Head of Corporate Affairs, Head of Group People and Brand, Head of Group Communications, Head of Global Services and Operations, Head of CEO Office; Strategy & Combined Assurance, Head of Telia Sweden, Head of Telia Norway, Head of Telia Finland and Head of Cluster (LED - Lithuania, Estonia, Denmark). Group Executive Management meets on a monthly basis. The meetings are devoted to follow-up on strategic and business performance, major change programs, risks and other issues of strategic nature and group-wide importance.

In 2015 a separate Steering Committee was established for region Eurasia, which is chaired by the CEO. The Steering Committee has the overall strategic responsibility for region Eurasia. The Head of region Eurasia presents the operations of the region to the Steering Committee. The model ensures continued strong governance and alignment within the group, while allowing Group Executive Management to focus on the current strategic core markets in the Nordics and Baltics.

The members of Group Executive Management are presented in more detail, including remuneration and holdings of Telia Company shares, at the end of this Statement.

GROUP-WIDE GOVERNANCE FRAMEWORK

Telia Company's group-wide governance framework has been approved by the Board. It is designed to ensure that operational results correspond to decisions made, and is structured to encourage all employees to strive, within set boundaries, towards the same goals, with a common clear understanding of the group's purpose, values, roles, responsibilities and authority to act.

GROUP-WIDE GOVERNANCE FRAMEWORK



Deciding what we shall achieve

In order to provide overall guidance to the employees, the Board has approved a Telia Company purpose statement. Further, the Board has adopted a strategy, setting more specific directions for the coming years as well as yearly operational and financial targets.

Purpose: Bringing the world closer

To grow our business and to stay inspired in our daily work, we need to be truly relevant to our customers. The purpose “Bringing the world closer” guides our ambition to take Telia Company to the next level. Everything we do should be a reflection of our purpose.

Strategic priorities

Our strategic priorities are:

- **Value through superior network connectivity** – secure the transition from voice to data through future proof network access to end customers
- **Customer loyalty through convergence** – create a seamless experience across technologies, services and channels
- **Competitive operations** – simplify operations and transform legacy to create agility and cost efficiency
- **Execute on opportunities in adjacent areas close to the core** – invest in areas that complement and strengthen the core business

Operational and financial targets

Operational and financial targets are set for the group as a whole and for each country and business unit.

Setting the boundaries for how we act

The Board sets the boundaries on how the employees shall act. Key elements are Telia Company’s values, the code of responsible business conduct, governance of the sustainability work, group policies, organizational structure and delegation of obligations and authority.

Set of values

Telia Company’s set of values – Dare, Care and Simplify – is the compass that leads us in how we act and behave in our daily work.

- **We dare to** – innovate by sharing ideas, taking risk and continuously learn; lead by engaging with our customers and challenging ourselves; speak up by expressing opinions and concerns
- **We care for** – our customers by providing solutions that are adapted to their needs; each other by being supportive, respectful and honest; our world by acting responsibly and in accordance with our ethical standards
- **We simplify** – execution by taking actionable decisions and deliver with speed; teamwork by transparent communication, active collaboration and knowledge sharing; our operations by efficient processes and clear ownership

Code of Responsible Business Conduct

The Code of Responsible Business Conduct, issued by the Board, provides guidance on Telia Company’s framework of policies and instructions. It helps create a Telia Company way of doing business by defining a common ethical compass, setting clear standards and expectations on how to act and helps in recognizing that doing business with integrity is a shared responsibility. The 17 chapters of the Code reflect group policies and instructions and provide practical and instructional information with respect to its interpretation. The Code applies to all Telia Company employees, directors and board members. All contractors and consultants working as part of Telia Company’s operations must also follow the Code. The Code is available in 12 languages in a printed newspaper format document and on the intranet.

The Telia Company Code of Responsible Business is available at: <http://dontdothisatwork.teliacompany.com/> (Information on the Telia Company website does not form part of this Statement)

GROUP POLICIES APPROVED BY THE BOARD – AREA AND PURPOSE

Name of Group Policy	Description
Anti-Bribery and Corruption	To set the standards for ethical business practices throughout the operations
Communication	To ensure that all communication of the group is accurate and provided in a professional and timely manner
Customer privacy	To respect and safeguard customer privacy by setting high and consistent standards
Electromagnetic Fields	To ensure that Telia Company fulfils its commitment to take an earnest approach to electromagnetic fields (EMF)
Enterprise Risk Management	To describe the enterprise risk management framework
Environment	To ensure that we proactively manage environmental impacts throughout the full life cycle of delivering our products and services
Financial accounting and reporting	To describe our aim to follow relevant accounting standards, report financial information accurately and completely, and have appropriate internal controls and processes to ensure that accounting and financial reporting comply with legislation, regulations and listing requirements
Financial management	To set the rules for managing financial risks and for counterparty credit ratings
Freedom of expression and surveillance privacy	To define our commitments in relation to requests or demands with potentially serious impacts on freedom of expression and surveillance privacy
Inside information and Insider trading	To ensure a high standard of ethical behaviour towards the capital markets by defining trading and reporting rules
Occupational Health and Safety	To set the framework aiming at providing and constantly improving a safe and healthy workplace by ensuring safety in work processes, preventing and reacting to conditions of ill-health and supporting measures to promote health and wellbeing
People	To provide our employees with an overview of our company values and expectations in relation to people. It gives also employees at all levels the prerequisites to act in line with these values and expectations
Sourcing	To provide a single point of reference and direction for sourcing activities and a clear understanding of the sourcing principles
Quality	To define our commitment to consistently provide products and services with high quality that meet customer needs
Remuneration	To set the strategic direction and clarify the approach on designing and implementing remuneration practices for employees at all levels
Security	To describe the governance as well as control, facilitation and implementation of security measures

Sustainability governance

Sustainability in Telia Company covers how the company accounts for its long-term impact on society and the environment. The work is focused on ensuring ethical, responsible business practices and on creating shared value by contribution to business and the UN Sustainable Development Goals. We apply a stakeholder-based approach guided by international guidelines and frameworks, see "Statement of Materiality." Group Executive Management and the Governance, Risk, Ethics and Compliance (GREC) meetings are the primary decision-making forums. The ultimate responsibility for sustainability oversight lies with the Board. For more information on the governance of specific responsible business focus areas, see Board of Directors' Report, section "Responsible business."

Policy framework

The heads of group functions secure that necessary group policies and instructions are issued within their respective area of responsibility. All group policies and group instruc-

tions are binding for all entities in which Telia Company has management responsibility.

Group policies are approved by the Board, at least on an annual basis, after a preparatory review by the relevant Board Committee. Group instructions are approved by the CEO or the head of the relevant group function, after being reviewed at a group GREC meeting. All group policies and group instructions are stored and published in a common governance documents database available to all employees. The database provides a complete audit trail of the entire document lifecycle. In addition to the Telia Company Code of Responsible Business Conduct, the Board has currently approved the group policies presented in the table above.

Group policies are publicly available at:
www.teliacompany.com/en/about-the-company/public-policy
 (Information on the Telia Company website does not form part of this Statement)

Organization

Change in organization structure

The organization structure was changed during 2017. Main changes were that heads of Telia Finland and Telia Norway, respectively, became part of the Group Executive Management. For organizational purposes, the countries Lithuania, Estonia and Denmark are now represented in the Group Executive Management team by the Head of Cluster (LED - Lithuania, Estonia, Denmark). For more information, see "CEO and Group Executive Management."

Also, a new group function was established under the name CEO office; Strategy & Combined Assurance, comprising Group Strategy, Risk Management, Ethics and Compliance and Internal Audit. Head of Group Internal audit reports administratively to the Head of CEO Office, while continues to report functionally to the Audit and Responsible Business Committee.

Head of Group Ethics and Compliance reports to the Head of CEO Office, but the result of its work is reported directly to the Audit and Responsible Business Committee.

The purpose with the change in organization was to increase focus on the Nordic and Baltic operations and at the same time maintain focus on our responsible business agenda.

Country organization and group functions

Telia Company's largest businesses are mobile, broadband, TV and fixed-line operations in the Nordics and Baltics, and mobile operations in Eurasia. For management purposes, the group is divided into countries and group functions. Also, a separate Steering Committee, chaired by the CEO, has the overall strategic responsibility for region Eurasia.

The countries and group functions shall work in close cooperation with each other, providing advice and guidance in order to maintain high technical and commercial skills, ensure good management and regulatory compliance, use of economies of scale, as well as achieve a business that is sustainable long-term.

The country organization is primarily responsible for running the business operation within its geographical area. Local focus is the most effective way of increasing competitiveness and innovation by ensuring that products, services and solutions offered are adapted to customers' needs. This proximity to customers makes it easier to identify what the customers want and require. It also enables better understanding of the challenges faced in each market and country, including technical solutions and societal challenges.

Group functions are responsible for driving development within their respective areas to ensure efficiency and cross-border, cross-functional synergies.

Delegation of obligations and authority

The CEO has issued a Delegation of Obligations and Authority (the DOA), which defines the obligations imposed on Group Executives, and within which limits they may take decisions. Within this framework, obligations and decision authorities are further delegated person-to-person via solid reporting lines based on the roles in the operational organization.

Follow-up of our performance

Performance follow-up is essential in order to be able to take corrective measures and plan for the future. Performance follow-up is applied on organizational units as well as on individuals. Individual performance management is described in Board of Directors' Report, section "People."

Business reviews

The CEO sets goals for the operations based on the decisions of the Board. To ensure performance, managers have annual targets for their respective operation. The target for each business are followed-up on a monthly basis and complemented with quarterly forecasts.

Business reviews are meetings held on a monthly basis and include financial and business reviews for the reporting period and forecast period as well as reviewing of risks and operations performance metrics on customer service levels, network quality, etc. The business reviews allow for frequent follow-up of operational key performance indicators (KPIs) on country level. The operational KPIs are a key part of the follow-up and consist of several measurements which give management a good overview of current state and progress over time. The Net Promoter Score (NPS[®]) framework is used to monitor and improve the customer experience that Telia Company provides. At the country review meetings, the CEO, CFO, COO, Head of Financial Planning and Analysis, Head of Investor Relations and selected members of Group Executive Management attend, in addition to the respective country management.

The Board receives reports on operational performance on a monthly basis, and at each ordinary Board meeting the group's operational and financial performance is presented in detail by the CEO and the CFO, respectively. See also the section "Board of Directors."

Risk and compliance reviews

Governance, Risk, Ethics and Compliance (GREC) meetings are the primary governing body for risk and compliance follow-up. For further information, see section "Governance, Risk, Ethics and Compliance meetings."

ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK

Operating in a broad range of geographical product and service markets in the highly competitive and regulated telecommunications industry, Telia Company is subject to a variety of risks and uncertainties. Telia Company has defined risk as anything that could have a material adverse effect on the achievement of Telia Company's goals. Risks can be threats, uncertainties or lost opportunities relating to current or future operations or activities. Risks and uncertainties related to business and sustainability as well as to shareholder issues are described in Risks and uncertainties and financial risks in Note C26 to the consolidated financial statements.

Three lines of defense – integrated governance, risk management and compliance

Telia Company's risk management may be illustrated as a three-line defense being an integral part of the group's operational activities, business planning process and monitoring of business performance. Risks are identified and assessed, and measures are implemented to mitigate and monitor these risks.

Enterprise risk management – lines of defense

RISKS AND UNCERTAINTIES

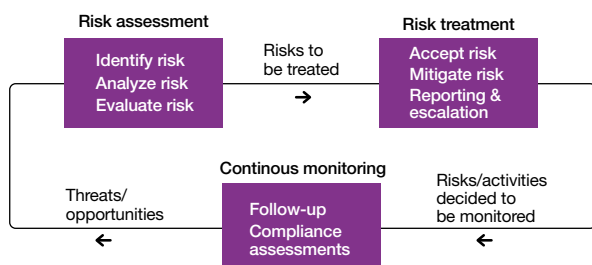


The defense-line roles and responsibilities include:

- **First line of defense:** The line organization owns its operational risks and is responsible and accountable for assessing, controlling and mitigating the risks as well as for internal control activities and assurance.
- **Second line of defense:** Comprises the group-level enterprise risk management (ERM) function, the group risk area coordinators, the internal controls function within group Finance, the group Ethics and Compliance Office in CEO Office; Strategy & Combined Assurance and the GREC meetings.
- **Third line of defense:** The group internal audit function provides independent assurance on the risk management process and internal control environment. External parties, such as the external auditors and regulatory bodies, provide assurance related to specific statutory requirements, e.g. information presented in the consolidated financial statements or reported to the Swedish Financial Supervisory Authority.

Risk management process

RISK MANAGEMENT – PROCESS FLOW



The objective of the continuous risk management process is that all risks that may help or hinder the achievement of Telia Company's objectives are regularly assessed, managed and monitored. Risk management shall be fully integrated into the business processes. The risk manage-

ment procedures shall be transparent, feasible and traceable. Management shall ensure that a personal sense of responsibility and common view on and awareness of risk is established among the employees, as well as facilitate accountability for risks in daily decision-making. Risk reporting is integrated into the business planning process and risks shall be reviewed at business reviews and escalated through the line organization.

Quarterly, the Audit and Responsible Business Committee and the Board receive a consolidated risk report, aligned with the Board's annual work cycle. The consolidated report is divided into four categories:

- Financial risks
- Operational and societal risks
- Strategic and emerging risks
- Legal and regulatory risks

Under each of these categories, risks are presented either as group-wide or by country.

In addition, the Audit and Responsible Business Committee quarterly receives a consolidated litigation report with short-form details of ongoing, pending and threatened legal and administrative proceedings. Each case description also includes alleged nominal and estimated financial impact when possible and a probability grading.

Management shall conduct risk and compliance evaluations and assessments proactively, regularly and timely in order to ensure that all employees are aware of and take steps to comply with the relevant requirements. Compliance means conforming to external as well as internal requirements, such as:

- Applicable legislation and regulation
- Customer agreements
- International standards and norms
- Group policies and group instructions

The most significant risk areas are monitored by the risk management (ERM) function including the GREC meetings, the internal controls function within group Finance and the group Ethics and Compliance Office.

Group-level enterprise risk management (ERM) function

The Head of the ERM function, within group function CEO Office; Strategy & Combined Assurance, acts as the owner of the group-common ERM process to ensure a structured approach towards risk management, compliance and reporting within the group. Function responsibilities include to:

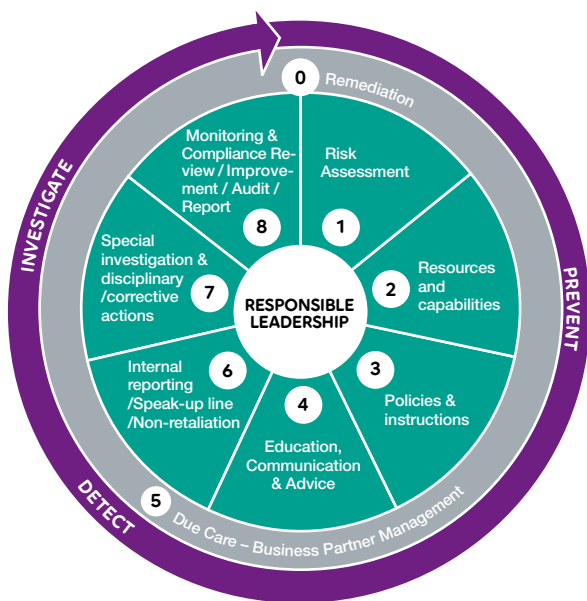
- Own, govern, coordinate and monitor the ERM process to ensure a structured approach towards risk management, compliance and reporting in the group
- Own the group framework for ERM, policies and instructions within his/her areas of responsibility and to monitor compliance herewith and support group wide implementation
- Oversee the operational effectiveness of the ERM processes across the group and propose actions for improvement

- Monitor the risk level as well as the nature of specific risk matters across the group. As part of that responsibility, the CRO will collect and aggregate the respective reports from countries and group functions in order to give the CEO and the Board a consolidated and holistic view on the group's risk level and individual, material risks
- Facilitate and organize the governance forum for Risk Management and Compliance (GREC) on group level
- Review of group policies and instructions

Compliance framework and programs

Also supporting first-line defense, Telia Company has established a framework to enable systematic work with compliance issues. The compliance framework consists of eight elements that are founded on a sound and clear tone from the top. It is designed to adhere to international standards and is based on prevent, detect and investigate principles.

COMPLIANCE FRAMEWORK



Prioritized risk areas, within the responsible business area, are identified based on risk assessments. The most significant risks in this area are monitored by the Group Ethics and Compliance Office in CEO Office; Strategy & Combined Assurance and managed according to the framework through subject-specific compliance programs to ensure consistency and follow-up in implementation and reporting. Currently prioritized risk areas are reflected by the following ongoing programs:

- Anti-bribery and corruption
- Freedom of expression and surveillance privacy
- Customer privacy
- Children's rights
- Responsible sourcing
- Environmental responsibility
- Occupational health and safety

For additional information on the approach and work in the respective area, see "Responsible business."

Governance, Risk, Ethics and Compliance (GREC) meetings

The purpose of the GREC meetings is to act as the primary governing bodies within risk and compliance and to evaluate risk levels and propose risk-mitigation actions.

At the GREC meetings, which are held at least quarterly, management meets to update, discuss, decide and follow-up on ongoing activities and initiatives within the different risk areas and sustainability focus areas. The purpose of the GREC meetings is to:

- Consolidate risk reporting from countries/units
- Assess country and group-wide risks
- Review risk levels in relation to risk appetite
- Recommend and decide on risk mitigation actions
- Escalate and report risks and follow up on mitigation actions.
- Monitor compliance for key risk areas
- Build risk culture
- Monitor and respond to audit findings and non-compliance against internal and external requirements
- Ensure communication and feed-back to all relevant stakeholders

GREC meetings are held on group and country level as well as in selected group functions and subsidiaries. On group level, the GREC meeting is chaired by the CEO and consists of Group Executive Management extended with the Head of region Eurasia, the Head of ERM, the Chief Ethics and Compliance Officer as well as the Head of Group Internal Audit. The purpose, agenda and participants of local GREC meetings mirror the group-level meetings.

Whistle-blowing process

Speak-Up Line

2017 was the third full year of operation of Telia Company's Speak-Up Line, the whistle-blowing tool enabling employees and others to anonymously report violations of proper accounting, reporting or internal controls, as well as non-compliance with local laws or breaches of Telia Company's Code of Responsible Business Conduct, group policies and instructions. Telia Company has a group-wide standard for performing internal investigations. The guiding principle is to ensure that investigations are conducted objectively and impartially; are carried out in a way to swiftly establish the facts with minimum disruption to the business or the personal lives of employees; and to make sure that confidentiality and non-retaliation are respected at all times.

To the reader of this Statement: If you believe there are deficiencies in Telia Company's financial reporting or if you suspect any misconduct within the Telia Company group, you may report your concerns at: www.speakupline.ethicspoint.com

Speak-Up Line 2017

During 2017, 179 whistle-blowing reports were recorded (123 reports in 2016). The reported issues related mainly to reproach to management, leadership, conflict of interest, and customer complaint or enquiry. Most of the reports were received through the Speak-Up Line, through direct contact with group or local ethics and compliance officers, or through line managers. The majority of reports came from Sweden, Kazakhstan and Uzbekistan.

51 internal investigations were conducted by the Special Investigations Office of Group Ethics and Compliance (35 cases during the same period in 2016). During the period, 10 disciplinary decisions were taken by the group management. These included warnings of employees and managers. In 2017, 11 (24) investigations were requested by managers.

Consolidated case reports were presented to the Audit and Responsible Business Committee throughout the year. The reports included allegations of certain significance, progress of investigations and the final results of the investigations.

Number of whistle-blowing case reports during 2017 (2016)

Investigations opened by the Special Investigations Office	51 (35)
Reports related to Human Resource matters (handled jointly with Goup People & Brand)	51 (19)
Reports sent for information to other departments (e.g. customer or supplier complaints), or closed after an initial review and response to the whistle-blower concerned (e.g. in cases of ethical reproach)	77 (69)
Total	179 (123)

Reporting channel 2017 (2016)

	%
Speak-Up Line portal	67 (50)
Sent to the Speak-Up Line e-mail address	15 (12)
Direct contact with ethics and compliance officers at group or local level	9 (17)
Line managers	4 (18)
Telia Company's executive management	4 (2)

Origins of reports during 2017 (2016)

	%
Nordics	44 (33)
Region Eurasia	42 (56)
Other group companies	14 (11)

Internal investigation KPIs

	Target	2017	2016
Whistle-blowing cases closed within eight weeks	80%	72%	83%

INTERNAL CONTROLS OVER FINANCIAL REPORTING

In accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, the Board is responsible for internal controls over financial reporting. The Board continuously reviews the performance of internal controls and initiates activities to foster continuous improvement of internal controls.

Telia Company's risk management framework includes internal controls over financial reporting, and is in line with the COSO framework for internal controls. It consists of inter-related areas, which are control environment, risk assessment, control activities, information and communication, and monitoring. To establish a consistent approach to and a group-common view of risks related to incorrect financial reporting, group-wide risk catalogues have been implemented in all major entities in which Telia Company has management responsibility. The internal control function within Group Finance is responsible for developing and maintaining the IT-based tool for managing the risk catalogues.

Internal control is an integral part of Telia Company's corporate governance and enterprise risk management which involves the Board, Group Executive Management and employees on all organizational levels. It is a process which includes methods and processes to:

- Safeguard the group's assets
- Ensure the reliability and correctness of financial reporting
- Secure compliance with applicable legislation and guidelines
- Ensure that objectives are met and continuous improvement of operational efficiency

The objective for Telia Company's financial reporting is to be in line with the highest professional standards and to be full, fair, accurate, punctual and understandable.

Control environment

The most essential parts of Telia Company's control environment are the group policies with related group instructions and detailed group directives. Management at all levels is responsible for ensuring that the organization complies with the Delegation of Obligations and Authority issued by the CEO, the financial governing documents, the reporting framework and other group requirements. Group Finance staff is responsible for monthly monitoring and, if significant, communication of changes in legislation, listing requirements and financial reporting standards affecting financial group instructions or directives.

Management in each entity or group function is responsible for ensuring that:

- Monthly and quarterly financial statements comply with Telia Company's accounting policies
- Financial reports are delivered on time
- Activities to mitigate the risks, as specified in the group risk catalogues, have been implemented and are performed

- Required reconciliations are properly performed
- Material business and financial risks are identified and reported

The financial shared services unit of Telia Company supports harmonized and standardized financial accounting processes and controls across large wholly-owned business units.

Risk assessment

Telia Company has a risk-based approach towards internal controls over financial reporting. Risk management related to financial reporting is incorporated in the group-common risk management framework as described in section “Enterprise risk management (ERM) framework.” As such, assessment and management of risks that may result in inaccurate financial reporting is a natural part of the daily work. The group risk catalogues are used as a baseline. Risk assessments are performed from both a top-down and a bottom-up perspective. The results of the risk assessments are documented in the group risk catalogues.

Control activities

All business processes across Telia Company include controls regarding the initiation, approval, recording and accounting of financial transactions. Major processes, including related risks and key controls, are described and documented in a common and structured way, based on the requirements set in the group risk catalogues. Controls are either automated or manual and designed to ensure that necessary actions are taken to either prevent or detect material errors or misstatements and to safeguard the assets of the company. Controls for the recognition, measurement and disclosure of financial information are included in the financial closing and reporting process, including controls for IT applications used for accounting and reporting.

Information and communication

Group policies, instructions and directives, the reporting framework guidelines and other requirements regarding accounting and reporting as well as performing internal controls are made accessible to all employees concerned, through the use of Telia Company’s regular internal communication channels. Employees at group level continuously engage in internal training activities to ensure harmonization within important areas such as revenue recognition, distinction between capital and operating expenditure, etc.

Telia Company promotes an open, honest and transparent flow of information, especially regarding the performance of internal controls. Control performers are encouraged to disclose any issues concerning their controls in the monthly reporting, so that a problem can be taken care of before it, possibly, causes errors or misstatements.

Monitoring

Telia Company has implemented a structured process for performance monitoring of internal controls over financial

reporting. This process includes all countries and group functions and consists of a self-assessment of the risk mitigating activities. The internal controls function within Group Finance monitors the process on a monthly basis. On behalf of Group Executive Management, the internal controls function carries out an annual risk-based compliance review of key risks in order to evaluate the quality of self-assessments, risk mitigation and the overall internal control environment.

The results of the self-assessments and the compliance review are communicated to the management of all relevant entities, to the GREC meetings and to the Audit and Responsible Business Committee. The Committee also receives reports directly from both external and internal auditors. The reports are discussed and follow-up observations are made by the Committee. Both the external and internal auditors are present at the Committee meetings.

At least once a year, the entire Board meets with the external auditors, in part without the presence of management.

GROUP INTERNAL AUDIT

The group internal audit function reviews the group operations and makes proposals aiming at improving the internal control environment as well as efficiency in processes and systems. Through operational reviews, a systematic and disciplined approach is used to evaluate and improve the effectiveness of governance within the group.

The direction of the work of the internal audit function is stated in the annual audit plan. In order to reflect the overall business objectives and risks, the audit plan is aligned with the group business plan and strategy. The audit plan determines priorities and resource allocation. It is approved by the Audit and Responsible Business Committee and presented to the external auditors on an annual basis. Within the audit plan, the detailed audit assignments are defined on a quarterly basis. The quarterly audit assignments are discussed with the external auditors in order to share risk assessments and audit findings.

In 2017, audits were performed in group functions and all countries. Important focus areas were:

- Transformation to New Generation Telco
- Information security
- Customer data privacy
- Supply chain and outsourced business
- Talent management
- Sustainable business

The Head of Group Internal Audit reports administratively to the Head of CEO Office; Strategy & Combined Assurance, and functionally to the Audit and Responsible Business Committee. The results from each specific audit assignment are reported to the line manager responsible for the audited area or unit, and in addition to the relevant function-related area manager and to the external auditors. A summary of audit findings is reported to the Committee on a quarterly basis.

AUDITORS

Number of auditors and duties

According to its Articles of Association, Telia Company AB shall have no less than two and no more than three auditors and no more than the same number of deputy auditors. The Annual General Meeting can also appoint only one auditor, if the auditor in question is a public accounting firm. The auditors' report to the shareholders at General Meetings.

The duties of the auditors include:

- Presenting the planning, scope and content of the annual audit to the Audit and Responsible Business Committee
- Audit of the financial statements which amongst other includes assessment of accuracy, completeness of the accounts and adherence to applicable financial reporting standards and review of internal controls over financial reporting
- Audit of the Board's and the CEO's administration of the company
- Conducting a statutory examination of this Corporate Governance Statement
- Presenting non-audit services performed, the consideration paid and other issues determining the auditors' independence to the Audit and Responsible Business Committee

Besides the audit report submitted to the shareholders at each Annual General Meeting, the auditors also issue a review report on the second-quarter consolidated financial statements. The auditors report procedures performed in

relations to the review of Telia Company's financial statements quarterly to the Audit and Responsible Business Committee and Group Executive Management and, in November each year, report on internal controls within financial reporting and IT. For further information on the contacts between the Board and the auditors, see sections "Board of Directors" and "Internal controls over financial reporting", respectively.

In addition, the auditors perform an annual limited assurance of the information presented in Board of Directors' Report, section "Responsible Business" and in "GRI Index."

Current auditors and fees

At the Annual General Meeting 2017, Deloitte AB was elected as auditor until the end of the Annual General Meeting 2018. Deloitte AB has appointed Jan Nilsson (born 1962), Authorized Public Accountant, to serve as auditor in charge. Deloitte AB is often engaged by Telia Company's largest shareholder, the Swedish State, for both audit and advisory services. Jan Nilsson does not hold any shares in Telia Company.

For information on fees paid for audit-related and other services, see Note C32 to the consolidated financial statements.

BOARD OF DIRECTORS



Marie Ehrling

Born 1955. Chair of the Board. Elected to the Board of Directors in 2013. Ms. Ehrling was President of TeliaSonera's Swedish operations between 2002 and 2006. During 1982–2002, she worked for SAS Group, holding various executive positions including Deputy CEO and Head of SAS Airline. Ms. Ehrling is Chair of Securitas AB, Vice-Chair of Axel Johnson AB and Board member of Axel Johnson International. She is elected member of Royal Swedish Academy of Engineering Sciences (IVA) and Chair Advisory Board Stockholm School of Economics. Ms. Ehrling holds a BSc in Business and Economics and an Honorary Doctorate at SSE.

Shares in Telia Company: 20,000



Olli-Pekka Kallasvuo

Born 1953. Vice-Chair of the Board. Elected to the Board of Directors in 2012. Mr. Kallasvuo was CEO and board member of Nokia Oyj from 2006 to 2010. Previously, he held various executive positions at Nokia, including the positions of COO, CFO, Head of Mobile Phones Division and Head of Nokia Americas. Mr. Kallasvuo is today Chair of Veikkaus Oy, Chair of Zenterio AB and Vice-Chair of SRV Group Plc., and he is also a board member of Entrada Oy and Limestone Platform AS. Mr. Kallasvuo holds a Master of law and an honorary doctorate.

Shares in Telia Company: 35,896



Susanna Campbell

Born 1973. Elected to the Board of Directors in 2016. Ms. Campbell is former CEO of Ratos. Prior to that she held positions at McKinsey and Alfred Berg Corporate Finance. Susanna Campbell is Chair of Röhnisch Sportswear AB, Ljung & Sjöberg AB and of investment committee at Norrskens Foundation and member of the boards of Indutrade AB and Nalka Invest AB. Ms. Campbell holds a Master Science in Business and Administration.

Shares in Telia Company: 10,000



Mikko Kosonen

Born 1957. Elected to the Board of Directors in 2013. Mr. Kosonen is since 2008 the president of the Finnish Innovation Fund Sitra. Prior to that, he held several leading positions at Nokia between 1984 and 2007, where his final role was that of Senior Vice President, Strategy and Business Infrastructure. He is a member of the board of Technology Academy Finland, Foundation for Economic Education and Vice-Chair of Aalto University Board. Mr. Kosonen holds a doctorate degree in economics/International business.

Shares in Telia Company: 2,000



Nina Linander

Born 1959. Elected to the Board of Directors in 2013. Ms. Linander is former partner at Stanton Chase International between 2006 and 2012 and prior to that SVP and Head of Treasury at Electrolux AB 2001–2005. Nina Linander is currently Chair of Awa Holding AB and a board member of AB Industrivärden, Skanska AB, Castellum AB and OneMed AB. Ms. Linander holds a BSc degree in Economics and a MBA (IMD) degree.

Shares in Telia Company: 5,700



Martin Lorentzon

Born 1969. Elected to the Board of Directors in 2013. Mr. Lorentzon is founder and Vice-Chair of the Board of Spotify AB. He was also founder of TradeDoublers AB where he also served as a board member. Mr. Lorentzon holds a Master of Science Engineering.

Shares in Telia Company: 1,100,000



Anna Settman

Born 1970. Elected to the Board of Directors in 2016. Ms. Settman is founder of the investment company The Springfield Project and has prior to that gained significant experience from the media sector, mainly from Aftonbladet where she served as CEO. She is a member of the boards of Anticimex Topholding AB, Collector Bank AB, We Mind AB and Dreams Nordic AB. Ms. Settman studied marketing strategy and economics at the Berghs School of communications and completed the IFL Executive Management Program at the Stockholm School of Economics.

Shares in Telia Company: 0



Olaf Swantee

Born 1966. Elected to the Board of Directors in 2016. Mr. Swantee is CEO of Sunrise and previously he was the CEO of the UK's mobile telecoms business EE. Prior to joining EE, he held a number of Executive Board roles for Orange Group, as well as senior leadership roles within Hewlett Packard, Compaq and Digital Equipment Corporation, across Europe and the United States. Mr. Swantee holds a European MBA.

Shares in Telia Company: 0



Agneta Ahlström

Born 1960. Employee representative, appointed by the trade union to the Board of Directors in 2007. She is Chair of the Swedish Union for white-collar workers in the private labour market, Telecommunications section (Unionen-Tele).

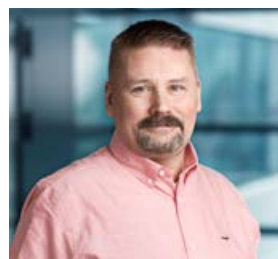
Shares in Telia Company: 200



Stefan Carlsson

Born 1956. Employee representative, appointed by the trade union to the Board of Directors in 2009. He is deputy Chair of the Swedish Union for white-collar workers in the private labour market, Telecommunications section (Unionen-Tele) and member of the board of Unionen. Previously, he was second deputy Chair of SIF and Unionen.

Shares in Telia Company: 650



Peter Wiklund

Born 1968. Employee representative, appointed by the trade union to the Board of Directors in 2014. In addition, Mr. Wiklund is the Chair of the Union of Service and Communication Employees within Telia Company, SEKO klubb Telia.

Shares in Telia Company: 0

Deputy employee representatives

Hans Gustavsson (born 1954), SEKO klubb Telia Company.

Shares in Telia Company: 110³

Arja Kivin (born 1964), Unionen-Tele.

Shares in Telia Company: 0³

Finnish employee representative without voting rights

Kari Kaukonen (born 1957), Trade Union Pro.

Shares in Telia Company: 0

REMUNERATION DURING 2017, ATTENDANCE AND NUMBER OF SHARES

Name	Elected year	Position	Meeting attendance			Total remuneration (SEK thousand) ²	Shares in Telia Company ³
			Board	Remuneration Committee	Audit and Responsible Business Committee ¹		
Marie Ehrling	2013	Chair of the Board and Chair of the Remuneration Committee	14/14	5/5	8/8	1,870	20,000
Olli-Pekka Kallasvujo	2012	Vice-Chair of the Board	14/14	5/5		840	35,896
Susanna Campbell	2016	Director	13/14	5/5		606	10,000
Mikko Kosonen	2013	Director	14/14			575	2,000
Nina Linander	2013	Director and Chair of the Audit and Responsible Business Committee	14/14		8/8	793	5,700
Martin Lorentzon	2013	Director	13/14			556	1,100,000
Anna Setzman	2016	Director	14/14		5/6	680	0
Olaf Swantee	2016	Director	13/14		7/8	706	0
Agneta Ahlström	2007	Employee representative	12/14			—	200
Stefan Carlsson	2009	Employee representative	13/14			—	650
Peter Wiklund	2014	Employee representative	14/14			—	0

All Board members elected by the Shareholders' General Meeting are considered to be independent in relation to the company, to the administration of the company and to major shareholders.

1) From the Annual General Meeting 2017 the Sustainability and Ethics Committee and Audit Committee have merged.

2) See also Note C31 to the consolidated financial statements.

3) Shares in Telia Company include shareholdings by spouse and/or affiliated persons when appropriate. Mr. Lorentzon's shares are held through companies. Holdings as of the date of this Annual and Sustainability Report.

GROUP EXECUTIVE MANAGEMENT



Johan Dannelind

Born 1969. President and Chief Executive Officer. Between 2010 and 2013, Mr. Dannelind was International CEO South Africa at Vodacom. Previously he had several managerial positions at Telenor in Sweden and Malaysia, i. a. CEO of DiGi Telecommunications Malaysia between 2008 and 2010. Prior to that he had several managerial positions at Telia. Mr. Dannelind is a board member of GSMA and World Childhood Foundation. Mr. Dannelind holds a Master of Science Business Administration.
Shares in Telia Company: 191,000



Hélène Barnekow

Born 1964. Executive Vice President and Head of Telia Sweden. Ms. Barnekow has several years of experience from the mobile and IT business, most recently as head of Worldwide Field & Partner Marketing at EMC Corporation. Prior to that she held several managerial positions at Sony Ericsson Mobile Communications between 2001 and 2009. She has also been working at Ericsson. Ms. Barnekow holds a Master of Science in International Business.
Shares in Telia Company: 12,000



Jonas Bengtsson

Born 1970. Senior Vice President and Group General Counsel. Prior to joining Telia Company, Mr. Bengtsson was the Group General Counsel at Tele2 between 2007 and 2013. Mr. Bengtsson has almost 20 years' experience as a commercial lawyer, of which approximately 15 years as a General Counsel in the telecom industry and has worked for, inter alia, Telenor Sweden, Utfors and lawfirm Mannheimer Swartling. Mr. Bengtsson holds a law degree.
Shares in Telia Company: 20,500



Peter Borsos

Born 1969. Senior Vice President and Head of Group Communications and Chair of Division X. Previously Mr. Borsos was Executive Vice President and Director of Communications at Swedbank Group. Prior to that he held various managerial positions within Swedbank and Bank of Åland. He started his career at Nordiska Fondkommission AB. Mr. Borsos holds a Master of Science in Management and Economics.
Shares in Telia Company: 41,000



Abraham Foss

Born 1964. Senior Vice President and CEO of Telia Norway since 2015. He has a wide national and international managing experience of different industries, amongst others as head of the business market for the largest operator in Malaysia, Maxis Berhad. Mr. Foss has previously been manager for, amongst others, Telenor, Innovasjon Norge and Sparebank 1. Mr. Foss holds an MBA and has studied Russian.
Shares in Telia Company: 0



Christian Luiga

Born 1968. Executive Vice President and Chief Financial Officer. Prior to that he was Head of Corporate Control. Before joining Telia Company, Mr. Luiga was CFO of Teleca AB since 2004 and between 2002 and 2004 he served as CFO of Framfab AB. Mr. Luiga has his background as controller in several companies. Mr. Luiga is a member of the board of Fintur Holdings B.V. Mr. Luiga holds a Bachelor of Science in Economics.
Shares in Telia Company: 77,859



Cecilia Lundin

Born 1970. Senior Vice President and Head of People and Brand. Previously, Ms. Lundin was Head of Human Resources at Investment AB Kinnevik. Prior to that she held positions as human resources executive at Novartis in the Nordics, Tele2 and Billerud, respectively. Cecilia Lundin holds a Master of Science in Economics.
Shares in Telia Company: 1,000



Anders Olsson

Born 1969. Senior Vice President, COO and Head of Global Services and Operations. Prior to joining Telia Company, Mr. Olsson worked at Tele2 where he had several managerial positions including Executive Vice President, COO and Head of Region Central Europe and Benelux. He is member of the board of BIMA. Mr. Olsson holds a Master of Science in Business Administration and Economics.
Shares in Telia Company: 140,000



Ingrid Stenmark

Born 1966. Senior Vice President, Head of CEO Office; Strategy & Combined Assurance. Ingrid Stenmark is responsible for Group Strategy, Risk Management, and also overseeing Internal Audit. Since joining Telia Company in 1994, she has held a number of senior positions in the Group, including Head of Group Regulatory affairs, acting General Counsel, and responsible for the associates Turkcell and MegaFon. Ms. Stenmark serves as a board member of Kcell. Ms. Stenmark holds a Master of law. Shares in Telia Company: 10,874



Stein-Erik Vellan

Born 1965. Senior Vice President and CEO of Telia Finland. Mr. Vellan has worked with Telenor Group since 2001 in various managerial positions in Norway and internationally, including CEO of Telenor's operations in India, Serbia and Bulgaria, respectively. He is Chair of Onsagers A/S. Mr. Vellan is marketing candidate. Shares in Telia Company: 0



Henriette Wendt

Born 1969. Senior Vice President and Head of Cluster (LED - Lithuania, Estonia, Denmark). Previously Ms. Wendt was Head of Corporate Strategy and Participation Management at Swisscom. Prior to that she held various managerial positions within Motorola. She started her career as a strategy consultant with Monitor Company and other technology companies. Ms. Wendt holds a Master's Degree in Business Administration. Shares in Telia Company: 8,500

Information on the members of Group Executive Management is also available at www.teliacompany.com/Corporate-Governance. Shares in Telia Company include shareholdings by spouse and/or affiliated persons when appropriate. Holdings as of the date of this Annual and Sustainability Report.

REMUNERATION AND OTHER BENEFITS DURING 2017, CAPITAL VALUE OF PENSION COMMITMENTS

SEK thousand	Base salary	Other remuneration	Other benefits	Pension expense	Total remuneration and benefits	Capital value of pension commitment
Johan Dannelind, CEO	16,584	322	63	6,516	23,485	—
Other members of Group Executive Management (11 individuals)	60,645	2,975	1,816	16,567	82,003	2,707

See also Note C31 to the consolidated financial statements and the Board of Directors' Report, section "Remuneration to executive management."