

# Notice of Telenor ASA's Annual General Meeting

Telenor ASA's Annual General Meeting (AGM) will be held in the Telenor Expo Visitor Centre at Fornebu, on Wednesday 2 May 2018 at 15:00 CET

The Annual General Meeting will be opened and chaired by the Chair of the Corporate Assembly, Mr. Anders Skjævestad, cf. section 5-12, first paragraph of the Public Limited Companies Act, and section 8, first paragraph of the Articles of Association.

## AGENDA

**1. Approval of the notice of the Annual General Meeting and the agenda**

**2. Election of a representative to sign the minutes of the Annual General Meeting together with the Chair of the meeting**

**3. Report by the CEO**

**4. Approval of the financial statements and the report from the Board of Directors for the financial year 2017, including the Board of Directors' proposal for distribution of dividend**

The Board of Directors proposes a total dividend payment of NOK 8.10 per share. The dividend is suggested split into two tranches, one of NOK 4.20 per share for shareholders registered on 2 May 2018 and one of NOK 3.90 per share for shareholders registered on 17 October 2018. There will be potential withholdings in the dividend payments to non-Norwegian shareholders for withholding tax (up to 25% of the dividend) in accordance with applicable regulations. Expected payment date for tranche one of the dividend is 15 May 2018 and 1 November 2018 for tranche two.

The annual report and the Board of Directors report for the financial year 2017, together with the auditor's report, are available on the company's website [www.telenor.com/investors/general-meeting](http://www.telenor.com/investors/general-meeting).

The Board of Directors proposes that the AGM passes the following resolution:

*"The General Meeting approved the annual accounts and annual statement for 2017, including the use of profits and a dividend of in total NOK 8.10 per share in two tranches, one of NOK 4.20 and one of NOK 3.90, to be paid to shareholders registered on 2 May and 17 October 2018 respectively."*

**5. Approval of remuneration to the company's auditor**

The Board of Directors proposes the following resolution:

*"The General Meeting approved the auditor's remuneration for audit of Telenor ASA of NOK 4,900,000."*

**6. Report on Corporate Governance**

Pursuant to the Public Limited Companies Act section § 5-6 (4), the General Meeting shall consider the statement on corporate governance provided pursuant to the Norwegian Accounting Act section § 3-3b. The report is not subject to a vote.

The report is available at [www.telenor.com/investors/general-meeting](http://www.telenor.com/investors/general-meeting).

**7. Statement regarding the determination of salary and other remuneration to the executive management**

Pursuant to the Public Limited Companies Act section 6-16a, the Board of Directors shall prepare a statement to the General Meeting regarding determination of salary and other remuneration to the executive management for the coming financial year. The statement is available at [www.telenor.com/investors/general-meeting](http://www.telenor.com/investors/general-meeting). Pursuant to section 5-6 (3) of the Public Limited Companies Act and the Norwegian Code of Practice for Corporate Governance, the General

Meeting shall consider the statement and conduct an advisory vote on the guidelines for the remuneration of the executive management (section 7.1) and a separate vote shall be held for the guidelines regarding share based remuneration which shall be approved by the general meeting (section 7.2).

**7.1 Advisory vote on the Board of Directors' statement regarding determination of salary and other remuneration to the executive management for the coming financial year**

The Board of Directors proposes that the AGM passes the following resolution:

*"The General Meeting endorsed the Board of Directors' statement regarding determination of salary and other remuneration to the executive management as described in note 34 to the financial statements."*

**7.2 Approval of guidelines for share related incentive arrangements for the coming financial year**

The Board of Directors proposes that the AGM passes the following resolution:

*"The General Meeting approved the guidelines for share related incentive arrangements as described in note 34 to the financial statements."*

**8. Capital decrease by cancellation of own shares and redemption of shares held by the Norwegian Government, and decrease of other reserves**

The Board of Directors has in recent years, with exception for 2016, held an authorisation to buy back shares in the company. Buyback and cancellation of own shares can be a beneficial means to optimize the capital structure of the company. The company's purchase of shares has been done at market rates.

The authorisation has been supported by the company's largest owner, the Norwegian Government, as an annual agreement with the Government has been entered into whereby the Government participates in a buyback on a proportional basis through the redemption of such a fraction of its shares that the Government's ownership interest in the company remains unchanged.

In 2017, Telenor entered into such a buyback and redemption agreement with the Government. On 10 May 2017, the General Meeting granted the Board of Directors an authorisation to buy back and redeem shares in the company, for the period until today's meeting, however not beyond 30 June 2018.

Compensation to the Government for the redeemed shares equal the following:

- volume-weighted average share price upon the company's buyback of own shares in the market pursuant to the authorization
- an addition for interest based on NIBOR + 1 percent p.a. calculated from the time of each share purchase until payment of compensation takes place
- a deduction related to paid dividends

The company has, pursuant to the current authorisation, acquired 13,810,438 own shares in the stock market and must on the basis of the agreement entered into with the Government redeem an additional 16,189,561 own shares against payment of an amount of NOK 2,733,229,401 to the Government.

On this basis, the Board of Directors submits a proposal for a decrease of the share capital by cancellation of repurchased own shares and redemption of shares held by the Government, and a decrease of other reserves (No: 'annen egenkapital'). The total number of shares to be proposed for cancellation and redemption is 29,999,999.

The auditor's confirmation that there, after the decrease of share capital and reduction of other reserves, is full coverage for the company's remaining share capital and non-distributable equity, is available at [www.telenor.com](http://www.telenor.com).

The Board of Directors proposes that the AGM passes the following resolution:

*"The company's share capital is decreased by NOK 179,999,994 by (i) cancellation of 13,810,438 own shares, and (ii) redemption of 16,189,561 shares owned by the Norwegian Government by the Ministry of Trade and Fisheries against payment of an amount of NOK 2,733,229,401 to the Norwegian Government by the Ministry of Trade and Fisheries.*

*An amount of NOK 2,553,229,407, which constitutes that share of the paid amount that exceeds the shares' nominal value, is charged to other reserves (No: 'annen egenkapital').*

*With effect from the effectuation of the capital decrease, the Articles of Association § 4 are amended to read:*

*"The company's share capital is NOK 8,828,748.186 divided on 1,471,458,031 shares, each with a nominal value of NOK 6."*

#### 9. Authorisation to distribute special dividends

On 21 March 2018, Telenor communicated that the company had entered into an agreement for the divestment of Telenor's mobile business in Central Eastern Europe. The agreement requires approval by relevant authorities in the EU, Serbia and Montenegro. The enterprise value of the business is in the agreement approximately EUR 2.8 billion. In the stock exchange announcement, it was communicated that the Board of Directors intends to request the AGM for an authorisation to pay out special dividends of NOK 4.40 per share, contingent upon the successful closing of the transaction.

The basis for the extraordinary distribution will be Telenor's annual accounts for the financial year 2017. It is proposed on this basis that the General Meeting grants the Board of Directors an authorisation whereby Telenor may distribute additional dividends if the agreement for the divestment of Telenor's business in Central Eastern Europe is completed. The Board of Directors has the intention to decide such additional dividends as soon as practicable after completion and by 21 December 2018.

In conjunction with the decision of additional dividends, further information will be provided concerning last day, including ex date and payment date.

The Board of Directors proposes that the AGM passes the following resolution:

*"The Board of Directors is authorised, pursuant to the Public Limited Companies Act section 8-2 (2), to decide further distribution of dividends if an agreement for the divestment of Telenor's mobile business in Central Eastern Europe announced 21 March 2018 is completed, limited to a maximum aggregate amount of NOK 7 (seven) billion.*

*Upon exercise of the authorisation, the Board of Directors shall assure that the decision is in accordance with the company's approved capital strategy and dividends policy, and shall evaluate whether the company, after payment of the dividends, will have adequate equity and liquidity.*

*The authorisation is valid until the next General Meeting, however not beyond 30 June 2019."*

#### 10. Authorisation to repurchase and cancel shares in Telenor ASA

The Board of Directors has in recent years, with exception for 2016, held an authorisation to buy back shares in the company. Buyback and cancellation of own shares can be a beneficial means to optimize the capital structure of the company. The company's purchase of shares has been done at market rates.

The authorisation has been supported by the company's largest owner, the Norwegian Government, as an annual agreement with the Government has been entered into whereby the Government participates in a buyback on a proportional basis through the redemption of such a fraction of its shares that the Government's ownership interest in the company remains unchanged.

The Board of Directors wish to establish a similar arrangement for 2018 and therefore proposes that the Board of Directors is granted an authorisation for the buyback and subsequent cancellation of shares in the company, at the same time as the company has the intention to enter into an agreement with the Government also in 2018.

The Board of Directors proposes that the AGM passes the following resolution:

*"The Board of Directors is authorised, pursuant to the Public Limited Companies Act section 9-4, to repurchase the company's own shares.*

*The authorisation encompasses until 29,000,000 shares with a combined par value of NOK 174,000,000, which constitutes approximately 2 percent of the company's share capital.*

*The highest consideration that may be paid for a share is NOK 250 and the lowest consideration is NOK 50.*

*The Board may resolve how and when shares are repurchased, subject to ordinary principles for equal treatment of shareholders.*

*Own shares that are acquired shall be cancelled pursuant to the Public Limited Companies Act section 12-1.*

*The authorisation is valid from the time of registration of the authorisation in the Company Registry until the next Annual General Meeting, but not beyond 30 June 2019."*

#### 11. Supplementary election of shareholder elected members and deputy members to the Corporate Assembly

In 2017, election was held of all shareholder elected members of the Corporate Assembly, in total 10 members and three deputies out of the Corporate Assembly's 15 members and five deputies. The members of the Corporate Assembly are appointed for a period of two years, cf. section 7 of the Articles of Association. As two members have resigned, there is a need for a supplementary election. The Nomination Committee's recommendation is available at [www.telenor.com/investors/general-meeting](http://www.telenor.com/investors/general-meeting).

#### 12. Determination of remuneration to the members of the Corporate Assembly and the Nomination Committee

The Nomination Committee recommends the remuneration for (i) the Corporate Assembly and (ii) the Nomination Committee as set out in the recommendation from the Nomination Committee.

The Nomination Committee's recommendation is available at [www.telenor.com/investors/general-meeting](http://www.telenor.com/investors/general-meeting).

In accordance with section 8, second paragraph of the Articles of Association, the Board has decided that in order for shareholders who wish to participate in the general meeting either in person or through a representative, to have the right to attend and vote at the meeting, they must by 30 April 2018 at 16:00 CET give notice of their attendance to the company's account operator:

Nordea Bank AB (publ), filial i Norge, Issuer Services  
P.O. Box 1166 Sentrum  
NO-0107 Oslo  
Norway Telefax +47 22 36 97 03

Please use the form enclosed. Notice of attendance may also be given electronically via VPS Investor Services or the company's website [www.telenor.com/investors/general-meeting](http://www.telenor.com/investors/general-meeting).

Shareholders who do not have the opportunity to be present at the Annual General Meeting may be represented by a representative. The form for issuance of proxy, with more detailed instructions for use of the proxy form, is enclosed. Proxy may be given to the Chair of the Board of Directors, Ms. Gunn Wærsted, or to the person who will chair the Annual General Meeting, Mr. Anders Skjævestad. The proxy form may be sent to Nordea Bank Norge ASA, Issuer Services, or electronically via VPS Investor Services, by the above mentioned deadline. A proxy for a shareholder who has registered within the above deadline may also present a proxy form upon attendance at the General Meeting.

A shareholder, who do not present himself/herself at the General Meeting, may prior to the General Meeting cast a vote on each agenda item via the company's website [www.telenor.com/investors/general-meeting](http://www.telenor.com/investors/general-meeting) or via VPS Investor Services. The deadline for prior voting is 30 April 2018 at 16:00 (CET). Until the deadline, votes already cast may be changed or withdrawn. Votes already cast prior to the General Meeting will be considered withdrawn in the event of a shareholder attending the General Meeting in person or by proxy.

If shares are registered by a nominee in the VPS register, cf. section 4-10 of the Public Limited Companies Act, and the beneficial shareholder wants to vote for their shares, the beneficial shareholder must re-register the shares in a separate VPS account in its own name prior to the General Meeting, or prove that the transfer to such account has been reported to the VPS prior to the General Meeting.

Telenor ASA is a Norwegian public limited liability company subject to the Public Limited Companies Act. As per the date of this notice, the company has issued 1,501,458,030 shares. Each share represents one voting right. The shares do also in other respects carry equal rights. Per the date of this notice, the company owns 13,810,438 treasury shares for which voting rights cannot be exercised.

A shareholder has the right to propose draft resolutions for items included on the agenda and to require that members of the Board, members of the Corporate Assembly and the CEO in the Annual General Meeting provide available information about matters which may affect the assessment of (i) the approval of the annual accounts and the annual report, (ii) items which are presented to the shareholders for decision, and (iii) the company's financial situation, including information about activities in other companies in which the company participates, and other matters to be discussed in the Annual General Meeting, unless the requested information cannot be disclosed without causing disproportionate harm to the company.

This notice, the enclosures hereto, other documents regarding matters to be discussed in the Annual General Meeting, including the documents to which this notice refers, draft resolutions for items on the proposed agenda, as well as the Articles of Association are available at [www.telenor.com/investors/general-meeting](http://www.telenor.com/investors/general-meeting). Shareholders may contact the company by mail, email or phone in order to request the documents in question. Address: Telenor ASA, Investor Relations, Snarøyveien 30, N-1360, Fornebu, Norway; email: [ir@telenor.com](mailto:ir@telenor.com); or phone: +47 957 24 402.

Fornebu, 9 April 2018  
The Board of Directors of Telenor ASA

Overview of appendices to the notice which are or will be available at [www.telenor.com/investors/general-meeting](http://www.telenor.com/investors/general-meeting):

- Appendix 1: Annual report 2017, including financial statements, report from the Board of Directors and the auditor's report.
- Appendix 2: Statement regarding determination of salary and other remuneration to the executive management (also in note 34 to the financial statements).
- Appendix 3: Confirmation by the company's auditor that, after the decrease of the company's share capital and decrease of other reserves, there is full coverage for the company's remaining share capital and other non-distributable equity.
- Appendix 4: Recommendation from the Nomination Committee regarding item 11.
- Appendix 5: Recommendation from the Nomination Committee regarding item 12.

Registration and proxy form for the Annual General Meeting has been distributed to the shareholders with the notice for the meeting and is also available at [www.telenor.com/investors/general-meeting](http://www.telenor.com/investors/general-meeting).