

CORPORATE GOVERNANCE

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

Board Statement on Corporate Governance

The Board of Directors of Telenor ASA (the Board) is responsible for the management of the Telenor Group and for safeguarding the proper organisation of its operations. The Board believes that sound corporate governance is vital to promote the greatest possible value creation over time in the best interests of Telenor's shareholders, employees and other stakeholders. The Board is committed to maintaining a high standard of corporate governance across Telenor Group, in line with Norwegian and international laws and generally accepted rules and practices.

Telenor's principles and practices for Corporate Governance are subject to regular discussions and annual review by the Board and the Board's People and Governance Committee. Furthermore, the Board shall observe such standards in its own work and decision-making.

Telenor ASA is a public limited liability company established under Norwegian law. Telenor is subject to specific rules and regulations in all countries where the Telenor Group conducts business. Telenor's shares are listed on the Oslo Stock Exchange (Oslo Børs ASA). As an issuer of shares, Telenor complies with and operates in accordance with rules governing the Norwegian stock exchange, including the at any time applicable rules on Continuing Obligations of Listed Companies as approved by Oslo Børs ASA, with reference to the Norwegian Code of

Practice for Corporate Governance (the NCGB Code of Practice) in its latest edition of 17 October 2018, issued by the Norwegian Corporate Governance Board (NCGB). The NCGB Code of Practice may be found at www.nues.no.

The corporate governance principles and practices as required by the Accounting Act Section 3-3b and the details of how Telenor complies with the NCGB Code of Practice are accounted for in this Report on Corporate Governance.

The NCGB Code of Practice covers 15 topics. The structure of this Report on Corporate Governance is aligned with the structure of the NCGB Code of Practice. Links to relevant information on Telenor's website are included in this Report on Corporate Governance.

Deviations from the NCGB Code of Practice Section 1: None

2. BUSINESS Business Activity Clause

The business activity in which Telenor is engaged is clearly set out in the Articles of Association for Telenor ASA, Clause 3: www.telenor.com/about-us/corporate-governance/articles-of-association.

"The object of the company is to engage in telecommunications and other related activities. These activities may be conducted by the company itself, by subsidiaries or through participation in other companies or in cooperation with others."

Objectives and Strategies

Telenor's Board of Directors has established clear objectives and strategic ambitions guided by the purpose: Connecting you to what matters most. Empowering societies. The company has embarked on a transformation journey towards a leaner and more digitalised global telecommunications company. Telenor has established four strategic ambitions towards 2020:

Capture growth opportunities through selective investments and building of digital distribution capabilities. Telenor believes personalisation, enabled by access to customer data and consumption patterns, drives customer engagement and value capture through increased relevance of the product offering.

Drive simplification and efficiency to create value and fund the digital transformation. Telenor believes efficient operations enable competitiveness, while a strong cash flow focus secures funding for growth initiatives.

Ensure that Telenor operates a Responsible Business that deserves the trust of its customers, as well as internal and external stakeholders. Telenor believes that strengthening standards in areas such as health and safety, security and data privacy is fundamental to becoming a trusted partner and to reducing inequalities.

Nurture a Winning Team through meeting competency requirements and strengthening of a learning- and collaboration-oriented culture. Telenor believes this is essential as the

organization moves toward an increasingly project-based way of work.

Telenor Group's strategy is published at the company website:

www.telenor.com/about-us/our-strategy.

The strategy is owned and approved by the Board of Directors and is developed through an annual strategic planning process which includes multiple discussions with the Board on strategic topics. In 2018 this process began with the development of a 2023 Strategic Outlook which considered the factors expected to influence the long term strategic direction and the implications for Telenor. This was followed by development of 2019-20 Strategic Action Plans for each Business Unit and for the Group, focussing on shorter term strategic ambitions and the specific activities required to deliver these. In addition, multiple strategic 'deep-dive' topics were brought to the Board for deliberation throughout the year including Technology Strategy, IoT, Business Segment Strategy and People Strategy. The process also includes external research, multiple interactions between Group Executive Management (GEM) as well as input from external stakeholders. Telenor has regular dialogue with investors, governments, customers, industry organisations, civil society/NGOs and academia. Concerns and advice from external stakeholders are taken into account on specific issues, and provide valuable input to the development of Telenor's strategic direction. Telenor's engagement and interaction with stakeholders are reflected in several of its Policies, Manuals and guidelines, such as the Group Policy Sustainability and the Group Policy Public and Regulatory Affairs. For more details on Telenor's stakeholder engagement, please refer to Telenor's Sustainability Report for 2018.

Telenor's strategy forms the basis for GEM to prepare and carry out investments and structural measures.

Telenor's operations and important events during 2018 are described in the Board of Director's report in this Annual Report for 2018. Telenor updates the market through investor presentations, press releases and other information made available online: www.telenor.com/investors.

Telenor's Corporate Governance Framework

Telenor Group's corporate governance principles and practices are the framework by which Telenor Group governs and controls its business. It is the role and responsibility of the Board to ensure that Telenor adheres to generally accepted principles for the effective control of company activities, and to provide the necessary guidelines for such activities and corporate management. The Board shall furthermore observe such standards in its own work and decision making. The Board shall also ensure that Telenor protects its reputation in relation to owners, employees, customers, the public and the capital market effectively.

Sound corporate governance, in line with Norwegian and international laws and generally accepted rules and recommendations, is critical to Telenor's business integrity and for ensuring the greatest possible value creation over time. Implementing high ethical standards and culture across Telenor Group continues to be a strong focus for the Board. Telenor's Code of Conduct highlights the core values and ethical principles and represents an important foundation for Telenor's corporate governance in maintaining a healthy corporate culture. The Code of Conduct is owned and approved by the Board, and all employees are required to sign it.

The Board places high emphasis on transparency and trustful cooperation between parties and stakeholders involved in the Telenor Group: the owners, the Corporate Assembly, the Board and Group Executive Management, partners, employees, customers, suppliers,

creditors, public authorities and society in general.

Telenor works continuously to improve its governance framework and to ensure that policies, training and control mechanisms are current and adequate in order to ensure that considerations related to its stakeholders are taken into account in the value creation of the Telenor Group. Telenor's principles and practices for Corporate Governance are subject to regular discussions and annual review by the Board and the Board's People and Governance Committee. The Governance Work Programme (GWP) is the annual process for updating/developing, implementing and monitoring the Group Governing Documents.

The GWP in 2018 has been focused on conducting a thorough revision of its Code of Conduct to reflect the evolving risks that Telenor faces. In addition Telenor has initiated a process to improve its policy framework related to business partner risk.

Telenor has organised its operations into three different Clusters and each Cluster includes a number of Business Units (composed of one or more subsidiaries). Telenor Group's Governing Principles describe the key governing bodies in Telenor ASA, the interaction between Telenor ASA and the Business Units, and core global processes like strategy, financial reporting, forecasting and reviews.

A robust governance model requires both appropriate design and effective implementation. Telenor has adopted a governance framework, including the Telenor Code of Conduct and a set of policies and manuals, processes and systems on monitoring and reporting. The governing documents set one single standard which shall govern all business activities, regardless of where such activities take place.

Telenor's governing documents are implemented in Telenor ASA and all subsidiaries directly or indirectly controlled by Telenor and as defined in Telenor's Governing Principles. Companies which are separately listed shall take due account of the requirements for listed companies in the relevant jurisdiction. In case of conflict between Telenor's governing principles and the local requirements, the latter shall prevail.

Telenor is committed to the disclosure of its performance on material sustainability issues in line with stakeholder expectations. Telenor publishes a separate Sustainability Report in accordance with legal requirements such as Norwegian Accounting Act § 3-3c and EU Non-financial reporting directive. The report covers what Telenor does to integrate respect for human rights, labour rights and social issues, the environment and anticorruption into the business strategy, daily operations and relationship with stakeholders. The report covers information on policies, principles, procedures and standards the company uses to integrate the above considerations. In addition, other material issues in line with stakeholder expectations as well as Oslo Stock Exchange's guidance on the reporting of corporate responsibility are addressed. Telenor's Sustainability Report for 2018 is found at www.telenor.com/sustainability.

Deviations from the NCGB Code of Practice Section 2: None.

3. EQUITY AND DIVIDENDS

Share capital

The share capital of Telenor is stated in the Articles of Association, Clause 4. The company's share capital at year end 2018 is NOK 8,828,748,186 divided into 1,471,458,031 ordinary shares, each with a nominal value of NOK 6. Mandates granted to the Board to increase the company's share capital are restricted to defined purposes and are limited in time to no later than the date of the next Annual General

Meeting. This also applies to mandates granted to the Board for the company to purchase its own shares. As a consequence of the share buyback program conducted by Telenor in 2017 (accounted for in the Corporate Governance Report of 2017), the General Meeting on 2 May 2018 resolved to decrease the share capital by cancellation of repurchased own shares and redemption of shares held by the Government, and a decrease of other reserves. In total 29,999,999 shares were cancelled or redeemed.

Equity

Telenor regards its consolidated equity to be at an appropriate level considering the company's objectives, strategy and risk profile. Telenor's objective is to create value for its owners and involves a continuous focus on ensuring that the company's equity is adapted to the company's objectives, strategy and risk profile.

Dividend policy

The Board has established a dividend policy which forms the basis for the proposals on dividend payments presented to the General Meeting. The Board believes that it is in the best interests of Telenor to draw up a long-term and predictable dividend policy. This corresponds with the objective of providing its shareholders with a return on their investments at least equal to alternative investments with similar risk profiles. Such a return should come in the form of cash dividends and/or share buyback if applicable, and increased share value.

Telenor's dividend policy is to aim for year-on-year growth in ordinary dividends per share. Telenor pays semi-annual dividends. In addition, acquisition of treasury shares and / or extraordinary dividends will be evaluated on a case by case basis. The Public Limited Companies Act provides for dividend payments to be resolved by the Board pursuant to

authorisation from the General Meeting. Such authorisation may only be provided until the next ordinary General Meeting and dividends may only be resolved on the basis of the company's latest approved annual accounts.

A resolution on the distribution of the dividend is adopted by the General Meeting following the proposal from the Board. The General Meeting on 2 May 2018 approved an ordinary dividend of in total NOK 8.10 per share to be paid in two tranches, one of NOK 4.20 and one of NOK 3.90. The total ordinary dividend paid out in 2018 was NOK 11.9 billion, an increase of 4 per cent per share compared to the previous year. In addition, the General Meeting declared a special dividend of NOK 4.40 per share or NOK 6.4 billion, contingent upon a successful disposal of the Central and Eastern European assets.

The Telenor Board of Directors will propose a total dividend of NOK 8.40 per share for the financial year 2018 to the Annual General Meeting in May 2019. The dividend will be split into two tranches of NOK 4.40 and NOK 4.00 per share to be paid in May and October 2019, respectively. The two tranches will have separate ex. dividend and record dates. The proposed dividend per share is 4 per cent higher than the dividend per share paid out in 2018.

Deviations from the NCGB Code of Practice Section 3: None.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

One class of shares, equal rights

The Board endorses the principles of transparency and equal treatment of all shareholders. Telenor has only one class of shares. The Articles of Association have no restrictions on voting rights. All shareholders have the same rights.

The General Meeting may authorise the Board to purchase treasury shares. Previously, under such authorisation, the Board has been free to decide if and how the acquisition of shares shall take place within the framework of applicable law, and shall ensure compliance with general principles of equal treatment of shareholders. At the Annual General Meeting in 2018, the Board asked for, and was authorised, to repurchase up to 29,000,000 of the company's own shares, equalling around 2 per cent of the outstanding shares. On 22 June 2018, Telenor announced a share buyback programme based on such authorisation. By the end of 2018, Telenor had acquired 13,350,090 shares under the programme, which is equal to the whole market part of the buyback. The Programme is managed by a third party, which makes its trading decisions in relation to the shares independently of, and uninfluenced by, Telenor.

The Norwegian State as the main shareholder

The Norwegian State is the main shareholder in Telenor, with a holding of 53.97 per cent of the Telenor shares as of 31 December 2018. The ownership interest is managed by the Ministry of Trade, Industry and Fisheries. The Norwegian State emphasises that partly state-owned companies should comply with principles for good corporate governance. The State's active exercising of its ownership policy is governed by the Norwegian legislation for companies and by accepted principles for exercising good ownership. This means that it is the Board that is responsible for evaluating the expectations that the shareholders and others have towards the company, and for accomplishing the commercial targets which the Board deems appropriate. More information about administration of the Norwegian State's ownership interests and the Government's Ownership Policies can be found on the Government's web pages www.regjeringen.no/en/topics/business-and-industry/state-ownership/id1336.

Telenor ASA has an agreement with the Norwegian state through the Ministry of Trade, Industry and Fisheries to carry through share buybacks with the purpose of cancelling these shares through write-down of the share capital to maintain the Norwegian state's ownership interest. See [notes 23, 32 and 35](#) to the financial statements for Telenor Group for 2018 for a further description.

In the Government's white paper concerning direct state ownership of enterprises from 2014 (Meld. St. 27 (2013-2014)), the Government announced that it would propose that Stortinget (the Norwegian Parliament) consents to giving the Government the flexibility to reduce the state's ownership in several state owned companies, including Telenor ASA, to 34 per cent. This requires a special authorization from the Parliament. The Parliament provided its approval to the proposal regarding Telenor on 5 February 2015. The authorization was latest renewed by the Parliament in the state budget for 2019 and consequently gives the Government the optionality to decide to reduce its ownership stake in Telenor.

Increase in share capital

Telenor practices the principle that any decision to waive the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital should be justified. Where the Board resolves to carry out an increase in share capital and waive the pre-emption rights of existing shareholders on the basis of a mandate granted to the Board, the justification should be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital.

Transactions with close associates

In relation to its ordinary business, Telenor has regular transactions with certain entities in which Telenor has ownership interests. Such transactions are carried out on an arm's length basis, cf. also the Public Limited Liability Companies Act,

Sections 3-8 and 3-9. For material transactions with related parties, Telenor has a practice to obtain an independent valuation to ensure compliance with the arm's length principle.

Transactions with related parties, including transactions with associated companies, are accounted for in [note 32](#) to the financial statements for Telenor Group for 2018 in this Annual Report.

Deviations from the NCGB Code of Practice Section 4: None.

5. SHARES AND NEGOTIABILITY

Telenor shares are listed on the Oslo Stock Exchange and are freely negotiable. Telenor has one class of shares, and each share equals one vote at the General Meeting. The shares have no trading restrictions in the form of Board consent or ownership limitations.

The Articles of Association of Telenor ASA contain no restrictions on negotiability or voting rights and all shares have equal rights.

Deviations from the NCGB Code of Practice Section 5: None.

6. GENERAL MEETINGS

Supreme governing body

The General Meeting is the company's highest authority. Telenor's Articles of Association are adopted by the General Meeting.

The shareholders' interests are primarily ensured through Telenor's Annual General Meeting (General Meeting). The General Meeting is the main meeting place for shareholders and the officers they elect. According to the Articles of Association, the General Meeting shall be held once a year before the end of June.

Telenor encourages as many shareholders as possible to exercise their rights by attending the General Meeting, and aims to ensure that the General Meeting

remains an effective meeting place for shareholders and the Board. In order to allow shareholders to form a view on all matters to be considered at the General Meeting, the resolutions and supporting information distributed shall be sufficiently detailed and comprehensive. Any shareholder is entitled to have a question discussed at the General Meeting. The Board is to be notified of the question in writing at least seven days before the deadline for sending the notice convening the General Meeting, together with a proposal for a draft resolution or an explanation as to why the matter has been put on the agenda.

Shareholders are given the opportunity to vote separately on each item of the agenda at the General Meeting and on each candidate nominated for election to the company's bodies.

The 2018 General Meeting of Telenor ASA was held on 2 May 2018. The pre- and post-General Meeting documents, including the minutes, are available at: www.telenor.com/investors/general-meeting.

The Annual General Meeting (General Meeting)

The General Meeting shall deal with the following matters, as stipulated in the Articles of Association, Clause 8:

- Approval of the annual report and accounts, including distribution of dividends.
- Any other matters that shall be dealt with by the General Meeting by law or pursuant to the Articles of Association.

According to the Norwegian Public Limited Liability Companies Act, Section 5-6, the General Meeting shall also deal with the Board's declaration regarding the determination of salary and other remuneration to executive management pursuant to Section 6-16a. An advisory vote shall be held at the General Meeting

following the Board's guidelines for the determination of executive salary and other remuneration. The guidelines for schemes as mentioned in §16-6 a, first paragraph, third sentence must be approved at the General Meeting and are binding upon the Board. Otherwise the guidelines are precatory.

Information on the Board's declaration regarding the determination of salary and other remuneration to executive management is included in [note 34](#) to the financial statements for Telenor Group for 2018 in this Annual Report. Please also see Section 12 below.

According to the Norwegian Public Limited Liability Companies Act, Section 5-6 (4), the General Meeting shall deal with the Report on Corporate Governance pursuant to Section 3-3b of the Norwegian Accounting Act. The following is noted in the minutes of the General Meeting on 2 May 2018:

"The Board of Director's report on corporate governance was considered by the Annual General Meeting. There were no objections to the report."

See the minutes of the General Meeting at: www.telenor.com/wp-content/uploads/2018/04/AGM-2018-Signed-minutes-ENG.pdf.

Extraordinary General Meeting (EGM)

The Board, the Corporate Assembly or the Chair of the Corporate Assembly may decide to convene an Extraordinary General Meeting (EGM). The Board shall convene an EGM if, in order to deal with a specific matter, the auditor who audits the company's annual accounts or shareholders representing at least one twentieth of the share capital demand this in writing. The Board shall ensure that the General Meeting is held within one month of the date the demand was submitted.

Notice convening the General Meeting

Notice convening the General Meeting

shall be sent no later than 21 days before the meeting is to be held.

According to Telenor's Articles of Association, Clause 8, the documents relating to items to be considered at the General Meeting, including documents that according to law shall be included in or attached to the notice of meeting, are not required to be sent to the shareholders if the documents are available on Telenor's website. A shareholder may request that such documents be sent to him/her.

Attendance at the General Meeting

The General Meeting shall in accordance with section 5-12, first paragraph of the Public Limited Liability Act and the Articles of Association, article 8, first section, be chaired by the Chair of the Corporate Assembly. The Chair of the Board and the President and CEO shall also attend the General Meeting. Further, Telenor's auditor will attend the General Meeting. In addition, the representatives of the Nomination Committee shall attend the General Meeting in order to present their recommendations and answer any questions.

Shareholders who wish to attend the General Meeting must give notice to Telenor no later than three days prior to the General Meeting in accordance with the Board's detailed instructions, as stated in the Articles of Association, Clause 8, second paragraph.

Shareholders who are unable to attend may vote by proxy. The person authorised to serve under proxy shall submit a written and dated instrument of proxy. If the proxy is presented using an electronic transmission, a secure method shall be utilised to authenticate the transmitter. The proxy is deemed valid only for the forthcoming general meeting unless it is otherwise clearly provided. The shareholder may at any time revoke the proxy.

Written voting prior to General Meetings

The shareholders may cast their paper votes, or vote electronically, in a period preceding the General Meeting. The shareholders may vote separately on each item of the agenda. The Board may provide guidelines for advance voting. The summons shall include the guidelines adopted by the Board, as stated in the Articles of Association, clause 8, sixth paragraph.

Minutes of the General Meetings

The minutes of the Annual General Meetings and Extraordinary General Meetings, together with voting results, attendance and pre-meeting documents are made available online at:

www.telenor.com/about-us/corporate-governance/about-the-general-meeting.

Deviations from the NCGB Code of Practice Section 6: The NCGB Code of Practice recommends that all of the members of the Board are present at the General Meeting. Telenor has not deemed it necessary to require the presence of all members of the Board. The Chair of the Board, the Chair of the Nomination Committee and the Corporate Assembly, the President and CEO and other relevant members of management, are, however, always present at the General Meeting.

7. NOMINATION COMMITTEE

Establishment and Composition

The appointment of a nomination committee is not required by legislation but is recommended by the NCGB Code of Practice. The Nomination Committee of Telenor ASA is established pursuant to the Articles of Association, Clause 9.

The Nomination Committee of Telenor nominates shareholder representatives to the Corporate Assembly and Board, as well as the Nomination Committee. The members of the Board are elected by the Corporate Assembly and the members of the Corporate Assembly are elected by the General Meeting.

The Nomination Committee is independent of the Board, the Corporate Assembly and the Executive Management. Composition of the Nomination Committee is regulated in the Articles of Association, Clause 9.

The Nomination Committee consists of four members that shall be shareholders or representatives of shareholders and that shall be independent from the Board and the Company's management. The members shall be elected by the General Meeting, however, the Chair of the Corporate Assembly shall be elected as the Chair of the Nomination Committee. Of the other three members, one shall be a shareholder-elected member or deputy member of the Corporate Assembly.

When appointing members to the Nomination Committee, representation of broad shareholders' interests shall be taken into consideration.

The members of the Nomination Committee are elected for a period of two years. The shareholder-elected members of the Corporate Assembly determine the remuneration for the Nomination Committee. Proposals to nominate candidates for the Corporate Assembly, Board and Nomination Committee of Telenor should be submitted to the Nomination Committee. Proposals by shareholders may be addressed to Telenor's Investor Relations on:

www.telenor.com/about-us/corporate-governance/nomination-committee.

Further information about the members of the Nomination Committee is available at: www.telenor.com/en/about-us/corporate-governance/nomination-committee.

The work of the Nomination Committee

According to the Articles of Association, Clause 9, the tasks of the Nomination Committee are to make recommendations to:

- The General Meeting regarding the election of shareholder-elected members and deputies to the Corporate

Assembly, and remuneration for the members of the Corporate Assembly;

- The General Meeting for the election and remuneration of members of the Nomination Committee;
- The Corporate Assembly regarding the election of shareholder-elected members and deputies to the Board of Directors, and remuneration of the Board of Directors; and
- The Corporate Assembly for the election of Chair and deputy Chair of the Corporate Assembly.

MEMBERS OF THE NOMINATION COMMITTEE AT YEAR-END 2018

Anders Skjævestad

Chair

Elected from the Corporate Assembly: 2009, elected Chair 2012

Mette Wikborg

Member

Elected by the Annual General Meeting: 2008

Christian Berg

Member

Elected by the Annual General Meeting: 2015

Lars Tronsgaard

Member

Elected from the Corporate Assembly: 2018

The Nomination Committee's process and considerations regarding the election of shareholder-elected members and deputies to the Board shall provide a sound basis for the Nomination Committee's recommendations. The Nomination Committee's work on proposing candidates for election to the Board includes contact with shareholders, the Board and executive personnel (and with members of the Corporate Assembly, where appropriate). The Board's annual report on the Board's self-evaluation of its performance and expertise is dealt with separately by the Nomination Committee. The Nomination Committee emphasises

the Board's total competences when making its recommendations.

The General Meeting may adopt instructions for the Nomination Committee. The Nomination Committee held 12 meetings in 2018. Average attendance over the year at the Nomination Committee meetings was 98 per cent.

Deviations from the NCGB Code of Practice Section 7: None.

8. CORPORATE ASSEMBLY AND BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

Telenor has a Corporate Assembly and a Board of Directors, as required by Norwegian law. The Corporate Assembly is a distinctly Norwegian body. It is primarily a supervisory body which supervises the Board's and the President and CEO's management of the company. The duties of the Corporate Assembly are set out in the Public Limited Liability Companies Act, Section 6-37.

Composition of the Corporate Assembly

The composition of the Corporate Assembly is determined with a view to ensure that it represents a broad cross-section of Telenor shareholders.

The Corporate Assembly consists of a total of 15 members. The members and deputies are elected for a term of two years. Ten members and three deputies for these members are elected by the General Meeting. Five members and two observers, with deputies, are elected by and from the employees pursuant to the rules in the regulations relating to the provisions of the Norwegian Public Limited Companies Act concerning the employees' right to representation on the board of directors, corporate assembly, etc.

Due to the independence of the Corporate Assembly, members and observers of the Board and the President and CEO cannot be a member (or an observer) of the

THE CORPORATE ASSEMBLY AT YEAR-END 2018

Anders Skjævestad

Chair

Elected 2012 – member of the Corporate Assembly since 2009, re-elected 2017

Lars Tronsgaard

Deputy Chair

Elected 2018

MEMBERS ELECTED BY THE SHAREHOLDERS:

Silvija Seres

Elected 2011, re-elected 2017

Siri Pettersen Strandenes

Elected 2008, re-elected 2017

Tore Onshuus Sandvik

Elected 2011, re-elected 2017

John Gordon Bernander

Elected 2013, re-elected 2017

Didrik Munch

Elected 2013, re-elected 2017

Widar Salbuvik

Elected 2013, re-elected 2017

Jostein Christian Dalland

Elected 2017

Heidi Finskas

Elected 2018

DEPUTY MEMBERS ELECTED BY THE SHAREHOLDERS:

Maalfrid Brath

First deputy, elected 2016, re-elected 2017

Elin Merete Myrmet-Johansen

Second deputy, elected 2009, re-elected 2017

Ingvild Nybø Holth

Third deputy, elected 2005, re-elected 2017

MEMBERS ELECTED BY THE EMPLOYEES:

May-Iren Arnøy

Elected deputy in 2007, re-elected as member 2017

Hege Karita Ottesen

Elected 2015, re-elected 2017

Magnhild Øvsthus Hanssen

Elected 2007, re-elected 2017

Tom Westby

Elected observer 2016, elected as member 2017

Vegard Aas

Elected observer 2017, elected as member 2018

OBSERVERS FOR THE EMPLOYEES:

Laila Fjelde Olsen

Elected 2018

Haakon Bratsberg

Elected 2018

DEPUTY MEMBERS ELECTED BY THE EMPLOYEES:

Mona Irene Børøen

Hege Nøttestad

Tommy Dybdal

Pål Ligaard

Swati Sharma

Christian Uribe

Espen Egeberg Christiansen

Morten Fallstein

Sune Johannes Jakobsson

Håkon Lønsethagen

Corporate Assembly, cf. Norwegian Public Limited Liabilities Act section 6–36.

The CEO and the Chair of the Board shall normally attend the Corporate Assembly meetings, as stipulated in the Instructions for the Corporate Assembly. Further information about the members of the Corporate Assembly, is published at: www.telenor.com/about-us/corporate-governance/corporate-assembly.

The work of the Corporate Assembly

The Corporate Assembly supervises the Board and the President and CEO's management of the company. The Corporate Assembly held three meetings in 2018. The average attendance over the year at the Corporate Assembly meetings was 100 per cent.

The Corporate Assembly also makes decisions on limited, but important, areas. One important task for the Corporate Assembly is the election of members to the Board, including the Chair of the Board. The General Meeting cannot influence, change or reverse the Corporate Assembly's decisions regarding the election of the Board and Chair of the Board.

In order to exercise its supervisory function, those who attend Corporate Assembly meetings as members or observers may demand information on Telenor's affairs to the extent they consider necessary. The Corporate Assembly may also undertake investigations on its own or through a committee.

The Corporate Assembly shall issue a resolution to the General Meeting as to whether the Board's proposal for the income statement and balance sheet, and Telenor Group's consolidated income statement and balance sheet should be adopted, and as to the Board's proposal for the allocation of profit or coverage of loss.

At the proposal of the Board, the Corporate Assembly may adopt resolutions in matters that concern investments that are substantial compared with the company's resources, and any efficiency measures or alteration of the operations that would entail a major change or reallocation of the labour force.

The Corporate Assembly may adopt recommendations to the Board or the management on any matter.

The Corporate Assembly decides the remuneration to the Board.

The Corporate Assembly has some other specific tasks, such as to present proposals regarding the choice of auditor, receive proposals regarding any merger or de-merger plans and elect a liquidation committee in the event of a decision to wind up the company. The role of the Corporate Assembly is not to act as a general "supreme management". Other tasks may not, therefore, be assigned to the Corporate Assembly unless the law specifically requires it.

Composition of the Board

According to Telenor's Articles of Association, the Telenor ASA Board of Directors shall consist of a minimum of five and a maximum of 13 members, who are to be elected for a term of two years. By 31 December 2018, the Board consisted of ten Board Members, of which three are employee-elected members as required by Norwegian company law.

The Nomination Committee makes recommendations to the Corporate Assembly regarding the election of shareholder-elected members and deputies to the Board. The Corporate Assembly elects the Board, including the Chair of the Board.

In 2018, no new members were elected to the Board.

Expertise and Independence

The Board shall have a diverse composition and expertise tailored to meet the company's needs. Information regarding the background, education and other board positions of each Board member is available on Telenor's website: www.telenor.com/about-us/corporate-governance/board-of-directors.

None of the Board members, apart from the employee representatives, are employees of Telenor or have carried out work for Telenor. In Norway, executive personnel are not normally elected to the board of directors (two-tier system). The management is not represented on the Board, and all shareholder representatives on the Board are independent.

In addition to having the appropriate expertise, it is important that the Board has sufficient capacity to carry out its duties. The commitment involved in being a member of a board can vary from company to company, and there is therefore no set limit for the number of board appointments an individual could hold.

Shares

The members of the Board are encouraged to own shares in the company. Details of the number of shares held by Board members are disclosed at: www.telenor.com/about-us/corporate-governance/board-of-directors and in [note 34](#) to the financial statements for Telenor Group for 2018 of this Annual Report.

Deviations from the NCGB Code of Practice Section 8: None.

9. THE WORK OF THE BOARD, THE CHIEF EXECUTIVE OFFICER AND THE GROUP EXECUTIVE MANAGEMENT OF TELENOR ASA

Role and responsibility of the Board

The Board of Telenor ASA is responsible for the administration of the Telenor Group and for safeguarding the proper organisation of the business. The Board

shall supervise the day-to-day management and Telenor's business in general. The Board makes decisions and in certain cases grants authority to make decisions on issues which, due to the nature of the business, are unusual or of major significance to the company.

The Board draws up plans and financial frames and goals for the activities of Telenor. The Board keeps itself informed of Telenor's financial position and ensures that its activities, accounts and asset management are subject to adequate control. The Board ensures that Telenor has good internal controls with respect to the rules and regulations which apply to the Telenor Group. The Board initiates those examinations it finds necessary for the performance of its duties and if so demanded by one or more of the members of the Board.

The Board adopts a plan for its work, with special emphasis on objectives, strategy and implementation, once a year. The Board shall, to the degree necessary, approve strategies, business plans and rolling forecasts for the activities of the Company and its subsidiaries. Telenor's strategy is described in this Report on Corporate Governance, Section 2. Further information on the Telenor Group strategy is available at www.telenor.com/about-us/our-strategy.

The Board emphasises the importance of gaining valuable insights and being well informed on relevant areas such as operational, technological, regulatory and market developments. In September 2018, the Board visited Telenor Sweden's headquarters in Solna.

The Board issues instructions for its own work as well as for the Chief Executive Officer, with particular emphasis on clear internal allocation of responsibilities and duties. The Board adopted revised instructions for the Chief Executive Officer on 30 January 2018 and for the Board on 22 March 2018.

The rules regulating loyalty, impartiality and conflict of interests stated in Telenor's Code of Conduct applies to all members of the Board, managers and other employees of Telenor, as well as others acting on behalf of Telenor:

"A conflict of interest exists when our personal interest conflicts, or could be perceived to conflict, with Telenor's interests. Personal interests include our financial interests, business opportunities, outside employment or the interests of people close to us, like close family members, personal friends or business associates."

An employee shall recuse his or herself from situations and decisions where he or she has a potential or perceived conflict of interest. If a conflict of interest arises, the employee shall on the employee's own initiative evaluate circumstances that may imply a conflict of interest or impartiality and promptly notify the employee's leader of such circumstances.

The Instructions to the Board of Telenor ASA state that Board members are not permitted to take part in the processing or decision-making of issues that have such significance to them or any closely related parties that they must be regarded as having a distinct personal or financial special interest in the issue, or where the said person's disqualification may become relevant for other reasons. The same applies to the President and CEO, cf. also the Public Limited Liability Companies Act, Section 6-27. Neither the Board members nor the President and CEO can, under any circumstances, take part in any issues regarding loans or other credits to themselves or in relation to security for their own debt. In addition, in the event that the Board shall consider a matter of material nature in which the Chair of the Board has, or has had, an active involvement (i.e. negotiations on merger, acquisitions, etc.), the Deputy Chair or in his/her absence a person nominated by the majority of the Board members shall

take the Chair when considering such matter. In order to raise awareness on conflict of interest issues amongst the Board members, the Board implemented new procedures in 2018 to regularly discuss the board members additional engagements and its potential impact on the board work.

Board meetings in 2018

Information about the attendance of each of the members of the Board is reported in the minutes of each Board meeting. The minutes from the Board meetings are distributed to selected members of management, the Head of Internal Audit and Investigations and Telenor's external Auditor.

The Board shall normally hold eight ordinary Board meetings during the calendar year, but the minimum is four. Individual Board members and the President and CEO may, at any given time, request a Board meeting to be held to discuss specific matters. In the event that a Board member is unable to attend a Board meeting, the member must notify the Secretary of the Board, who will invite deputies when relevant. Designated deputies have been elected for the employee representatives but not for the shareholder elected Board members. Directors unable to attend a Board meeting are provided with the preparatory board documents.

The Board constitutes a quorum if more than half of its members are present or participate in the discussion of the matter in question. However, the Board may not adopt a resolution without all Board members having been given an opportunity, in so far as possible, to participate in the discussion of the matter in question. Where the Chair of the Board finds it appropriate, Board members may attend a meeting by phone, video conference or other means. The annual financial statement and annual report, as well as the remuneration of the President and CEO and other members of the

executive management (if appointed by the Board), will always be dealt with in a physical meeting.

The Board held 12 Board meetings in 2018. The average attendance over the year at the Board meetings was 97.5 per cent.

Board self-assessment

The Board systematically evaluates its performance, activities and expertise by undertaking a yearly self-assessment. External resources are used to facilitate the self-assessment and the evaluation of the self-assessment, as recommended by the NCGB Code of Practice. The Board's self-assessment for 2018 was reviewed in a Board meeting on 18 December 2018 and discussed in the Nomination Committee on the same day.

Working committees of the Board

In order to help ensure thorough preparation of specific issues, the Board has appointed four preparatory working committees of the Board: The Risk and Audit Committee, the People and Governance Committee, the Sustainability and Compliance Committee and the Innovation and Technology Committee.

The Committees have no independent, decision-making authority, except where expressly granted by the Board on a case by case basis. The Committee's role is to prepare matters for consideration and/or decision by the Board as a whole. The Board makes all decisions in Board meetings. The Board has adopted revised charters for each Committee on 21 June 2018. The Committees report to the Board in connection with the scope of work described in the Charters. Each member of the Board has access to all working documents, including the minutes, from the Committee meetings.

The Risk and Audit Committee

The Risk and Audit Committee was, by year-end 2018, composed of the following members of the Board: Jon Erik Reinhardsen (Chair of the Committee),

Jørgen Kildahl, Grethe Viksaas and Harald Stavn (employee representative). The Committee held eight meetings in 2018. The average attendance over the year at the Committee meetings was 100 per cent.

The Risk and Audit Committee is a preparatory committee that supports the Board in fulfilling the Board's responsibilities with respect to financial reporting, internal controls, internal and external audit, risk management and risk framework and is established in accordance with the requirements of Audit Committee in the Norwegian Public Limited Companies Act.

The People and Governance Committee

The People and Governance Committee was, by year-end 2018, composed of the following members of the Board: Gunn Wærsted (Chair of the Committee), Jon Erik Reinhardsen, Sally Davis and Harald Stavn (employee representative). The Committee held seven meetings in 2018. The average attendance over the year at the Committee meetings was 100 per cent.

The People and Governance Committee is a preparatory committee to the Board of Directors of Telenor that supports the Board in fulfilling their responsibilities with respect to governance, remuneration, leadership and culture development.

During 2018 the Committee has in particular conducted a review of the overall incentive structure to explore how the structure could become more effective and help engage and inspire employees to drive annual results and long term value creation for Telenor Group.

The Sustainability and Compliance Committee

The Sustainability and Compliance Committee was, by year-end 2018, composed of the following members of the Board: Sally Davis (Chair of the Committee), Gunn Wærsted, Jørgen Kildahl, and Roger Rønning (employee representative). The Committee held five

meetings in 2018. The average attendance over the year at the Committee meetings was 100 per cent.

The Committee continues to support the Board in fulfilling the Board's responsibilities with respect to sustainability and compliance issues. In its work, the Committee is guided by international conventions and standards, the Telenor Code of Conduct, Group Policies and Manuals relevant to the scope of the Committee. The Committee also supports the Board in fulfilling its responsibilities to specifically address climate and environment, human rights, labour standards and anti-corruption. The Committee supervises that the company has put in place policies, systems and reporting for the said areas.

During 2018 the Committee has had a particular focus on compliance, health, safety & personnel security, supply chain, human rights and alignment on key risk areas to follow up going forward.

The Innovation and Technology Committee

The Innovation and Technology Committee was by year-end 2018 composed of the following members of the Board: Jacob Aqraou (Chair of the Committee), René Obermann, Grethe Viksaas and Sabah Qayyum (employee representative). The Committee held five meetings in 2018. The average attendance over the year at the Committee meetings was 96 per cent.

The Innovation and Technology Committee is a preparatory committee that supports the Board in fulfilling the Board's responsibilities with respect to innovation and technology development. This includes monitoring the overall progress of Telenor's digital transformation, following trends and technology developments impacting Telenor, and monitoring the formulation and execution of Telenor's security strategy, security governance, and operational status with an emphasis on cyber security as a top enterprise risk.

Topics covered in 2018 were related to 5G, IoT, Embedded SIM (eSim), Devices, Innovation investments and effects, Data Analytics- and Marketing capabilities to drive personalization, Spectrum optimization and efficiency, and IT strategy, and Cyber Security.

TELENOR ASA BOARD OF DIRECTORS BY YEAR-END 2018

Gunn Wærsted

Chair of the Board

Appointed: 14 January 2016, re-elected 10 May 2017

Jørgen Kildahl

Deputy Chair

Appointed: 10 May 2017, Deputy Chair 12 June 2017

Jacob Aqraou

Board Member

Appointed: 11 May 2016, re-elected 2 May 2018

Sally Margaret Davis

Board Member

Appointed: 23 November 2011, re-elected 10 May 2017

René Richard Obermann,

Board Member

Appointed 1 January 2018

Jon Erik Reinhardsen

Board Member

Appointed: 14 May 2014, re-elected 10 May 2017

Grethe Viksaas

Board member

Appointed: 10 May 2017

Sabah Qayyum

Employee representative

Appointed: 19 June 2017

Roger Rønning

Employee representative

Appointed: 19 June 2017

Harald Stavn

Employee representative

Appointed: 20 June 2000, re-elected 19 June 2017

The Chief Executive Officer (CEO)

The managing director of Telenor ASA is the authoritative head of the day-to-day management of Telenor ASA and is the President and CEO of the Telenor Group. The Board appoints the President and CEO, sets his/her terms of employment based on recommendations by the People and Governance Committee, and devises instructions for the position. The Board shall decide the President and CEO's terms of employment and salary, and any adjustments therein.

The President and CEO is in charge of the day-to-day management of operations at Telenor ASA and across the Telenor Group, and is responsible for ensuring that the company and Group are organised, run and developed in accordance with the law, Telenor's Articles of Association and decisions adopted by the Board, the Corporate Assembly and the General Meeting.

The Board has provided instructions for governance to the President and CEO covering the management of the Telenor Group, financial reporting and the management of ownership interests, the management of Telenor ASA in subsidiaries and other companies in the Telenor Group, the power of attorney of the President and CEO, submission of proposals for decisions for the Board from the President and CEO and the President and CEO's responsibilities for reporting to the Board.

Group Executive Management (GEM)

The Group Executive Management (GEM) of Telenor ASA is an advisory management body for the President and CEO. GEM consists of EVPs for Support Functions and Global Units and the Cluster heads of Scandinavia, Emerging Asia and Developed Asia, and is chaired by the President and CEO. Strategic, operational, financial or other issues important to Telenor shall normally be dealt with in GEM meetings.

The GEM members report to the President and CEO.

A subsidiary's relationship to Telenor ASA

The board of directors of a subsidiary in the Telenor Group is obliged to provide the Board of Telenor ASA with any information that is necessary for an evaluation of the Telenor Group's position and the result of the group's activities.

Telenor ASA notifies a subsidiary's board of directors of matters which may be of importance to the Telenor Group as a whole. Telenor ASA also notifies the subsidiary's board of directors of decisions which may be of importance to the subsidiary before a final decision is made.

To ensure implementation of good and efficient corporate governance in Telenor's subsidiaries, Telenor's governance framework is implemented in all Business Units. The Business Unit's board of directors adopts the relevant governing documents and supervises its implementation.

Deviations from the NCGB Code of Practice Section 9: None.

10. RISK MANAGEMENT AND INTERNAL CONTROL

The Board's responsibility and objective for Risk Management and Internal Control

Risk management and internal control are given high priority at Telenor. Key aspects encompass embedding risk management, designating risk ownership and implementing risk responses throughout the organisation. The Group Governing Principles set out key principles related to Risk Management and Internal Control. All foreseeable risks that may have an impact on Telenor's ambitions will be evaluated.

Telenor's risk management objective is to earn competitive returns from its various business activities at acceptable risk levels and without compromising its vision, values and Code of Conduct. Risk

management is integrated within the Telenor Group's annual strategy planning process, and top risks highlighted therein by Business Units are tracked through various group review processes. Business Units report their risks in their annual strategy plan, based on a thorough risk assessment process.

Group Enterprise Risk Management aggregates risks from the Business Units, analyses other risks across the Telenor Group in a Group Risk Forum and presents Telenor's risks and risk process to the Group Executive Management, the Risk and Audit Committee and ultimately to the Board of Directors. At least once a year, the Board of directors reviews the Group risk picture in a meeting. Each Business Unit is responsible for updating their company level risk register on a regular basis. Business Units provide quarterly updates and also report risks that have emerged, including the status of actions to respond to the risks. Business Units are required to align risk management processes closely with existing business and management processes locally. All managers are required to assume responsibility for risk management within their areas of responsibility and ensure that risk management is embedded in day-to-day business processes.

Telenor has a strong focus on internal controls over financial reporting (ICFR) and has established a process for ensuring that sufficient internal control-related activities are implemented in Telenor's financially significant business operations worldwide. The Group Governing Principles define the key requirements and the expectations for the ICFR program to be implemented in these business operations. This ICFR process is overseen by the Board through the Risk and Audit Committee. The responsibility for implementation of the ICFR program in the financially significant Business Unit's rests with the local management. These Business Units provide quarterly and annual ICFR status reports to Group Finance.

Management performs an annual evaluation of ICFR. The evaluation includes identification and assessment of all material financial reporting risks, as well as ensuring that relevant controls to address these risks are implemented, executed and tested with a certain frequency throughout the year. For controls that are not operationally effective at year-end, the potential impact and financial exposure on the consolidated financial statements are evaluated. Regular reviews are performed to identify the most relevant financial reporting risks and to improve Telenor's ICFR best practices. These reviews also ensure that identified risks are addressed by sufficient controls at all times.

Telenor focuses on continuously improving its risk management process. The purpose is to improve assessment, monitoring and reporting of risks by linking risks to relevant policies and ambitions, and increasing control and follow-up.

Further information regarding risk management is presented in the Board of Directors' Report of this Annual Report for 2018.

Financial Reporting Standards

Telenor prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The consolidated financial statements shall give a true and fair view of the Company's and the Telenor Group's assets, liabilities, financial position and results of operations.

Telenor ASA is a holding company and contains the Group Management, Corporate Functions, Research and Development and Group Treasury. The financial statements for Telenor ASA are prepared in accordance with the Norwegian Accounting Act section 3-9 and regulations regarding simplified application of IFRS issued by the Ministry of Finance on 21 January 2008. Financial

Reporting Standards and accounting principles are further described in the notes to the financial statements of this Annual Report for 2018.

The Disclosure Committee

The Disclosure Committee supports the company's efforts to meet the requirements for external financial reporting. The Disclosure Committee reviews the quarterly and annual reports of the Telenor Group and ensures that external reporting requirements are met. The Committee is chaired by the CFO and includes the following members: Head of Group Legal, Head of Investor relations, Group Controller, Head of Group Accounting and Head of Group Communications. The Disclosure Committee meets to review the Quarterly financial reports and the Annual Report.

The Group Compliance Officer and the Compliance function

The Group Compliance function in Telenor is responsible for

- Code of Conduct ownership on behalf of the Board;
- resolution of compliance cases;
- ownership and implementation of the anti-corruption policy- and business partner risk management policy;
- design and implementation of compliance risk processes; and
- leading the Governance Work Programme.

The Group Chief Compliance Officer heads the group-wide compliance function and supports the President and CEO and the Board in ensuring that the Code of Conduct sets the appropriate standards, and that these standards are implemented and enforced.

In late 2018, the Group Chief Compliance Officer began reporting administratively to the Chief Corporate Affairs Officer, while continuing to report functionally to the President and CEO. Correspondingly, the

Telenor Business Unit Head of Compliance report directly to the Business Unit CEO.

The Business Unit Head of Compliance also reports regularly to the Business Unit Board of Directors on compliance matters. In order to ensure alignment of strategy, prioritization and implementation of compliance and governance related matters, the Business Unit Heads of Compliance have dotted functional reporting to the Group Chief Compliance Officer.

Group Internal Audit and Investigation (GIA&I)

Group Internal Audit and Investigation (GIA&I) is an independent, objective, assurance, advisory, and investigation unit aiming at adding value to improve the operations of the Telenor Group.

The internal audit unit assists Telenor in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the Telenor Group's risk management, control, reporting and governance processes.

The investigation unit ensures that internal investigations are conducted with predictability, confidentiality, fairness and independence to clarify the factual circumstances and establish if there are any evidence of personal misconduct or violation to Telenor's Governing Documents and/or laws and regulations.

GIA&I is empowered to perform engagements in Telenor ASA and any subsidiary in which Telenor ASA, directly or indirectly, owns more than 50 per cent of the voting shares, or the power of control is possessed and exercised by or on behalf of Telenor ASA.

GIA&I is organized as a global function, developing one global audit plan and performing investigations for the whole group. The Head of GIA&I reports functionally to the Board of Directors through the Risk and Audit Committee

and administratively to the President and CEO.

Group Investment Committee (GIC)

The Group Investment Committee (GIC) provides recommendations to the President and CEO and other approval bodies regarding investments and other financial commitments falling within the authority limits set out in the Group Authority Matrix or deemed to be of special interest or principle in nature. GIC is chaired by the CFO and consists of members who have relevant expertise.

GIC secures agreement on the decision process and strategic alignment of proposals, and ensures quality and completeness of assessments and standards for business cases and risks. In addition, GIC performs post-investment evaluations and enhances knowledge sharing.

Group Treasury

In order to ensure overall management and control of the company's financial affairs, the Company has set up Group Treasury as a central finance function. Group Treasury functions in accordance with its mandate set out in the Group Policy Treasury. Group Treasury reports to the Group CFO.

The purpose of the Group Policy Treasury is to mitigate treasury risks in the Telenor Group and to secure efficient management and control of treasury activities. It also provides an overall framework for the management of treasury risks, including liquidity risk, counterparty credit risk, third party credit risk, currency risk and interest rate risk. Further, the Group Policy Treasury sets the main principles for activities for the Group Treasury function as well as Business Units related to the capital structure, equity and debt funding, cash management, working capital management, bank relationship management, treasury risk management, issuance of guarantees and treasury reporting requirements. The policy sets

the standards and terms for how the treasury functions in the group shall manage its operation and responsibilities in accordance with established policy requirements.

GROUP EXECUTIVE MANAGEMENT BY YEAR-END 2018

Sigve Brekke

President and Chief Executive Officer

Jørgen C. Arentz Rostrup

EVP, Group Financial Officer

Cecilie Blydt Heuch

EVP, Chief People Officer

Petter Børre Furberg

EVP, Emerging Asia Cluster

Svein Henning Kirkeng

EVP, Head of Products and Marketing

Anne Kvam

EVP, Chief Corporate Affairs Officer

Albern Murty

EVP, Developed Asia Cluster, CEO Digi

Ruza Sabanovic

EVP, Head of Technologies and Services

Morten Karlsen Sørby

EVP, acting Cluster Head Scandinavia

See further information on GEM at:

www.telenor.com/about-us/corporate-governance/group-executive-management.

Value Agenda meetings and Financial Reviews

Value Agenda meetings and Financial Reviews are conducted regularly. Value Agenda meetings are normally held with the Business Units three to four times a year and are chaired by the President and CEO. The primary focus in the Value Agenda meetings is to discuss important strategic and operational and non-financial (such as people, compliance and regulatory) issues in more depth, and actions required to reach defined milestones or ambitions. Once a year, the

focus is on long-term strategic aspirations as part of the strategy process (referred to as Strategy Workshop).

The Financial Review is held with key Business Units on a quarterly basis and is chaired by the Group CFO. The main purpose of the Financial Review is to review the Business Unit's financial performance, internal control, development of risks and regulatory issues as well as forecasted financial performance for the coming quarters.

Business Unit performance reviews are conducted regularly with each of the main Business Units in the Telenor Group, and are chaired by the Group CFO with participation from other relevant functional EVPs. The purpose of these meetings is to monitor and follow-up key strategic priorities, financial and operational performance relative to defined targets as well as other relevant topics with reputational and/or strategic impact.

Deviations from the NCGB Code of Practice Section 10: None.

11. REMUNERATION OF THE BOARD OF DIRECTORS

Remuneration to the Board of Directors consists of an annual fee reflecting the role in the board, and additional fees for any board committee the directors take part in. Directors who are part of the People and Governance Committee and Risk and Audit Committee receive a fixed annual fee, whereas directors in the Sustainability and Compliance Committee and Technology and Innovation Committee receive a fixed fee per meeting they attend. Directors are neither entitled to remuneration in the event of termination, nor change of office or other types of remuneration such as bonus, profit sharing or options. All board fees are set by the Corporate Assembly.

Additional assignments

Members of the Board and/or companies

they are associated with, apart from the employee representatives, do not ordinarily take on specific assignments for Telenor in addition to fulfilling their responsibilities as members of the Board. Any additional assignments will be disclosed to the full Board. Any remuneration for such additional assignments will be approved by the Board.

Disclosure

This Annual Report provides information on all remuneration paid to each member of the Board. Any remuneration in addition to the normal directors' fees is specifically identified in [note 34](#) to the financial statements for Telenor Group for 2018. In 2018, none of the members of the Board received compensation from any other group companies, apart from the employee representatives. None of the members of the Board has loans from the Company.

Deviations from the NCGB Code of Practice Section 11: None.

12. REMUNERATION OF THE EXECUTIVE MANAGEMENT

Guidelines

The Board has established guidelines for the remuneration of executive management that are made available to the General Meeting. The guidelines describe the main principles applied in determining remuneration to the President and CEO and the executive management, and aim to secure that Telenor provides a competitive, but not market leading total remuneration, drives results in accordance with the business strategy and align interests of the executive management and the shareholders.

The Board's statement on the determination of salary and other remuneration elements to the executive management was approved by the General Meeting on 2 May 2018. The General Meeting voted separately on each of the separate aspects of the guidelines, see

Section 6 of this Corporate Governance Report and the minutes of the General Meeting at: www.telenor.com/wp-content/uploads/2018/04/AGM-2018-Signed-minutes-ENG.pdf. For more details on the guidelines, please refer to [note 34](#) to the financial statements of this Annual Report.

Determination of salary and other remuneration

The People and Governance Committee considers the President and CEO's base salary and other remuneration elements and presents this to the Board of Directors for approval.

The People and Governance Committee also reviews the total remuneration for the executive management and general principles for remuneration across Telenor Group.

The Board's declaration regarding the determination of salary and other remuneration to the President and CEO and executive management includes:

- Base salary and allowances
- Short-term incentive (cash bonus plan)
- Long-term incentive (share plan with Telenor ASA shares or phantom shares in some jurisdictions)
- Pension and insurance schemes
- Severance payments

Disclosure

According to the Norwegian Act on Public Limited Liability Companies, the Accounting Act, the Government's prevailing policy on the remuneration of leading personnel, and in line with the NCGB Code of Practice, all aspects relating to remuneration of the President and CEO and total remuneration of other executive management are presented in [note 34](#) to the financial statements for Telenor Group for 2018 of this Annual Report.

The Board of Director's statement regarding the determination of salary and

other remuneration to the executive management was included as a separate appendix (Appendix 7) to the General Meeting on 2 May 2018 in accordance with the NCGB Code of Practice:

www.telenor.com/wp-content/uploads/2018/04/Appendix-2-Statement-regarding-determination-of-salary-and-other-remuneration.pdf.

Deviations from the NCGB Code of Practice Section 12: None.

13. INFORMATION AND COMMUNICATION

A regular flow of information from Telenor will help shareholders and other investors to make informed decisions on the purchase and sale of the company's shares, based on equal access to information.

The Board provides guidelines for the company's reporting of financial and other information based on openness and transparency, and in accordance with requirements relating to equal treatment of players in the share market. Each year, Telenor announces the dates of important events, such as the General Meeting, the publication of interim reports, public presentations and the payment date of any dividends.

Information sent to the company's shareholders is made available on the Telenor website at the same time as it is sent to the shareholders. The Investor Relations function at Telenor ensures that contact with the company's shareholders is maintained outside the General Meeting, see: www.telenor.com/ir.

Deviations from the NCGB Code of Practice Section 13: None.

14. TAKE-OVERS

The Norwegian State owns 53.97 per cent of Telenor. As set out in Section 4 above, any reduction in the stake by the state requires a special resolution of the Norwegian Parliament. For such reason,

the Board has not adopted any guiding principles as recommended by the NCGB Code of Practice since the process in Parliament will safeguard the intentions set down in the NCGB principles.

In the event of a take-over bid, the Board will comply with the NCGB principles on this issue.

Deviations from the NCGB Code of Practice Section 14: Exception made with respect to the Norwegian State's ownership.

15. AUDITOR

In accordance with Norwegian regulations, Telenor complies with strict requirements for oversight of the auditing and auditors, including the auditor's independence.

Telenor has a pre-approval policy and procedures in place for approval of non-audit services performed by the external auditor that have been established by the Board. The external auditor provides the Risk and Audit Committee with an annual written confirmation of independence. The auditor presents to the Risk and Audit Committee, on a bi-annual basis, a summary of all services, in addition to the audit, provided by the external auditor. The auditor also presents any threats to his/her independence and documents measures implemented to reduce these, as required by the Audit and Auditors Act Section 5a-3 3.

The Company's external auditor presents the main features of the plan for the execution of the audit to the Risk and Audit Committee and reports interim and final results of the external auditor's work to the Risk and Audit Committee.

The external auditor attends all meetings of the Risk and Audit Committee, the Board meeting that approves the Annual Report and other meetings on request. The external auditor presents the result of the audit to the Risk and Audit Committee and the Board in the meeting approving the Annual Report, including presentation

of any material changes in the company's accounting principles and significant accounting estimates, and reports material matters on which there has been disagreement between the auditor and Telenor's Executive Management, if any.

Each year the auditor presents to the Risk and Audit Committee and the Board internal control weaknesses and improvement opportunities, if any. The external auditor meets with the Risk and Audit Committee and the Board at least annually where neither the President and CEO nor other members of management are present.

At the General Meeting, the Board gives an account of the auditor's remuneration divided into audit fees and other services as disclosed in the Annual Report.

Deviations from the NCGB Code of Practice Section 15: None.

