

Corporate Governance Report 2018

What's inside this report...

Millicom's 2018 Corporate Governance Report describes how our governance works, and the roles, compositions and activities of Millicom's Board of Directors and its various committees.

The report also includes the biographies and remuneration of the Board and the Executive Management team, and provides additional information on management governance structures.

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Chairman's report

Millicom's 2018 Corporate Governance Report sets out Millicom's commitment to good corporate governance and describes what has been achieved during the year.

Millicom's Board of Directors "the Board" and its committees have dealt with a number of significant strategic, operational and compliance matters during the year. These have included the enhancement of governance structures related to the Guatemala, Honduras and Ghana joint ventures, and further development of compliance and control programs.

Governance and compliance are the cornerstones from which decision making and strategic direction are based.

Role of the Board

The Board is responsible for approving Millicom's strategy, financial objectives and operating plans and for oversight of governance. The Board also plans for CEO succession and reviews plans for other senior management positions.

Board changes

In May 2017, we welcomed three new Board members: Mr. José Antonio Ríos García, Mr. Anders Jensen, and Mr. Roger Solé Rafols.

Mr. José Antonio Ríos García brings to the Board significant experience in leading consumer technology businesses in Latin America, including in the telecommunications and electronics industries. Mr. Ríos is the Chairman of the Compensation Committee.

Mr. Anders Jensen also brings us extensive knowledge in telecommunications and media businesses, in particular his knowledge of company transformations and consumer insight in both mature and emerging markets. Mr. Jensen is a member of the Compliance and Business Conduct Committee.

Mr. Roger Solé Rafols complements the existing Board with his in-depth knowledge of the telecommunications sector, marketing and convergence.

I would like to thank Mr. Lorenzo Grabau and Mr. José Miguel García Fernández, the departing members of the Board, for their service to the Board and its committees.

Strength through diversity and teamwork

One of Millicom's key strengths is the diversity of people in our operating countries, offices and headquarters. We value different perspectives, promote equal opportunity, and encourage sharing of viewpoints, benefiting from the wide range of experience and backgrounds across the Group. These are important elements that we continue to foster as part of Millicom's corporate culture. We are proud of our success in fostering strong work place environments and the accolades received in this respect.

Compliance

During 2017, we continued building and enhancing our compliance program, supported by the Executive Committee and our Compliance and Business Ethics team.

On behalf of the Board, I would like to reconfirm our commitment to strong corporate governance, and supporting the success and strength that comes with a culture of compliance and strong internal control. We firmly believe that Millicom can lead the way in its dedication to ethics and compliance in all our markets. We look forward to engaging with you and thank you for being part of our journey.

Tom Boardman

Chairman of the Board
of Directors

Corporate Governance Framework

Background

Millicom International Cellular S.A. (“Millicom” or the “Company”) is a public liability company (société anonyme) governed by the Luxembourg law of August 10, 1915 on Commercial Companies (as amended), incorporated on June 16, 1992, and registered with the Luxembourg Trade and Companies’ Register (Registre du Commerce et des Sociétés de Luxembourg) under number B 40 630. The Millicom Group comprises Millicom and its subsidiaries, joint ventures and associates.

Millicom’s shares are listed on Nasdaq Stockholm in the form of Swedish Depository Receipts.

Millicom’s Corporate Governance Framework is primarily based on the following legislation, principles and regulations:

Within these frameworks, the Board has developed and continuously evaluates internal guidelines and procedures, as further described below, to ensure quality and transparency of corporate governance practices within Millicom.

Swedish Corporate Governance Code

The Swedish Corporate Governance Code (the “Swedish Code”) promotes positive development of corporate governance. The Code complements laws and regulations and sets its good practice level above regulatory requirements. The Swedish Corporate Governance Board states that self-regulation is often preferable to mandatory legislation and therefore allows companies to deviate from its rules, following a “comply or explain” philosophy.

Compliance with applicable stock exchange rules

There has been no infringement of applicable stock exchange rules and no breach of good practice on the securities market reported by the stock exchange’s disciplinary committee or the Swedish Securities Council in 2017.

Publication	Authority	Philosophy
Swedish Code of Corporate Governance	Guiding Principles	Comply or Explain
Luxembourg Law	Legislation	Comply
EU Directives and Regulations	Legislation	Comply
Nasdaq Stockholm Issuer Rule Book	Regulation	Comply
Good Stock Market Practice	Guiding Principles	Corporate Citizenship

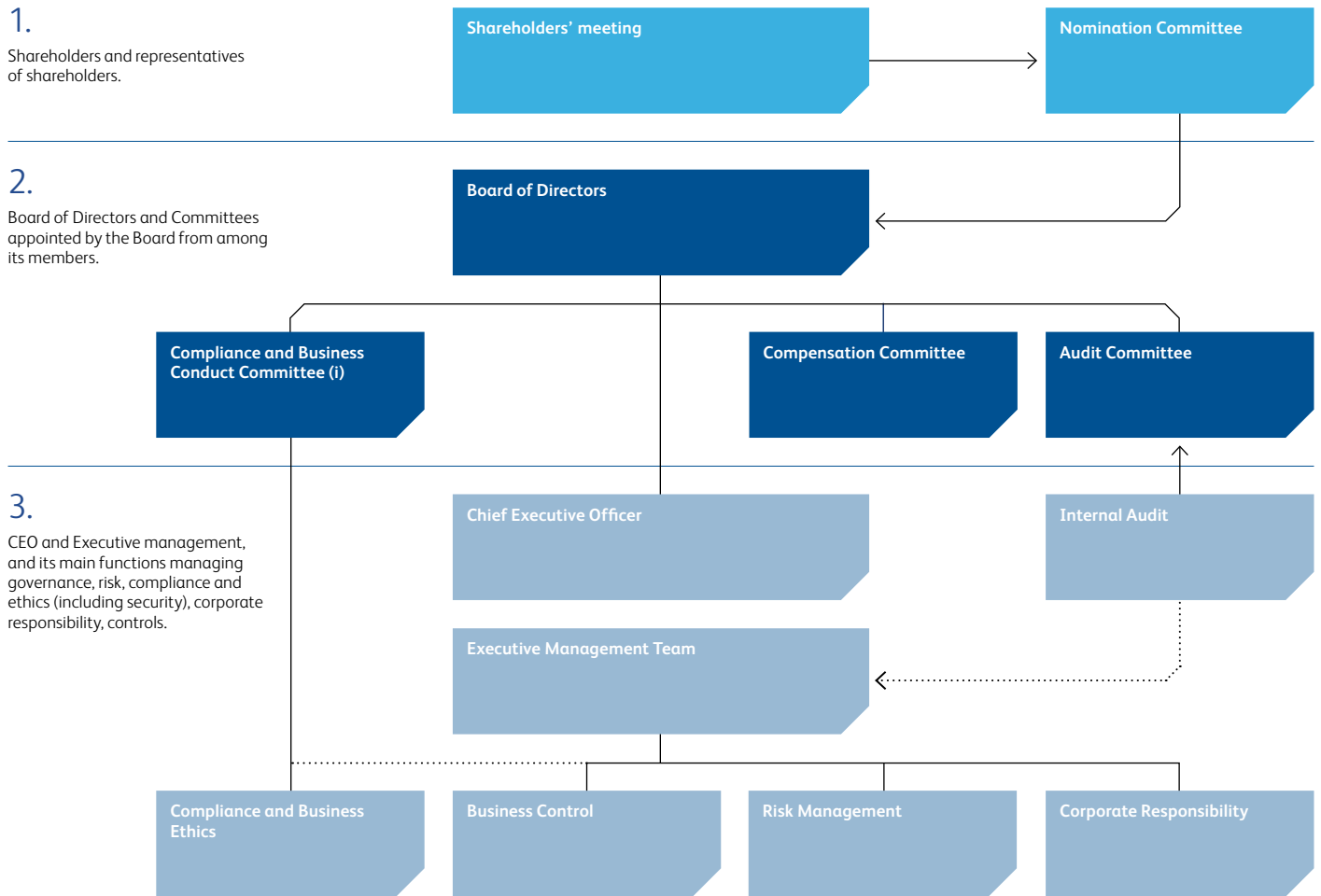
Millicom governance deviated in 2017 in relation to the Swedish Code in the following areas:

Code requirement	Millicom practice	Explanation
1.5 – A shareholder, or a proxy representative of a shareholder, who is neither a member of the board nor an employee of the company is to be appointed to verify and sign the minutes of the shareholders’ meeting	Minutes are signed by the chairman of the shareholders’ meeting (who is not a member of the Board or an employee of the Company), the meeting Secretary and an appointed Scrutineer.	While this represents a deviation from the Swedish Code, Millicom follows Luxembourg Law in connection with procedures and rules for its shareholders’ meetings.
9.7 – Vesting of share-related incentive programs to be no less than three years.	Deferred share incentive plans contain vesting of 16.5% of granted shares after one year, 16.5% after two years, and 67% after three years.	The Company believes that this vesting schedule ensures alignment between the interests of the Company’s shareholders and its employees.

Shareholder and Board governance – continued

Corporate Governance structure

Millicom's Corporate Governance structure comprises the following three levels:



(i) During 2017 it was resolved by the Board to combine the activities of the Special Committee (which was established in 2015 to manage the Board's response to the potential improper payments on behalf of its Guatemala joint venture) into the mandate of the Compliance and Business Conduct Committee.

Shareholder and Board governance – continued

1. Shareholders and shareholders' meeting

The shareholders' meeting is the highest decision-making body of Millicom and a forum for shareholders to exercise influence. Each shareholder has the right to participate in the shareholders' meeting and to vote according to the number of shares owned. Shareholders who are not able to attend in person may exercise their rights by proxy.

Millicom's Articles of Association (as amended on May 4, 2017) set the Annual General Meeting of Shareholders (AGM) to be held within six months of the close of the financial year in Luxembourg.

Millicom's Articles of Association are available in the "Our Governance" section of Millicom's website. Unless otherwise required under Luxembourg law, an extraordinary general meeting must be convened to amend any provisions of the Articles of Association.

At the 2017 AGM which was held on May 4, 2017, within six months of the end of the financial year (as required by the Articles of Association, as amended, and the Swedish Code), the following key items were decided:

- Approval of the 2016 Consolidated Financial Statements and distribution of a dividend of US\$2.64 per share;
- Election and re-election of the Directors until the date of the 2018 AGM;
- Reappointment of Ernst & Young ("EY") as the external auditor;
- Approval of remuneration to the Board and auditor and procedures for the Nomination Committee;
- Approval of guidelines for the remuneration of senior management;
- Approval of a Share Repurchase Plan; and
- On the same date an Extraordinary General Meeting was held during which several amendments were made to the Articles of Association of the Company, including amendment of the setting of the date of future AGMs.

Nomination Committee

Nomination Committee	On behalf of:	Position
Ms. Cristina Stenbeck	Kinnevik AB	Chairman
Mr. Tom Boardman	Kinnevik AB	Member
Mr. John Hernander	Nordea Investment Funds	Member
Mr. Scott Cobb	Southeastern Asset Management	Member

The Nomination Committee is appointed by the major shareholders of Millicom. It is not a committee of the Millicom Board. The Nomination Committee's role is to propose decisions to the shareholders' meeting in a manner which promotes the common interests of all shareholders. The Nomination Committee has a term of office commencing at the time of the announcement of the interim report for the period January to September each year and ending when a new Nomination Committee is formed. Nomination Committee proposals to the AGM include:

- Election and remuneration of Directors of the Board, and Chairman of the Board;
- Appointment and remuneration of the external auditor; and
- Proposal of the Chairman of the AGM.

Under the terms of the Nomination Committee charter, the Nomination Committee consists of at least three members, with a majority representing the larger shareholders of the Company.

The current Nomination Committee was formed during September 2017, in consultation with larger shareholders of the Company at August 31, 2017 and in accordance with the resolution of the 2017 AGM.

The table below sets out beneficial ownership of Millicom common shares, par value US\$1.50 each, by each person who beneficially owns more than 5% of Millicom common stock at December 31, 2017.

Shareholder	Number of shares	% Shareholding
Kinnevik AB	38,559,080	37.9
Dodge & Cox	10,744,648	10.6

Except as otherwise indicated, the holders listed above ("holders") have sole voting and investment power with respect to all shares beneficially owned by them. The holders have the same voting rights as all other holders of Millicom common stock. For purposes of this table, a person or group of persons is deemed to have "beneficial ownership" of any shares as of a given date which such person or group of persons has the right to acquire within 60 days after such date. For purposes of computing the percentage of outstanding shares held by the holders on a given date, any security which such holder has the right to acquire within 60 days after such date (including shares which may be acquired upon exercise of vested portions of share options) is deemed to be outstanding, but is not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.

Shareholder and Board governance – continued

2. Board of Directors and Board committees

The Chairman convenes the Board and leads its work. The Chairman is accountable to the Board and acts as a direct liaison between the Board and the management of the Company, through the CEO. Meeting agendas are set together with the CEO, and the Chairman acts as the communicator for Board decisions where appropriate.

Role of the Board

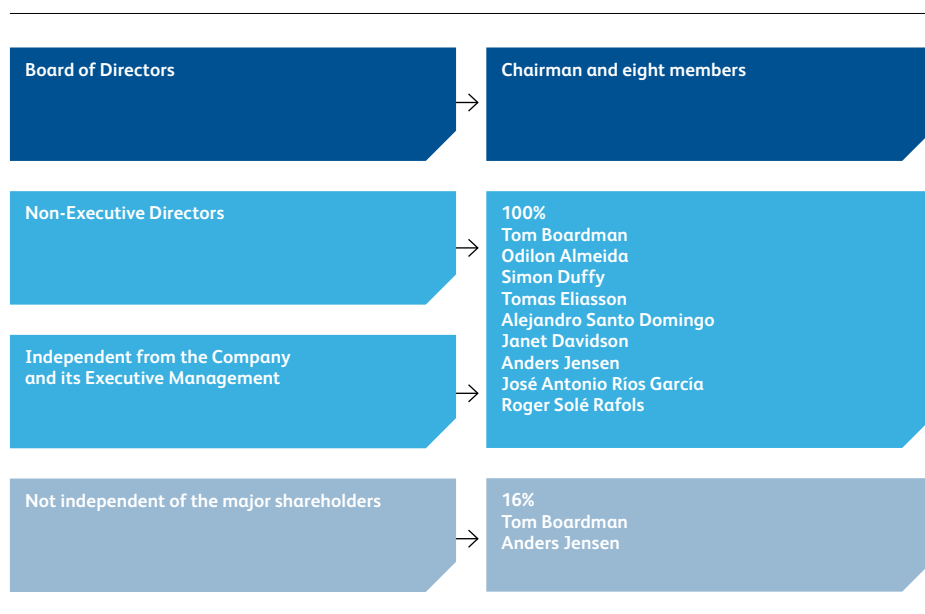
Millicom's Board of Directors (the "Board") is responsible for deciding Millicom's strategy, financial objectives and operating plans, and for oversight of governance. The Board also plans for management succession of the CEO and reviews plans for other senior management positions.

As set forth in the Company's Articles of Association, the Board must comprise at least six members. The 2017 AGM set the number of Directors at nine, comprising a Chairman and eight members (all of whom are Non-Executive Directors).

The Board selects the CEO, who is charged with the daily management of the Company and its business. The CEO is responsible for recruiting, and the Chairman of the Board is responsible for approving, the senior management of the company. The Board reviews and approves plans for key senior management positions, and the Board supervises, supports and empowers the senior management team, and monitors their performance. In accordance with the Swedish Code, the division of work between the Board and the CEO are set out in "The Rules of Procedure, Instruction to the CEO, and Reporting Instruction".

Further details on the roles and activities of the various committees, their responsibilities and activities are set out later in this section.

Independence of the Board:



Powers and limitations of the Board

Borrowing powers – The Board has unrestricted borrowing powers on behalf of, and for, the benefit of Millicom.

Time and age limit – no age limit exists for being a Director of Millicom. Directors can be elected for a maximum period of six years before either re-election, or ending service. Directors are generally elected annually. There are no restrictions on the maximum continuous period that a Director can serve. Directors hold office until their successors are elected.

Restrictions on voting – no contract or other transaction between the Company and any other person shall be affected or invalidated by the fact that any Director, officer or employee of the Company has a personal interest in, or is a director, officer or employee of such other person, except that:

- I. such contract or transaction shall be negotiated on an arm's-length basis on terms no less favorable to the Company than could have been obtained from an unrelated third party and, in the case of a Director, the Director shall abstain from voting on any matters that pertain to such contract or transaction at any meeting of the Board of the Company; and
- II. any such personal interest shall be fully disclosed to the Company by the relevant Director, officer or employee.

In the event that any Director or officer of the Company may have any personal interest in any transaction of the Company, the Director shall make known to the Board such personal interest and shall not consider or vote on any such transaction, and such transaction and such Director's or officer's interest therein shall be reported to the next general meeting of shareholders.

Shareholder and Board governance – continued

Share ownership requirements

The Directors are not required to be shareholders of the Company. Share ownership of Directors is included in the Director biographies set out on the following pages.

Chairman of the Board

The Chairman is elected by the AGM. If the Chairman relinquishes the position during the mandate period, the Board is to elect a Chairman from among its members to serve until the end of the next AGM.

Deputy Chairman of the Board

If elected, the Deputy Chairman of the Board acts as a sounding board and provides support for the Chairman. The Deputy Chairman convenes Board meetings and leads its work in the event the Chairman is unavailable or is excused from Board meetings. The Deputy Chairman may act as an intermediary for other Directors if there are conflicts among Board members or between the Chairman and the CEO, as and when necessary.

The Deputy Chairman is elected by the Board, if appropriate. The position of Deputy Chairman is not mandatory and varies according to the particular circumstances.

Corporate Secretary

The Corporate Secretary is appointed by the Board. The role of the Corporate Secretary is to ensure that Board members have the proper advice and resources for performing their duties to shareholders under the relevant legal frameworks. The Corporate Secretary is also responsible for organization and coordination of Board and Committee meetings, and ensuring that the records, or minutes of those meetings, reflect the proper exercise of those duties.

The Corporate Secretary is also a confidante and resource to the Board and senior management, providing advice and counsel on Board responsibilities and logistics, and plays a leading role in the Company's corporate governance.

Chief Executive Officer

The CEO is responsible for leading the development and execution of the Company's strategy with a view to creating shareholder value, together with the management team. The CEO is responsible for day-to-day activities of the Company and management decisions, both operating and financial. The CEO acts as a direct liaison between the Board and management of the Company and communicates to the Board on behalf of management.

The CEO also leads communication on behalf of the Company to shareholders, employees, Government authorities, other stakeholders and the public.

Board membership, balance and independence

The Board periodically reviews the size and balance of the Board to determine whether any changes are appropriate.

At the AGM, held annually within six months of the end of the financial year, shareholders may vote for or against the Directors proposed by the Nomination Committee or may elect different Directors.

The Board has adopted the qualification guidelines of an "independent director" as defined by the Swedish Code. A director's independence is determined by a general assessment of all factors that may give cause to question the individual's independence of the Company or its Executive Management. Factors that are considered include whether the individual:

- is the chief executive officer, or has been the chief executive officer, of the Company or a closely-related company within the past five years;
- is employed, or has been employed, by the Company or a closely related company within the last three years;
- receives a not insignificant remuneration for advice or other services beyond the remit of the Board position from the Company, a closely-related company or a person in the executive management of the Company;
- has, or has within the last year, had a significant business relationship or other significant financial dealings with the Company or a closely-related company as a client, supplier or partner, either individually or as a member of the Executive Management, a member of the Board or a major shareholder in a company with such a business relationship with the Company;
- is or has within the last three years been a partner at, or has, as an employee, participated in an audit of the Company conducted by, the Company's or a closely-related company's current or then auditor;
- is a member of the executive management of another company if a member of the board of that company is a member of the executive management of the Company; or
- has a close family relationship with a person in the executive management or with another person named in the points above, if that person's direct or indirect business with the Company is of such magnitude or significance as to justify the opinion that the Board member is not to be regarded as independent.

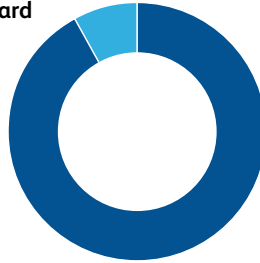
Shareholder and Board governance – continued

In accordance with the Swedish Code:

- the majority of Millicom's Board must be independent from the Company and its Executive Management (all Millicom Directors meet this criteria);
- at least two of those independent Directors must also be independent from the Company's major shareholders (seven of Millicom's Directors meet this criteria); and
- not more than one member of the Board may be part of the executive management team of the Company or any of its subsidiaries (no members of the executive team sit on the Board).

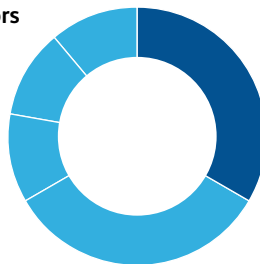
Gender of the Board

Male	92%
Female	8%



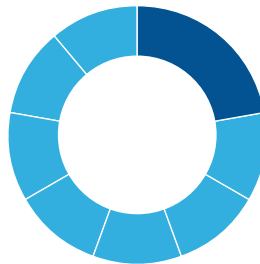
Tenure of Directors

1st year	3
2nd year	3
3rd year	1
4th year	1
5th year	1



Nationalities

Swedish	2
Spanish	1
British	1
Venezuelan	1
American	1
Colombian	1
Brazilian	1
South African	1



Shareholder and Board governance – continued

Board profile – skills and experience



Mr. Tom Boardman
(South African)
Chairman, Non-Executive Director
(First appointed: May 2016)

Mr. Tom Boardman was re-elected as a Director and Chairman of the Board in May 2017. He is a member of the Compensation Committee, the Audit Committee, and the Compliance and Business Conduct Committee.

Mr. Boardman, born in 1949, is Chairman of the Board of Kinnevik AB (“Kinnevik”), a leading Swedish entrepreneurial investment group with investments across mobile telecommunications, e-commerce, entertainment and financial services.

Mr. Boardman is also a Non-Executive Director of Woolworths Holdings and African Rainbow Minerals, and was a Non-Executive Director of Vodacom Group between 2009 and 2011.

Mr. Boardman holds a Bachelor of Commerce degree and CTA from the University of Witwatersrand in South Africa and is a chartered accountant.

Mr. Boardman brings to the Millicom Board in-depth experience in leadership, corporate governance, risk management and oversight of both technology-driven entrepreneurial businesses as well as financial groups and retail businesses.

Independent from the Company and its Executive Management.

Non-Independent from the major shareholder Kinnevik AB.

Millicom shareholding at January 31, 2018: 7,000 shares.



Mr. José Antonio Ríos García
(Venezuelan and American)
Non-Executive Director
(First appointed: May 2017)

Mr. José Antonio Ríos García was elected a new member of the Board in May 2017. He is Chairman of the Compensation Committee.

Mr. Ríos, born in 1945, is currently the Chairman and CEO of Celistics Holdings, a leading provider of distribution and intelligent logistics solutions for the consumer technology industry in Latin America. Prior to joining Celistics in 2012, Mr. Ríos was the founding President and CEO of DIRECTV LATIN AMERICA (GLA), and the International President of Global Crossing, the telecommunications company later acquired by Level 3 Communications.

Mr. Ríos holds an Industrial Engineering degree from the Universidad Católica Andrés Bello, Caracas, Venezuela.

Mr. Ríos brings to the Millicom Board his significant experience in leading a variety of consumer technology businesses in Latin America including the telecommunications and electronics industries.

Independent from the Company, its Executive Management, and its major shareholders.

Millicom shareholding at January 31, 2018: 868 shares.



Mr. Odilon Almeida
(Brazilian)
Non-Executive Director
(First appointed: May 2015)

Mr. Odilon Almeida was re-elected to the Board in May 2017. He is Chairman of the Compliance and Business Conduct Committee.

Mr. Almeida, born in 1961, is the President for Western Union Global Money Transfer. He leads Western Union’s global consumer omni-channel business across more than 200 countries and territories, bridging all continents.

His board experience, along with business leadership at Western Union, includes BankBoston (now Bank of America), The Coca-Cola Company and Colgate-Palmolive.

Mr. Almeida holds a Bachelor of Civil Engineering degree from the Maua Engineering School in São Paulo, Brazil, a Bachelor of Business Administration degree from the University of São Paulo and an MBA with specialization in Marketing from the Getulio Vargas Foundation, São Paulo. He advanced his education with executive studies at IMD Lausanne, The Wharton School, and Harvard Business School.

Mr. Almeida strengthens the Millicom Board with decades of experience from the financial services and Fintech sectors, and a leadership style anchored in growth acceleration and business turnarounds involving retail and digital transformation, organic growth and successful M&A.

Independent from the Company, its Executive Management, and its major shareholders.

Millicom shareholding at January 31, 2018: 2,421 shares.

Shareholder and Board governance – continued

Board profile – skills and experience continued



Ms. Janet Davidson
(American)

Non-Executive Director

(First appointed: May 2016)

Ms. Janet Davidson was re-elected to the Board in May 2017. She is a member of the Compliance and Business Conduct Committee.

Ms. Davidson, born in 1956, has been a Supervisory Board member of STMicroelectronics since 2013. Prior to that, Ms. Davidson held various managerial positions in Alcatel Lucent from 1979 to 2011 including the role as Chief Strategy Officer, Chief Compliance Officer and Executive Vice President, Quality & Customer Care.

She has also been recognized by Working Woman Foundation and in 1999, she was inducted into the Academy of Women Achievers of the YWCA of the City of New York, which honors women of high achievement.

She brings to Millicom's Board her long experience in strategy, compliance and customer care in the telecommunications and IT sectors.

Ms. Davidson has a Bachelor of Arts degree in physics from Lehigh University, a Masters degree in Electrical Engineering from Georgia Tech, and a Master of Science in Computer Science through Bell Laboratories.

Independent from the Company, its Executive Management, and its major shareholders.

Millicom shareholding at January 31, 2018: 1,763 shares.



Mr. Simon Duffy
(British)

Non-Executive Director

(First appointed: May 2016)

Mr. Simon Duffy was re-elected to the Board in May 2017. He is a member of the Audit Committee.

Mr. Duffy, born in 1949, is Non-Executive Chairman of YouView TV and a Non-Executive Director of Modern Times Group, Oger Telecom, Telit Communications and Wizz Air.

Previously Mr. Duffy has been the Executive Chairman of Tradus, Executive Vice Chairman of ntl: Telewest and formerly CEO. He has also served as CFO of Orange, CEO of wireless data specialist End2End, CEO and Deputy Chairman of WorldOnline International, and held senior positions at EMI Group and Guinness.

Mr. Duffy holds a BA from Oxford University and an MBA from Harvard University.

He brings to Millicom's Board his extensive experience in leading telecommunications and media businesses as well as governance and risk management in emerging industries and markets.

Independent from the Company, its Executive Management, and its major shareholders.

Millicom shareholding at January 31, 2018: 1,763 shares.



Mr. Tomas Eliasson
(Swedish)

Non-Executive Director

(First appointed: May 2014)

Mr. Tomas Eliasson was re-elected to the Board in May 2017. He chairs the Audit Committee.

Mr. Eliasson, born in 1962, is Executive Vice President, Chief Financial Officer of Sandvik.

Previously Mr. Eliasson was the Chief Financial Officer and Senior Vice-President of Electrolux, the Swedish appliances manufacturer.

Mr. Eliasson has also held various management positions in Sweden and abroad, including ABB Group, Seco Tools AB and Assa Abloy AB.

Mr. Eliasson holds a Bachelor of Science Degree in Business Administration and Economics from the University of Uppsala.

Mr. Eliasson brings to the Millicom Board his significant experience as a CFO for multinational and global Swedish companies, roles including governance and oversight over financial reporting, internal control and risks management processes and procedures within global finance functions.

Independent from the Company, its Executive Management, and its major shareholders.

Millicom shareholding at January 31, 2018: 3,008 shares.

Shareholder and Board governance – continued



Mr. Anders Jensen
(Swedish)
Non-Executive Director
(First appointed: May 2017)

Mr. Anders Jensen was elected to the Board of Millicom in May 2017. He is a member of the Compensation Committee.

Mr. Jensen, born in 1969, is Executive Vice President, CEO Sweden and Chairman of Nordic Entertainment at Modern Times Group MTG.

Between 2011 and 2014, Mr. Jensen was Head of Consumer and Group Chief Marketing Officer at Danish telecommunications company TDC Group. Between 2005 and 2011, Mr. Jensen held various leadership positions at Norwegian telecommunications company Telenor Group, including CEO of Telenor Hungary, CEO of Grameenphone in Bangladesh, and Chief Marketing Officer and Head of Consumer at Telenor Sweden.

Mr. Jensen brings to the Millicom Board his significant experience in company transformations and knowledge of consumers in both mature and emerging markets in the telecommunications and media industries.

Independent from the Company, its Executive Management, but **Non-Independent** due to his role as CEO of MTG, owned by Kinnevik AB.

Millicom shareholding at January 31, 2018: 1,368 shares.



Mr. Alejandro Santo Domingo
(Colombian)
Non-Executive Director
(First appointed: May 2013)

Mr. Alejandro Santo Domingo was re-elected to the Board in May 2017. He is a member of the Compliance and Business Conduct Committee.

Mr. Santo Domingo, born in 1977, is a Senior Managing Director at Quadrant Capital Advisors, Inc. in New York City.

He is a member of the Board of Directors of Anheuser-Busch Inbev (ABI).

Mr. Santo Domingo is Chairman of the Board of Bavaria S.A. in Colombia, and Chairman of the Board of Valorem, a company which manages a diverse portfolio industrial and media assets in Latin America.

Mr. Santo Domingo is also a Director of JDE (Jacobs Douwe Egberts) Keurig Green Mountain; ContourGlobal plc.; Florida Crystals, the world's largest sugar refiner; Caracol TV, Colombia's leading broadcaster; El Espectador, a leading Colombian Daily; and Cine Colombia.

Mr. Santo Domingo brings to the Millicom Board his knowledge and experience of business in Latin America and consumers in FMCG markets.

Mr. Santo Domingo holds a Bachelor of Arts Degree from Harvard University.

Independent from the Company, its Executive Management, and its major shareholders.

Millicom shareholding at January 31, 2018: 8,008 shares.



Mr. Roger Solé Rafols
(Spanish)
Non-Executive Director
(First appointed: May 2017)

Mr. Roger Solé Rafols was elected to the Board in May 2017.

Mr. Solé, born in 1974, is the Chief Marketing Officer of Sprint Corporation, the leading American telecommunications company.

Prior to joining Sprint in 2015, he spent seven years at TIM Brasil (owned by Telecom Italia) as Chief Marketing Officer and previously as Marketing Director. Before TIM Brasil, he was the Marketing Director for Vivo in Brazil (owned by Telefonica and PT) and previously the Head of Innovation and VAS.

Mr. Solé holds a BA and MBA in Business Administration from ESADE Business & Law School in Barcelona.

Mr. Solé brings to the Millicom Board his in-depth knowledge of the telecommunications sector, marketing and convergence of traditional telecommunications products with innovative products and services.

Independent from the Company, its Executive Management, and its major shareholders.

Millicom shareholding at January 31, 2018: 868 shares.

Shareholder and Board governance – continued

Board program

The Board's annual program includes:

1

Company strategy and strategic direction;

2

Operating and financial performance review;

3

Governance and compliance matters;

4

Corporate Responsibility;

5

Government relations;

6

Corporate culture;

7

External financial reporting;

8

Risk management;

9

Dividend policy;

10

Acquisitions and divestments;

11

Evaluation of CEO and self-evaluation; and

12

Human Resource matters, including compensation, health, safety and well-being.

Summary of Board activities in 2017

The Board of Directors has an annual program which consists of specific areas of focus that the Board has a role to oversee and advise the Company on.

There will be specific projects and topics that will arise in the normal course of business which will be added to the program of the Board.

Some of these topics are dealt with in the specific Board committees.

Shareholder and Board governance – continued

Summary of areas of focus in 2017

Activity/issues covered	Board actions
Reports of committees	<ul style="list-style-type: none"> • The Board regularly reviewed reports from its Audit, Compliance and Business Conduct, and Compensation Committees on recent activities. • Discussion of Nomination Committee Director appointment proposals.
Operational Review	<ul style="list-style-type: none"> • Priorities and challenges for each of the Latin American and African businesses were regularly presented and discussed by the Board, including development of cable and mobile data businesses, efficiency measures and capital expenditure allocation. • The Board discussed and approved the 2018 budget.
Strategic Review	<ul style="list-style-type: none"> • The Board devotes one full Board meeting every year exclusively to discuss strategy. • The Board discussed with the Executive Team industry and geographic trends and the operational and financial strategy for each region of the Group, including the portfolio strategy.
Organizational structure	<ul style="list-style-type: none"> • The Board was involved in the process of appointment of new hires into the Executive Team, and management organizational and reporting structures.
Review and approval of capital structure and dividend	<ul style="list-style-type: none"> • Refinancing of the US\$ bond. • Amendment of existing terms and conditions of certain bonds. • Additional financing in several markets. • Recommendation of a dividend of US\$2.64 per share to the 2017 AGM.
Review and approval of corporate governance	<ul style="list-style-type: none"> • Revisions to the Corporate Policy Manual (including Board and Committee charters). • Updates to the Authority matrix. • Election of Committee members.
Mergers, acquisitions, disposals and joint ventures	<ul style="list-style-type: none"> • The Board discussed acquisition and disposal developments across the Group, including approval of and disposals transactions such as the sale of the Group's businesses in Senegal and Rwanda and the joint venture in Ghana.
Review and approval of financial reports	<ul style="list-style-type: none"> • 2016 Annual Report including the 2016 Consolidated Financial Statements of the Group, and interim consolidated financial statements. • Standalone financial statements of Millicom International Cellular SA (the parent company).
Risk management	<ul style="list-style-type: none"> • Review of the key risks facing the Group and approach to managing risk. • Setting of risk appetite.
The external affairs organization	<ul style="list-style-type: none"> • Review of the finalized external affairs strategic framework and functions for suitability for the organization's need.
Political environment	<ul style="list-style-type: none"> • Periodical reviews of the political situation per market with a specific focus on election periods and advice on risk management required in relation thereto.
Government relations, engagement and Regulatory affairs	<ul style="list-style-type: none"> • Review of regulatory and engagement challenges with advice from the Board on best-practice engagement strategy. • Review of the state of government relations in our markets and internationally.
Millicom's non-financial performance	<ul style="list-style-type: none"> • Review of main non-financial performance and trends. • Recommendation for continued focus in line with existing non-financial focus areas.
Update on privacy and freedom of expression issues	<ul style="list-style-type: none"> • Updates provided to the Board on continued proactive approach being taken by Millicom in relation to these issues, including specific country cases. The Board recognizes the significant importance of these topics and is supportive of continued efforts to improve engagement and in-house expertise in this area.

Shareholder and Board governance – continued

Induction and training

Incoming Board members are provided with information on their roles and responsibilities, operating procedures and information on Millicom's business and industry. Access to governance documents, policies and procedures, as well as meeting materials and Company information is provided through a secure online tool, in meetings set with the Executive Management team, and in ongoing dissemination of information.

Training programs covering key topics such as anti-bribery and corruption, ethics, independence and insider trading are provided. On an ongoing basis, the Board receives detailed reports on specific areas that support their understanding of Millicom's business and operating environment.

Millicom Directors also attend an annual visit to one of Millicom's operations (in 2017 to El Salvador), during which time they are informed of the specific characteristics of the local market, conduct field trips to see aspects of the business in operation, and interact with local management.

Board effectiveness

The Board conducts an annual performance review process, wherein each Board member's personal performance is also reviewed. The review process involves an assessment of the Board's and its committees' actions and activities during the year against the Board's mandate as determined in the Board Charter (and those of its various committees).

The evaluation of the Board's performance during 2017 was conducted by an external evaluation firm by way of interviews and assessment of the Board's performance against its key duties, the Board's composition and processes, as well as the performance of individual Board members. The results of the evaluation were presented to the Nomination Committee by the Chairman of the Board, and were also reported in full to the Nomination Committee in writing.

Board meetings/attendance at scheduled meetings of the Board in the 2017 financial year

Director	Meeting	Attendance %
Mr. Tom Boardman (Chairman)	7/7	100
Mr. José Antonio Ríos García	5/5	100
Mr. Odilon Almeida	6/7	86
Ms. Janet Davidson	7/7	100
Mr. Simon Duffy	7/7	100
Mr. Tomas Eliasson	7/7	100
Mr. Anders Jensen	5/5	100
Mr. Alejandro Santo Domingo	7/7	100
Mr. Roger Solé Rafols	5/5	100
Attendance of current Directors	56/57	98
Former Directors (until May 2017):		
Mr. José Miguel García Fernández	2/2	100
Mr. Lorenzo Grabau	2/2	100
Overall attendance	60/61	98

Shareholder and Board governance – continued

Board committees

The Board and each of its Committees have written approved charters which set out the objectives, limits of authority, organization and roles and responsibilities of the Board and its Committees. The Board and Committee charters can be found on our website www.millicom.com/governance. Details of the roles and responsibilities, activities in 2017 and Directors' emoluments are set out on the following pages.

In 2015, the Board established two new committees. A Special Committee was set up to oversee the investigation into potential improper payments on behalf of the Guatemalan joint venture. The work of this committee continued in 2016.

The same year, the Board also established a new permanent Compliance and Business Conduct Committee to cover compliance related activities. Since then this Committee assumed oversight of non-financial compliance related matters from the Audit Committee.

In 2017, the Board incorporated activities previously delegated to the Special Committee into the already existing Compliance and Business Conduct Committee. The Board believed that, due to the status of the work of the Special Committee, future activities would be manageable within the wider compliance program and mandate of the Compliance and Business Conduct Committee.



Audit Committee

2017 was a very active year for the Audit Committee, with specific focus and attention on control activities of the Group, as well as oversight over implementation projects of new accounting standards, regular reporting and internal audit activities. The Committee convened eight scheduled meetings during the year – two more than last year – and covered internal audit and internal control activities during all meetings.

The Committee also reviewed and discussed actions and activities around the important regulatory updates and upcoming changes in financial reporting, treasury, tax, risk management, revenue assurance and compliance. Further work remains to be done as the Group continues to standardize and implement best practices both in controls and assurance.

I would like to thank my fellow Committee members for their dedication and commitment to the activities of the Audit Committee and look forward to continuing our mandate through to the 2018 AGM.

Mr. Tomas Eliasson
Chairman of the Audit Committee

Shareholder and Board governance – continued

Audit Committee membership and attendance in 2017

Audit Committee	Position	First appointment	Meetings/Attendance %
Mr. Tomas Eliasson	Chairman*	May 2014	8/8 100
Mr. Tom Boardman	Member	May 2016	8/8 100
Mr. Simon Duffy	Member	May 2016	8/8 100
Mr. José Miguel García Fernández	Former member	May 2016	3/3 100
Overall attendance			27/27 100

* Designated as having specific accounting competence per EU Directive.

Appointment and role of the Audit Committee

The Audit Committee is comprised solely of non-executive Directors, the majority of whom are independent Directors. Members are appointed to ensure there is a mixture of relevant experience of both finance and broader commercial matters. The Board is confident that the collective experience of the members enables them to act as an effective Audit Committee. The Committee is also satisfied that it has the expertise and resource available to it to fulfill its responsibilities.

The Board has delegated to the Audit Committee the responsibilities for oversight of the robustness, integrity and effectiveness of financial reporting, risk management, internal controls, internal audit, the external audit process, as well as compliance with related laws and regulations.

The Audit Committee focuses particularly on compliance with financial requirements, accounting standards and judgments, appointment and independence of the external auditors, transactions with related parties (including major shareholders), the effectiveness of the Internal Audit function, the Group's approach to risk management and ensuring that an efficient and effective system of internal controls is in place.

Ultimate responsibility for reviewing and approving Millicom's Annual Report and Accounts remains with the Board.

The Chief Executive Officer, Chief Financial Officer, Group Financial Controller, Head of Internal Audit, Head of Business Controls, Group Risk Officer and representatives from Ernst & Young ("EY"), the Company's external auditor, are invited to attend Committee meetings.

The agenda for meetings is prepared by the Audit Committee Chairman in conjunction with the Chief Financial Officer. Each meeting includes a private session, attended only by Audit Committee members and the external auditor, to provide an opportunity for open dialogue without management presence. At each meeting, the Audit Committee receives reports from the Chief Financial Officer, the external auditor, the Head of Internal Audit, the Head of Business Controls, and Group Risk Officer, together with reports from other officers of the Company as required. More particularly, the Audit Committee has received from the external auditor the required information in accordance with the Luxembourg regulations.

Shareholder and Board governance – continued

2017 meetings

During 2017, the Audit Committee met eight times, mainly coinciding with key dates in Millicom's external reporting:

Activity/issues covered	How the Audit Committee addressed the issues
Governance	<ul style="list-style-type: none">• Reviewed and amended Audit Committee Charter.
Financial reporting	<ul style="list-style-type: none">• Reviewed key accounting and reporting issues at each meeting.• Reviewed and approved each quarter's earnings release, the 2016 annual earnings release and summary financial statements, and the 2017 half year earnings release and interim financial statements.• Reviewed and discussed activities around the implementation of IFRS 15 ("Revenue from Contracts with Customers"), IFRS 9 ("Financial Instruments") and IFRS 16 ("Leases"), as well as other changes in the financial reporting landscape and accounting policy changes/ updates.
External auditor	<ul style="list-style-type: none">• Received reports from the external auditor at each meeting covering important financial reporting, accounting and audit issues.• Approved the 2017 external audit strategy and fees.• Reviewed the new format of the external audit report.• Considered the results of control testing performed by the external auditor.• Considered the performance of the external auditor and independence, including monitoring of the nature and value of non-audit services, as well as approving these fees.
Internal audit activities	<ul style="list-style-type: none">• Approved the 2017 internal audit plan.• Reviewed internal audit findings arising from the delivery of the 2017 audit plan.
Financing, treasury and tax	<ul style="list-style-type: none">• Reviewed the Group's tax strategy and structure and approved the tax policy.• Approved the updated Group treasury and related policies, including the policy on financial risk management.• Reviewed the implications of Base Erosion Profit Schemes (BEPS) driven disclosures, including the 'Country by Country' Reporting.
Risk management	<ul style="list-style-type: none">• Provided guidance and oversight over risk management processes.• Reviewed alignment of top risks with strategy.• Reviewed regular risk reports and IT remediation plan.
Internal controls	<ul style="list-style-type: none">• Reviewed the remit and proposed activities of the Business Controls team.• Received the summary findings of internal control self-assessments performed in the year against the 2017 internal targets.• Approved 2018 targets for internal control maturity.
Fraud management	<ul style="list-style-type: none">• Reviewed fraud policies and quarterly fraud reports, as well as proposed actions to remediate identified cases.
Finance transformation	<ul style="list-style-type: none">• Were presented with the initiatives taken to transform the Group's finance function.
Revenue assurance	<ul style="list-style-type: none">• Received quarterly updates on revenue assurance activities.• Reviewed trends and actions taken to minimize loss and revenue leakage.
Related party transactions	<ul style="list-style-type: none">• Reviewed related party transactions was performed at each meeting.

Shareholder and Board governance – continued

Main activities of the Audit Committee during the year

Financial reporting

The Audit Committee reviewed earnings releases for each quarter and financial statements, having received reports from management and the external auditor. In 2017, attention was mainly focused on:

- Significant accounting issues where judgment has been applied;
- The review of the effectiveness of internal financial control;
- The implementation projects around the adoption of new accounting standards, in particular the future adoption of the new revenue recognition and lease standards, IFRS 15 and IFRS 16, respectively;
- The appropriateness of and application of the Group's accounting policies and practices;
- Compliance with financial reporting standards and other financial reporting requirements;
- The completeness and compliance of all structural disclosures made in the financial statements; and
- The financial reporting implication of BEPS legislation for future reporting, including the 'Country by Country' Reporting.

A summary of all related party transactions was presented quarterly. The significant issues considered by the Audit Committee in relation to the financial statements for the year ended December 31, 2017 were:

1) Africa divestment – also refer to note A.1.3. of the consolidated financial statements in Millicom's 2017 Annual Report

During 2017, Millicom entered into several agreements for the disposal or merger of multiple operations in Africa, namely Senegal, Ghana and Rwanda. As of December 31, 2017, the deals in Senegal and Rwanda are still to complete, pending necessary approvals. These transactions and their classification as assets held for sale and/or discontinued operations require management's judgment. The effect of disposal and assessment have been presented and discussed with the Committee.

2) Measurement of the Group's interests in our newly created joint venture in Ghana – also refer to note A.2.4 of the consolidated financial statements in Millicom's 2017 Annual Report

As required by IFRS, the Group has completed the measurement at fair value of its investment in the joint venture in Ghana (with Airtel) as of October 12, 2017, date of completion of the deal. Millicom determined the fair value of this investment based on a discounted cash flow model. Accounting effects and valuation based on external advice were presented to the Committee for discussion.

3) Tower sale and leaseback – also refer to notes C.3.4. of the consolidated financial statements in Millicom's 2017 Annual Report

During 2017, Millicom entered into tower sale and leaseback transactions in Paraguay and Colombia whereby Millicom sells its passive infrastructure to tower companies and leases back a portion of the towers and ground, plus additional operating costs. These transactions require management judgment in respect of the asset classification on the balance sheet and as to whether the leaseback qualifies as a finance or operating lease or as a service agreement.

The above accounting treatments and decisions were extensively discussed with the Committee.

4) Impairment testing – also refer to note E.1.6. of the consolidated financial statements in Millicom's 2017 Annual Report

Under accounting standards, the Group is required to test goodwill and indefinite life intangible assets annually and, where there are indicators of potential impairment, also test the carrying value of other non-current assets. Assessment of the recoverable amount, be it under the "value in use" or the "fair value less cost of disposal" model, is subjective and requires significant judgment. In addition, the Group also tests its investments in joint ventures and associates in case of an impairment indicator. The Audit Committee received analysis from Management as to their assessment of the recoverable amounts of the Group's non-current assets, as well as the results of the sensitivity analysis. The Audit Committee also received analysis from the external auditor, including their view of significant assumptions such as discount rates.

Following consideration, the Audit Committee agreed with Management's proposal that impairment losses had to be recognized on our operation in Rwanda, on a minor investment in Guatemala as well as on our investment in MKC Brilliant Holding GmbH ('LIH').

Except for the above, the results of the annual impairment testing showed that sufficient headroom exists for the Group's other operations.

5) Tax provisions and contingencies – also refer to note G.3.2. of the consolidated financial statements in Millicom's 2017 Annual Report

The Group operates in many countries where the tax and legal system is less mature and may be less predictable. There are a number of matters therefore relating to tax contingencies which require judgment as to the likely probability of cash outflow or the potential amount of any outflow. The Audit Committee therefore received regular reports from the Group Tax Director as to the status of each of these matters, the likely outcome, the provision required, if any, and proposed disclosure in the financial statements. Analysis of judgmental tax matters was also presented by the external auditor.

Shareholder and Board governance – continued

6) Revenue recognition – also refer to note B.1. of the consolidated financial statements in Millicom’s 2017 Annual Report
Judgment is required in assessing the application of revenue recognition principles. This includes the application of revenue between multiple deliverables, such as the sale of a set top box with service in a bundled package, or managed services contracts that have complex contractual agreements. The Group has developed revenue recognition rules compliant with IFRS, tailored to the services and products sold. In addition, Management is currently completing the implementation of the new revenue standard, IFRS 15. The Audit Committee received reports and presentations from both Management and the external auditor covering matters relating to revenue recognition in general and to the implementation project.

7) Capitalization and assets useful lives – also refer to note G.3.1. of the consolidated financial statements in Millicom’s 2017 Annual Report

The assessment and timing of whether assets meet the capitalization criteria set out in the relevant accounting standards, the estimation of appropriate useful economic lives and the assessment of whether any impairment indicators are present, such as redundant assets, as well as the identification and the classification of leases, all require judgment. In addition, Management regularly review and benchmark its assets useful lives with peers.

Once a year, Management presents its conclusions to the Audit Committee.

8) Potential improper payments on behalf of the Guatemala joint venture and Tanzania share ownership issue – also refer to note G.3.1. of the consolidated financial statements in Millicom’s 2017 Annual Report

On October 21, 2015, Millicom reported to law enforcement authorities in the United States and Sweden potential improper payments made on behalf of the Company’s joint venture in Guatemala.

On July 14, 2017, the International Commission Against Impunity in Guatemala (CICIG), disclosed an ongoing investigation into alleged illegal campaign financing that includes a competitor of Comcel, our Guatemalan joint venture. The CICIG further indicated that the investigation would include Comcel.

In June 2016, Millicom was served by a third party seeking monetary damages and seeking to exert rights as a shareholder of Millicom Tanzania Ltd.

The Audit Committee has been updated at least quarterly on the progress of these cases.

Disclosure Committee

To assist with all matters relating to earnings releases and financial statement disclosures, the Group has a Disclosure Committee comprised of senior management from finance, legal, communications, investor relations and other functions as and when required. The Disclosure Committee identifies and considers disclosure matters in market releases which contain material financial and other price sensitive information.

Risk management

The Audit Committee received regular reports on the Group’s risk management framework and process, changes to significant risks at both operational and Group level and how these are managed. Further information is set out in the risk management section of Millicom’s 2017 Annual Report.

In addition, the Audit Committee reviewed financial risk, tax risk and strategy, treasury policy and risks, and Group insurance cover.

Internal control

The Audit Committee reviewed the Company’s internal control framework. The Audit Committee remained focused on the need to promote the development of internal controls, both financial and non-financial.

The Group Head of Business Controls made a progress report at each meeting. Regular updates were provided on the Group’s program of Internal Control Self-Assessment and also the status of ongoing control improvement projects.

Targets for internal control improvement in 2017 were established. At the December meeting, the Audit Committee evaluated progress on a country and process level against the targets and discussed the strategy for internal control development for 2018.

Internal Audit

The execution of the 2017 Internal Audit Plan provided Executive Management and the Audit Committee an independent view on the effectiveness of Millicom’s internal control environment and governance processes. It was developed to ensure alignment with the strategic risks of the Millicom Group, along with consideration of the overall Group strategy, input from senior management across multiple geographies and functions, external audit findings and Internal Audit’s knowledge of the business.

In December 2016, the Audit Committee ratified the Internal Audit Plan for the following year, which included reviews focusing on revenue assurance and billing, information security, IT and network resilience, financial control, regulatory compliance and the successful implementation of large business and IT change programs. Follow-up audits were also built into the plan, to provide independent assurance that management actions from previous audits had been addressed effectively.

The plan was primarily executed by the in-house Internal Audit team based in London, Luxembourg and Miami, with specialist support provided by one of the “Big 4” accounting firms. At each meeting, the Audit Committee received an update on Internal Audit activities, progress against the plan and results of the audits completed in the period, including associated recommendations and management action plans where findings had been identified.

Fraud risk and whistleblowing

The Audit Committee received and reviewed quarterly fraud reports in accordance with the Group’s Fraud policy. The Policy was reviewed and updated during the year. Individual events greater than defined quantitative and qualitative thresholds were discussed and remediation activities assessed.

The Group provides an ethics helpline which is administered by an independent third party and is available to all employees, contractors and third parties.

Shareholder and Board governance – continued

External Audit effectiveness

The quality and effectiveness of the external audit is of great importance to the Audit Committee. A detailed audit plan is prepared and discussed with the Audit Committee at the start of each annual audit cycle, outlining the key risks and proposed geographic coverage.

Audit quality is assessed by reference to the standard of the reports received by the Audit Committee, the caliber of senior members of the audit team and the level of challenge provided to Management. Also, feedback is received by the Audit Committee from Management.

In addition, on a regular basis the performance of the external auditors is reviewed by Management both centrally and in each of Millicom's operating countries against a set of 17 criteria ranging from knowledge of the business, to timeliness of communication and quality of reporting.

This feedback allows the Audit Committee to monitor and assess the performance of the external auditor in making a recommendation to the Board regarding the reappointment of EY.

Auditor independence

The Audit Committee has established policies to maintain the independence of the external auditor and to govern the provision of audit and non-audit services. Permitted and prohibited services are clearly identified along with the processes to be followed for the approval of non-audit and audit services, in accordance with the latest EU and local regulations. All engagements require Audit Committee approval and additionally all engagements with an expected fee in excess of US\$100,000 require the prior approval of the Audit Committee Chairman. A schedule of all non-audit engagements with the external auditor is reviewed at each meeting.

For the year ended December 31, 2017, the Audit Committee approved fees for audit services of US\$4.7 million, together with fees for non-audit work of US\$0.9 million.

Under European rules, the current audit partner will have to rotate off for the audit of the consolidated financial statements as of December 31, 2019.

Audit tendering

EY was first appointed auditor of the Company for the year ended December 31, 2012 following a competitive tender.

Based on the EU audit regulations and applicable Luxembourg law, EY would have to rotate off by 2032 (20 years) at the latest, with mandatory tender in 2022 (after ten years).

Shareholder and Board governance – continued



Compliance and Business Conduct Committee

The Board of Millicom continues to assign the highest priority to upholding compliance and standards of business conduct across every level of the organization. The Board's core objective is to reinforce a culture of compliance that is practiced wholeheartedly by every employee, across all ranks, with no exceptions.

As Millicom advances through its financial, operational, and strategic goals – the company has adopted a living theme under the hashtag #IntegrityStartsWithYou. Under this theme, we educate the employees by operationalizing compliance, as part of everyday life.

During 2017, the Compliance and Business Conduct Committee met six times and continued to focus on the three pillars of Prevent, Detect, and Respond. The Committee members were actively engaged in the Global Compliance Awareness Week, hosted in November to support a corporate culture change program and help drive ownership and accountability at all levels of the company.

The Committee oversaw processes and procedures in setting up the major building blocks of the governance framework. This included implementation of a new third party due diligence tool and the restructure of the Ethics & Compliance team to enhance capacity and capability of the function.

Regional and Local Compliance Officers were appointed, and Information Security was moved into the Ethics & Compliance team. A new global role was created, and the new Chief Information Security Officer was appointed, aimed at achieving greater alignment of security processes in the digital area.

We saw important additions to the Compliance Investigations team with the appointment of three senior investigators at global level to respond to needs throughout all local operations and help determine and deal with potential threats.

During the year, increased emphasis was placed on the Anti-Money Laundering (AML) program, with the appointment of the new Global AML Director, and updating the AML framework to comply with new regulatory requirements in the Know-Your-Customer (KYC) area.

Great effort towards a step change in advancing the standards of the compliance program over the past year saw diligent pursuit of a best-in-class compliance framework.

I want to thank the members of the Compliance and Business Conduct Committee, the Company's management team and Millicom's Board and Chairman for their unwavering commitment and dedication to the compliance program in 2017. I look forward to continuing this journey in 2018.

Mr. Odilon Almeida
Chairman of the Compliance and Business Conduct Committee

Compliance and Business Conduct Committee membership and attendance 2017

Committee	Position	First appointment	Meetings/Attendance %	
Mr. Odilon Almeida	Chairman	November 2015	6/6	100
Mr. Alejandro Santo Domingo	Member	November 2015	6/6	100
Ms. Janet Davidson	Member	May 2016	6/6	100
Mr. Tom Boardman	Member	May 2016	6/6	100
Overall attendance			24/24	100

Shareholder and Board governance – continued

Appointment and role of the Compliance and Business Conduct Committee

Millicom's Compliance and Business Conduct Committee oversees and makes recommendations to the Board regarding the Group's compliance programs and standards of business conduct. More specifically, the Compliance and Business Conduct Committee:

- monitors the Group's Compliance program, including the activities performed by the Compliance Team and its interaction with the rest of the organization;
- monitors the results of investigations resulting from cases brought through the Group's ethics line or otherwise;
- oversees allocation of resources and personnel to the Compliance area;
- assesses the Group's performance in the Compliance area; and
- ensures that the Group maintains proper standards of business conduct.

Management representatives invited to attend the Compliance and Business Conduct Committee include the Group CEO, the Chief Compliance and Ethics Officer, General Counsel, and Group CFO.

Summary of Committee activities in 2017

The Committee convened, as planned, six times during the year. The Committee Chairman prepares the agenda in conjunction with the Chief Ethics and Compliance Officer and the Chief Ethics and Compliance Officer, reports on the status of the Compliance Program and any compliance related issues including investigations and issues, anti-money laundering, and information security. The CEO and Executive Team have been demonstrably committed and continue to be actively involved in driving a compliance change program to strengthen the Compliance function, culture, and tone at Millicom.

Summary of areas of focus in 2017

Activity/issues covered	How the Compliance and Business Conduct Committee addressed the issues
Restructure Compliance	<ul style="list-style-type: none"> • In order to better meet the needs of the company compliance program a new structure was implemented with enhanced resources at global, regional and local level.
Key roles appointed	<ul style="list-style-type: none"> • A series of key roles were appointed including the new Chief Information Security Officer, Vice President Investigations, and Global Anti-Money Laundering Director.
New building blocks	<ul style="list-style-type: none"> • Third Party Management – A new, group-wide third-party due diligence tool was implemented to enhance the KYC and third-party management process. • Information Security – Recognizing this growing global threat, the Chief Technology and Information Officer and Chief Ethics and Compliance Officer worked together to better structure the assurance activities in this area. • Millicom Ethics Line – With increased focus on concerns raised, the company brought in a highly-qualified investigator to increase quality of case management and improve response time to issues raised.
Program enhancements	<ul style="list-style-type: none"> • Simplified compliance policies and digitalization of key compliance processes, e.g. conflicts of interest disclosure procedures • Training of high-risk third parties • Internal audit issue remediation following the compliance focused auditor added to the Internal Audit team

Shareholder and Board governance – continued



Compensation Committee

In 2017, the Compensation Committee continued to focus on the review of Millicom's reward strategy to ensure that senior management compensation reflects company performance closely.

The Committee also reviewed Millicom's renewed approach to benchmarking compensation and talent, which led to important work in recalibrating job grades and roles.

We are confident that these steps will ensure that Group Management is incentivized to take a longer-term view on positive business performance in alignment with company and shareholder interests.

I would like to thank my fellow Compensation Committee members for their dedication and commitment to the activities of the Compensation Committee and look forward to continuing our expanded mandate through to the 2018 AGM.

Mr. José Antonio Ríos García

Chairman of the Compensation Committee

Compensation Committee membership and attendance 2017

Committee	Position	First appointment	Meetings/attendance	%
Mr. José Antonio Ríos García	Chairman	May 2017	5/5	100
Mr. Tom Boardman	Member	May 2016	6/6	100
Mr. Anders Jensen	Member	May 2017	4/5	80
Mr. José Miguel García Fernández	Former member	May 2016	1/1	100
Mr. Lorenzo Grabau	Former Chairman	May 2015	1/1	100
Overall attendance			17/18	94

Shareholder and Board governance – continued

Appointment and role of the Compensation Committee

The Compensation Committee reviews and makes recommendations to the Board of Directors regarding the compensation of the CEO and the other senior managers as well as management succession planning.

The Board, based on guidelines by the Compensation Committee, propose the remuneration of senior management. The objective of the guidelines is to ensure that Millicom can attract, motivate and retain executives, within the context of Millicom's international talent pool, which primarily consists of telecom, media and FMCG companies. Remuneration of the CEO requires Board approval. The long-term incentive plans are approved by the shareholders at the AGM.

The evaluation of the CEO is conducted by the Compensation Committee. The evaluation criteria and the results of the evaluation are then discussed by the Chairman with the entire Board. The Board considered that the CEO provided strong leadership for the Company during 2017. The results of the review and evaluation were communicated to the CEO by the Chairman. The Compensation Committee comprises three members.

Main activities of the Committee during 2017

The Compensation Committee met five times in 2017.

Activity/issues covered	How the Compensation Committee addressed the issues
Bonus and performance reports	<ul style="list-style-type: none"> Reviewed and approved the variable compensation target and performance results. Received and reviewed senior executive performance reports and Executive Committee rewards for exceptional performance. Reviewed and decided on Africa stretch incentives.
Compensation review	<ul style="list-style-type: none"> Reviewed guidelines and methodology for setting 2018 compensation. Approved all payments for Executive Committee members. Approved of Peer group for Executive Benchmarking. Reviewed Executive Benchmarking for CEO and all Executive Committee members. Approved of changes to CEO and Executive Committee compensation elements based on market competitiveness.
Share-based incentive plans	<ul style="list-style-type: none"> Approved 2017 Share Plan Rules. Reviewed and approved all equity grants. Review performance and projections of outstanding LTI plans.
Global reward strategy and executive remuneration review	<ul style="list-style-type: none"> Reviewed the new HR Calendar timeline and planned activities for all the reward components. Reviewed and discussed the company's Remuneration Approach, emphasizing importance of a performance-based incentive opportunity culture. Reviewed the performance of individual members of the Executive Team and their compensation packages.
Variable pay design	<ul style="list-style-type: none"> Reviewed and approved the Variable Plans Redesign (STI / LTI) for 2018.
Recruitment	<ul style="list-style-type: none"> Reviewed employment conditions for candidate for the position of Chief Human Resources Officer.
Separation arrangements at Executive level	<ul style="list-style-type: none"> Discussed, modified and subsequently approved separation arrangements with former members of the Executive Team.
Remuneration Committee governance	<ul style="list-style-type: none"> Reviewed and updated Remuneration Committee Remit and Obligations. Selected Mercer as the Remuneration Committee consultant, after reviewing 3 potential alternatives. Reviewed and aligned Remuneration Committee's Annual Cycle and Calendar, added one annual Remuneration Committee meeting for 2018.

Shareholder and Board governance – continued

Remuneration guidelines

The Board proposes to the AGM guidelines for remuneration and other employment terms for the senior management. The annual base salary and other benefits of the CEO and the Executive Vice Presidents (the “Executive Team”) is proposed by the Compensation Committee and approved by the Board.

Remuneration policy

Remuneration packages for members of the Executive Team at Millicom comprises an annual base salary, an annual bonus, share-based compensation, social security contributions, pension contributions and other benefits. Bonus and share-based compensation plans (see note B.4.1 to the Consolidated Financial Statements in Millicom’s 2017 Annual Report) are based on actual performance. Share-based compensation is granted once a year by the Compensation Committee of the Board.

Base salary – The Executives’ base salary shall be competitive and based on the individual Executive’s responsibilities and performance.

Variable cash remuneration – The Executives may receive variable remuneration in addition to base salary. The maximum target variable remuneration in any Executive’s contract is 100% of the base salary and, in case of exceptional business and personal performance, the actual amount can reach 200%. The variable amounts or percentages are considered to be competitive within market standards at total compensation levels. The variable remuneration shall be based on the performance of the Executives in relation to established goals and targets along with Millicom’s financial performance.

Use and relative weighting of performance target measures under the variable compensation rules are equal to all employees regardless of seniority.

Long-term share based incentive plans (LTIPs)

The aim of the LTIPs is to complement and support Millicom’s long-term business view and strategy. The plans and the amounts need to be competitive in order to attract and retain key executives.

Other benefits

Other benefits can include, for example, a car allowance, medical coverage and in some cases, housing allowance, school fees, home leave and other travel expenses.

Pension

The Executives are entitled to participate in a global pension plan, in accordance with European standards. The global pension plan is secured through premiums paid to reputable insurance companies.

Deviations from the guidelines

In special circumstances, the Board may deviate from the above guidelines, for example additional variable remuneration in the case of exceptional performance. In such a case the Board of Directors will explain the reason for the deviation at the following AGM.

Payment for loss of office

If the employment of a Millicom Executive is terminated, a notice period of up to 12 months potentially applies.

Bonus measurements	Rationale	Weighting
Service Revenue⁽ⁱ⁾	Recurring revenue is a key growth measure used by the Group as it seeks to monetize opportunities in all countries and all business units	23.33 %
EBITDA	EBITDA is used as a measurement of ongoing earning power/value creation in the Group and is used as a measure of how well management controls the operational cost of growing revenue.	23.33 %
Operating Free Cash Flow	Operating Free Cash Flow is a measure aligned to return on invested capital and is used to measure how efficiently management are generating cash flow.	23.33 %
Personal performance	The individual goals and objectives of Millicom management and employees are critical in achieving its financial objectives and in long-term value creation.	30 %
Total		100%

(i) The use of Service Revenue as a performance measure replaced use of Total Revenue from January 2016.

Shareholder and Board governance – continued

Executive Team remuneration 2017

Compensation of the Executive Team (US\$ '000)	CEO	CFO	Other Executives (9 members)
2017			
Base salary	1,000	648	3,822
Bonus (for 2017 performance)	707	455	1,590
Pension	150	97	629
Other benefits	64	15	1,193
Termination benefits	—	—	—
Total salary and benefits	1,921	1,215	7,233
Compensation shares (number)			
Performance share plan ⁽ⁱ⁾	11,865	6,230	10,044
Deferred share plan ⁽ⁱⁱ⁾ (for 2017 performance)	10,688	6,877	24,040
CEO Dividend Share Award	1,179	—	—
Total shares (number)	23,732	13,107	34,084
Value of shares⁽ⁱⁱⁱ⁾ (US\$ '000)	1,588	877	2,280

(i) Amounts relating to the 2015 performance share plan based on the actual performance over the three year period. The value of shares is based on the closing market value of Millicom shares in US\$ at December 29, 2017 of US\$66.91. These shares will vest on March 1, 2017. Final performance metrics will be approved by the Remuneration Committee on March 5, 2018.

(ii) Amounts relating to the 2017 deferred share plan (awarded in 2018). The value of shares is based on the closing market value of Millicom shares in US\$ at December 29, 2017 of US\$66.91. These shares will vest over three years from the award date, dependent on continued service of the employee.

(iii) The value is calculated on the basis described above which differs from the value calculated for the IFRS financial statements.

Compensation of the Executive Team (US\$ '000)	CEO	CFO	Other Executives (9 members) ^(iv)
2016			
Base salary	1,000	599	3,797
Bonus (for 2016 performance)	660	450	1,411
Pension	150	82	513
Other benefits	48	18	720
Termination benefits	—	—	—
Total salary and benefits	1,858	1,149	6,441
Compensation shares (number)			
Performance share plan ⁽ⁱ⁾	—	—	13,024
Deferred share plan ⁽ⁱⁱ⁾	15,017	10,250	32,122
Sign-on grant ⁽ⁱⁱⁱ⁾	2,358	—	—
Total shares (number)	17,375	10,250	45,146
Value of shares^(v) (US\$ '000)	743	450	2,385

(i) Amounts relating to the 2014 performance share plan based on the actual performance over the three year period to December 31, 2016. The value of shares is based on the closing market value of Millicom shares in US\$ at December 31, 2016 of US\$42.76. These shares vested on January 1, 2017.

(ii) Amounts relating to the 2016 deferred share plan (awarded in 2017). The value of shares is based on the closing market value of Millicom shares in US\$ at December 31, 2016 of US\$42.76. These shares will vest over three years from the award date, dependent on continued service of the employee.

(iii) The value is calculated on the basis described above which differs from the value calculated for the IFRS financial statements.

(iv) Includes former Executives who left Millicom during 2016.

(v) The value is calculated on the basis described above which differs from the value calculated for the IFRS financial statements.

Shareholder and Board governance – continued

Share-based incentive plans

The share-based incentive plans currently consist of a Deferred Share Plan (DSP) and a Performance Share Plan (PSP). Shares granted under the DSP are based on personal and corporate performance of the previous year and the awards vest over three years, 16.5% after one year, 16.5% after two years and 67% after three years. Shares granted under the PSP vest at the end of a three-year period, whereby vesting is subject to certain company performance conditions.

The CEO and CFO are participating in the Group's PSP, with target opportunities as per the table below.

In 2017, long-term share-based incentive plans were offered to Executives, other senior management, as well as to high potential employees and employees in key roles (by nomination exception) under the plans set out in the following table. In addition, the rules of the plans set out certain criteria and conditions in which new employees can be awarded sign-on awards.

LTIP Plans	Eligibility	Participants	Maximum shares awarded in 2017	Basis for calculating award	Comment
Deferred Share Plan (DSP)	CEO, CFO, other Executives and other (global) senior management*	354	467,911**	20–50 % on base salary, as per 31.12.16	
Performance Share Plan (PSP)	CEO, CFO, other Executives and other (global) senior management	47	282,675	200 % 160 % 35%–160 % on base salary, as per 01.01.17	CEO CFO Global senior management team

*A limited number of High-Potential employees and employees in key roles can be nominated by exception.

**Does not include Extraordinary Dividend Award, 1,179 shares

Specific rules of each plan are set out below. Vesting under all plans is conditional on the participant remaining employed by the Group at each vesting date. Additional vesting criteria are noted under each plan.

LTIP Plans	Additional vesting criteria (terms and conditions)	Vesting period		
		1 year	2 years	3 years
Deferred Share Plan	–	16.5 %	16.5 %	67 %
Performance Share Plan	Achievement of absolute and relative total shareholder return target measures plus a Free Cash Flow target measure over the three-year vesting period.	–	–	100 %

Shareholder and Board governance – continued

CEO compensation

At the AGM on May 15, 2015, the Board of Directors proposed and the meeting approved a sign-on share grant to the CEO of 77,344 Millicom shares, as part of the CEO remuneration.

One-third of the total share amount vests (and is deliverable to the CEO along with accrued dividends) on each of January 1, 2016, January 1, 2017 and January 1, 2018. The vesting of shares is conditional upon the CEO not being dismissed for cause.

The share grant was proposed by the Board following review by the Compensation Committee of the entire compensation package for the CEO. The 2017 components of this package are:

- an annual base salary of US\$1 million;
- variable remuneration with a target of 100% of base salary;
- participation in Millicom's share-based compensation plans;
- the continued vesting of the sign-on share grant; and
- other standard benefits, as described under the senior management remuneration principles earlier in this report.

CEO earnings opportunity from 2017 award levels

The tables below provide estimates of the potential future remuneration for the Chief Executive Officer based on the remuneration opportunity granted in the 2017 financial year. Potential outcomes are based on different performance scenarios.

Assumptions underlying each scenario are described below.

Fixed

- Fixed income consists of base salary, employment benefits and company pension contributions.
- Base salary is at December 31, 2017.
- Benefits are valued using the figures in the total remuneration for the 2017 financial year table detailed above.
- Pension contributions are made at 15% of base salary as at December of the preceding year.

	Base (US\$'000)	Benefits (US\$'000)	Pension (US\$'000)	Total Fixed (US\$'000)
Mauricio Ramos	1,000	64	150	1,214

Variables on target

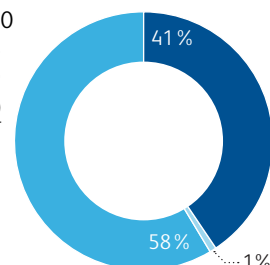
- Values are based on what the Chief Executive Officer would receive if performance was in line with Incentive Performance Targets.
- The target award opportunity for the annual cash bonus is 100% of base salary.
- The target award opportunity for the Deferred Share Plan (DSP) is 50% of base salary for the Chief Executive Officer.
- The target award opportunity for the Performance Share Plan (PSP) is 200% of base salary for the Chief Executive Officer, assuming total shareholder return (TSR) performance being positive and at peer group median.

Variables at maximum

- Maximum award opportunity under the annual cash bonus is 120% of base salary.
- The maximum award for performance under the DSP is 75% of base salary.
- The maximum award for performance under the PSP is 200% of base salary, where TSR outperforms the peer group by at least 5 percentage points.

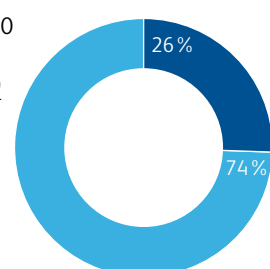
At target US\$'000

Cash	1,915
Benefits	49
Shares	2,750
Total	4,714



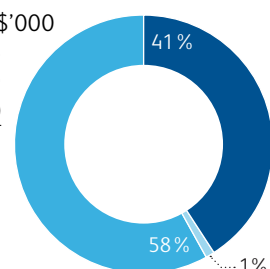
At target US\$'000

Fixed	1,214
Variable	3,500
Total	4,714



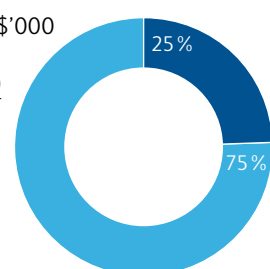
At maximum US\$'000

Cash	2,015
Benefits	49
Shares	2,850
Total	4,914



At maximum US\$'000

Fixed	1,214
Variable	3,700
Total	4,914



Shareholder and Board governance – continued

Details of share purchase and sale activity

During 2017 Millicom's CEO, Mauricio Ramos acquired 25,000 Millicom shares.

Shareholding requirements

Millicom's share ownership policy sets out the Compensation Committee's requirements on Global Senior Managers to retain and hold a personal holding of common shares in the Company in order to align their interests with those of our shareholders.

All Share Plan participants in the Global Senior Management Team (including all Executives) are required to own Millicom shares to a value of a percentage of their respective base salary as of January of the calendar year. Unless this requirement is filled each year no vested Millicom shares can be sold by the individual.

Global Senior Management Level	2017	2018 onwards
	Transition requirements %	Full requirement %
CEO	400	400
CFO	200	200
EVPs	50–100	100
General managers and VPs	25	50

Shares and unvested share awards granted from company equity plans

(number of shares)	CEO	Other Executives	Total
December 31, 2017			
Shares	53,920	58,129	112,049
Share awards not vested	148,324	299,067	447,391
December 31, 2016			
Shares	25,781	34,472	60,253
Share awards not vested	114,739	173,340	288,079

2017 Remuneration for the Chairman, Deputy Chairman and Non-Executive Directors

Decisions on annual remuneration of Directors ("tantièmes") are reserved by the Articles of Association to the general meeting of shareholders. Directors are therefore prevented from voting on their own compensation. However, Directors may vote on the number of shares they may be allotted under any

share-based compensation scheme. The Nomination Committee reviews and recommends the Directors' fees which are approved by the shareholders at the AGM. Fees are set based on the role (Chairman, Deputy Chairman), and for participation in and roles of Chairman of the Audit Committee, the Compliance and Business Conduct Committee, and Compensation Committee.

The remuneration of Directors comprises an annual fee and shares denominated in Swedish Krona (SEK). Director remuneration for the period is as follows:

Board and committees	Remuneration 2017 SEK 000's	Remuneration 2016 SEK 000's
Directors		
Mr. Tom Boardman (Chairman)	2,150	2,025
Mr. José Antonio Ríos García	1,075	—
Mr. Odilon Almeida	1,050	1,050
Ms. Janet Davidson	950	950
Mr. Simon Duffy	1,050	1,050
Mr. Tomas Eliasson	1,250	1,250
Mr. Anders Jensen	950	—
Mr. Alejandro Santo Domingo	950	950
Mr. Roger Solé Rafols	850	—
Former Directors (until May 2017):		
Ms. José Miguel García Fernández (former Deputy Chairman)	—	1,300
Mr. Lorenzo Grabau	—	950
Total in SEK 000's	SEK 10,275	SEK 9,525
Total (US\$'000)⁽ⁱ⁾	US\$1,122	US\$1,143

(i) Cash compensation converted from SEK to USD at exchange rates on payments dates each year. Share based compensation based on the market value of Millicom shares on the 2017 AGM date (in total 8,731 shares). Net remuneration comprised 52% in shares and 48% in cash (2016: 50% in shares and 50% in cash).

Shareholder and Board governance – continued

Millicom CEO and Executive Team

CEO	Position	Role and responsibilities
Mr. Mauricio Ramos	CEO	<ul style="list-style-type: none"> Leading the development and execution of the Company's strategy. Day-to-day activities and management decisions, both operating and financial. Liaison between the Board and Management of the Company. Leading the Executive Team.



Mr. Mauricio Ramos Chief Executive Officer

Mauricio Ramos, born in 1968, joined Millicom in April 2015 as Chief Executive Officer (CEO). Before joining Millicom, he was President of Liberty Global's Latin American division, a position he held from 2006 until February 2015.

During his career at Liberty Global, Mauricio held several leadership roles, including positions as Chairman and CEO of VTR in Chile and President of Liberty Puerto Rico.

Mauricio is also Chairman of TEPAL, the Latin American Association of Cable Broadband Operators, Member of the Board of Directors of Charter Communications (US), and a Member of the Board of Directors of the GSMA.

He is a dual Colombian and US citizen who received a degree in Economics, a degree in Law, and a postgraduate degree in Financial Law from Universidad de los Andes in Bogota.

Millicom shareholding at January 31, 2018: 80,159 shares

Millicom's Executive Team supports the CEO in the day-to-day operation and management of the Group, within their specific areas of expertise. Millicom's Executive Team meets on at least a monthly basis and more frequently when required. Millicom's Executive Team is as follows:

Executive Team	Position	Role and responsibilities
Mr. Tim Pennington	Chief Financial Officer	Finance and financial planning. Reporting financial performance, including external financial reporting. Budgeting and forecasting, monitoring expenditures and costs. Implementation and enhancement of related controls. Risk management.
Mr. Esteban Iriarte	Chief Operating Officer – Latam	Operations and development of the Latin American businesses.
Mr. Mohamed Dabbour	Head of Africa Division	Operations and development of the African businesses.
Mr. Xavier Rocoplan	Chief Technology and Information Officer	Networks, information technology and procurement within the Group.
Ms. Rachel Samrén	Chief External Affairs Officer	Government relations, regulatory affairs, corporate communications and corporate responsibility.
Mr. Salvador Escalón	General Counsel	Legal and corporate governance matters including oversight, identification and management of legal cases and issues of the Group, as well as legal aspects of mergers and acquisitions and other corporate transactions.
Ms. Susy Bobenrieth	Chief Human Resources Officer	Human Resource matters including talent acquisition and management, compensation, diversity and inclusion.
Mr. HL Rogers	Chief Ethics and Compliance Officer	Compliance matters including ethics, anti-bribery, anti-corruption and related compliance programs. Also, corporate security and information security.
Mr. Rodrigo Diehl	Chief Strategy Officer	Strategy development and direction setting

Shareholder and Board governance – continued

The profiles of the CFO and Executive Team members are provided below:



Mr. Tim Pennington

Executive Vice President, Chief Financial Officer

Tim Pennington joined Millicom in June 2014 as Senior Executive Vice President, Chief Financial Officer.

Previously, he was the Chief Financial Officer at Cable and Wireless Communications plc, Group Finance Director for Cable and Wireless plc and, prior to that, CFO of Hutchison Telecommunications International Ltd, based in Hong Kong. Tim was also Finance Director of Hutchison 3G (UK), Hutchison Whampoa's British mobile business.

He also has corporate finance experience, firstly as a Director at Samuel Montagu & Co. Limited, and then as Managing Director of HSBC Investment Bank within its Corporate Finance and Advisory Department.

He is a British national and has a BA (Honours) degree in Economics and Social Studies from the University of Manchester.

Millicom shareholding at January 31, 2018: 10,386 shares



Mr. Esteban Iriarte

Executive Vice President, Chief Operating Officer, Latin America

Esteban Iriarte was appointed as Executive Vice President, Chief Operating Officer (COO), Latin America in August 2016.

Previously, Esteban was General Manager of Millicom's Colombian businesses where, in 2014, he led the merger and integration of Tigo and the fixed-line company UNE.

Prior to leading Tigo Colombia, Esteban was head of Millicom's regional Home and B2B divisions.

From 2009 to 2011, he was CEO of Amnet, a leading service provider in Central America for broadband, cable TV, fixed line and data services that was bought by Millicom in 2008.

In 2016 Esteban joined Sura Asset Management board. Sura is one of Latin America's biggest financial groups.

Esteban is from Argentina and received a degree in Business Administration from the Pontificia Universidad Catolica Argentina "Santa Maria de los Buenos Aires", and an MBA from the Universidad Austral in Buenos Aires.

Millicom shareholding at January 31, 2018: 14,057 shares



Mr. Mohamed Dabbour

Executive Vice President, Head of Africa Division

Mohamed Dabbour joined Millicom in 2008 and has held a broad variety of roles in the Africa region including Chief Financial Officer in Chad in 2009 and Chief Financial Officer in Ghana in 2011. Prior to being appointed as Head of the Africa division he held the position of Chief Financial Officer, Africa since August 2015.

Prior to joining Millicom, Mohamed worked for BESIX, the largest Belgian construction company. He started his career at PricewaterhouseCoopers in Brussels as a Senior Accountant.

Mohamed holds an Executive MBA degree from London Business School.

Millicom shareholding at January 31, 2018: 3,105 shares

Shareholder and Board governance – continued

The profiles of the CFO and Executive Team members are provided below:



Mr. Xavier Rocoplan

Executive Vice President, Chief Technology and Information Officer

Xavier Rocoplan started working with Millicom in 2000 and joined the Executive Committee as Chief Technology and IT Officer in December 2012.

Xavier is currently heading all mobile and fixed network and IT activities across the Group as well as all Procurement & Supply Chain.

Xavier first joined Millicom in 2000 as CTO in Vietnam and subsequently for South East Asia. In 2004, he was appointed CEO of Millicom's subsidiary in Pakistan (Paktel), a role he held until mid-2007. During this time, he launched Paktel's GSM operation and led the process that was concluded with the disposal of the business in 2007. Xavier was then appointed as head of Corporate Business Development, where he managed the disposal of various Millicom operations (e.g. Asia), the monetization of Millicom infrastructure assets (towers) as well as numerous spectrum acquisitions and license renewal processes in Africa and in Latin America.

Xavier is a French national and holds Masters degrees in engineering from Ecole Nationale Supérieure des Télécommunications de Paris and in economics from Université Paris IX Dauphine.

Millicom shareholding at January 31, 2018: 18,073 shares



Ms. Rachel Samrén

Executive Vice President, Chief External Affairs Officer

Rachel Samrén joined Millicom in July 2014 and manages the Group's External Affairs function which encompasses government relations, regulatory affairs, corporate communications and corporate responsibility functions.

Her focus is on driving Millicom's global engagement with particular responsibility for special situation strategies.

Rachel's background is in the risk management consulting sector, most recently as Head of Business Intelligence at The Risk Advisory Group plc. Previously, she worked for Citigroup as well as non-governmental and governmental organizations.

Rachel currently serves as Chairman of the Board of Directors of Reach for Change and Zantel.

She is a Swedish national and holds a BSc in International Relations from the London School of Economics and a MLitt in International Security Studies from the University of St Andrews.

Millicom shareholding at January 31, 2018: 500 shares



Mr. Salvador Escalón

Executive Vice President, General Counsel

Salvador Escalón was appointed as Millicom's General Counsel in March 2013 and became Executive Vice President in July 2015.

Salvador leads Millicom's legal team and advises the Board of Directors and senior management on legal and governance matters.

He joined Millicom as Associate General Counsel Latin America in April 2010. In this role, he successfully led legal negotiations for the merger of Millicom's Colombian operations with UNE-EPM Telecomunicaciones S.A., as well as the acquisition of Cablevision Paraguay.

From January 2006 to March 2010, Salvador was Senior Counsel at Chevron Corporation, with responsibility for legal matters relating to Chevron's downstream operations in Latin America.

Previously, he was in private practice at the law firms Skadden, Morgan Lewis and Akerman Senterfitt.

Salvador is an American national and has a J.D. from Columbia Law School and a B.B.A. in Finance and International Business from Florida International University.

Millicom shareholding at January 31, 2018: 9,467 shares

Shareholder and Board governance – continued



Ms. Susy Bobenrieth

Executive Vice President, Chief Human Resources Officer

Susy Bobenrieth, a global Human Resource professional, joins Millicom with over 25 years of experience in major multi-national companies that include Nike Inc., American President Lines and IBM.

As an ex-Nike Executive, she has extensive international knowledge and proven results in leading large scale organizational transformations, driving talent management agenda and leading teams. She is passionate about building great businesses and winning with high performing teams.

Susy was raised in the USA by her Chilean immigrant parents and is one of 8 children.

She has deep international experience having lived and worked in Mexico, USA, Brazil, Netherlands, and Spain.

She received a degree from the University of Maryland, University College in 1989

Millicom shareholding at January 31, 2018: no shares



Mr. HL Rogers

Executive Vice President, Chief Ethics and Compliance Officer

HL Rogers joined Millicom in August 2016 as Chief Ethics and Compliance Officer. As the leader of Millicom's Compliance function he is committed to maintaining a world-class compliance program.

Previously, he was partner in the Washington DC office of international law firm Sidney Austin LLP where he represented individual, corporate and government clients in compliance issues and complex litigation.

Throughout this period, HL Rogers developed a wealth of experience in setting up and managing compliance programs, strengthening compliance policies and procedures, as well as conducting training and development. He has also assisted many large corporations in negotiations with authorities in multiple jurisdictions.

HL clerked for Judge Thomas Griffith of the United States Court of Appeals for the District of Columbia Circuit in 2005. He received his Juris Doctorate from Harvard Law School in 2004 and has published several articles on compliance and ethics matters within the corporate setting.

In 2001, HL received his BA degree in English from Brigham Young University.

Millicom shareholding at January 31, 2018: no shares



Mr. Rodrigo Diehl

Executive Vice President, Chief Strategy Officer

Rodrigo Diehl was appointed as Millicom's Executive Vice President, Chief Strategy Officer in September 2016.

Previously, Rodrigo was a partner at McKinsey & Co. both in Germany and in Brazil where, from 2003, he advised telecommunications, technology and media leaders throughout Europe, the USA, Middle East and Latin America.

He also previously worked as a Senior Analyst and Planning Manager at Techint Group.

At Millicom, Rodrigo is supporting the company's drive to constantly improve its strategic rigor and maintain its competitive advantage in a rapidly transforming industry.

He graduated with honors from the University of Buenos Aires and holds an MBA from Harvard Business School.

Millicom shareholding at January 31, 2018: 300 shares

Management governance

The Group seeks to ensure that governance activities are embedded in the daily operations of all businesses and in the Group's corporate functions. The role of the Group's governance functions is to set policies and procedures in accordance with our obligations and international best practice. These functions then ensure these are embedded in our businesses and monitor compliance.

Each function has clear reporting lines through to the Executive Management Team and the CEO. Reporting is also to the Board committees, as previously described, based on the responsibilities of each committee.

For instance, the Chief Ethics and Compliance Officer reports directly to the relevant Board committee with a dotted line report to the CEO.

In addition, the Group has a dedicated Internal Audit function to provide independent assurance over all businesses and corporate functions through a program of risk-based internal audits. Internal Audit reports to the Audit Committee of the Board and to Executive Management. Improvements are identified, management actions assigned and implementation progress is monitored.

Business Control

The Board has overall responsibility for the Group's system of internal control which is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss. The concept of reasonable assurance recognizes that the cost of control procedures should not exceed the expected benefits.

Responsibility for maintaining effective internal controls is delegated to the CEO and the Executive Team with oversight provided by the Audit Committee. Millicom continued to invest significantly during the year to further strengthen its internal control framework.



Within the Millicom control framework, controls are performed by operational and functional management teams. The Group's key controls are documented in the Millicom internal control manual, and covers both financial and non-financial controls across 15 core business processes. The control manual was updated at the start of the year. Each country has its own dedicated, local Business Control team responsible for monitoring and development of the local internal control environment.

Monitoring systems

A process of internal control self-assessment is operated and requires self-certification of the operation of key controls. Self-certified responses are then subject to review and challenge by the Group Business Controls team and Global Process Owners. The results are also compared to findings from Internal and External Audit. Where controls are found not to be operating effectively, action plans are designed with responsibilities and timescales assigned for remediation.

Self-assessment results are reported to the Audit Committee and the Executive Team. The results enable an assessment of the relative maturity of our internal control environment by both business process and by country. In 2017, three self-assessment exercises were performed (2016:3). All in-scope countries and operations met their internal targets for 2017.

Fraud management and reporting

Business Control has responsibility for fraud risk management. During the year, the Group's Fraud Policy, first adopted in 2015, was updated and communicated. Education activities continued, including an awareness campaign aligned with International Fraud Awareness Week in November.

A quarterly fraud report is prepared by each operation. A summary of this is presented to the Audit Committee along with the key actions taken. Quantitative and qualitative thresholds have been agreed to govern the reporting of individual fraud incidents to the Group CFO, CEO and the Audit Committee.

Internal controls over financial reporting

The Management of Millicom is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in conformity with International Financial Reporting Standards as adopted by the European Union. Due to its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements.

Management has assessed the effectiveness of internal control over financial reporting as of December 31, 2017 and concluded that it was effective.

Management governance – continued

Risk Management

Millicom has a risk management framework which our business units and corporate functions utilize. Millicom has a network of risk officers at headquarters, regional and each significant operating country level, led by the Chief Risk Officer. The risk function is tasked with identifying, analyzing, monitoring and coordinating Millicom's approach to balancing risk with return and reporting to the Executive Team. The Audit Committee, on behalf of the Board, is responsible for reviewing the effectiveness of risk activities.

Key strategic and operating risks are assessed from an overall Group perspective as well as individual country and business units. Risk action plans that seek to balance risks with returns are developed, implemented and modified over time as the underlying risks evolve. Action steps are implemented both globally and locally by Executives and key decision makers.

The principal risks identified by the Group are set out on in the Risk Management section of Millicom's 2017 Annual Report.

Ethics and Compliance

The Millicom Ethics and Compliance function has overall responsibility for the group-wide Millicom compliance program including the anti-bribery and anti-corruption program. It also manages the anti-money laundering (AML) program, has overall responsibility for investigations and manages the Information Security and the Corporate Security areas.

The Ethics and Compliance function is built around the three pillars: Prevent, Detect, and Respond. All our initiatives and achievements in 2017 were focused around these three pillars of a complete compliance function.

Management and governance of compliance activities

The Millicom Management Team fundamentally believes in the positive impact of the Compliance program on the organization as well as the world around us. This is not simply a tick-box exercise. We aim to be a driver of positive change in the countries where we operate and therefore we strive to have a best-in-class compliance function to help us differentiate ourselves as a partner of choice for our customers, our business partners, and our employees.

The corporate and local compliance committees have been expanded to cover more areas of the Compliance program and will continue to be the focus of oversight and assurance for the planned and new compliance initiatives.

The Corporate Compliance Committee consists of all members of the Millicom Executive Team including the Chief Ethics and Compliance Officer. The local committees are managed by the Local Compliance Managers, together with the local general managers and their management teams.

The Chief Ethics and Compliance Officer reports on all matters relating to the Compliance program to the Executive Team and Corporate Compliance Committee. On a regular basis reports are shared with the general Millicom Board and the Compliance and Business Conduct Committee of the Board.

Speak up Policy and Issue Management

The Millicom Group operates the Millicom Ethics Line with the help of an independent third party to safeguard anonymity and non-retaliation of reporters of potential issues. The Millicom Ethics Line is managed by the Ethics and Compliance Team and any investigative work needed is managed by the Vice President Investigations. The Millicom Ethics Line is available on the Millicom website, and is available to all employees as well as third parties.

A quarterly report on matters raised is reviewed by the Investigation Review Committee, headed by the Vice President Investigations and with members of the corporate compliance team, Human Resources, Internal Controls, Legal and Internal Audit. Regular updates are shared with the Corporate Compliance Committee, consisting of the Executive Team, and to the Compliance and Business Conduct Committee of the Board.

Key governance initiatives

The areas of responsibility under the Chief Ethics and Compliance Officer have been expanded to include Information Security and Corporate Security. A new compliance structured was implemented with several new key roles appointed.

The Corporate Compliance Team added resources at global regional and local level. Most notable was the introduction and appointment of Regional Compliance Officers for Latin America and Africa and the introduction of Local Compliance Officers in all local operations.

The Vice President Investigations was appointed, with key members of the global investigation team, to increase the quality and focus on issues raised through the Millicom Ethics Line and other channels of communication. The Corporate Security responsibilities were assumed by the Vice President Investigations. The cross-functional Investigations Review Committee (IRC) continued to oversee and manage all ethics and compliance concerns raised in one central clearing house.

A new Global AML Officer was appointed and a new Regional AML Officer for Latin America. A new role, Chief Information Security Officer, was created and appointed under the Chief Ethics and Compliance Officer focusing on group wide Information Security.

Management governance – continued

The Code of Conduct and Anti-Corruption training completion continues to be linked to bonus eligibility. The target threshold is 90% of staff completion rate, which was achieved enterprise wide (see Corporate Responsibility Performance Appendix of Millicom’s 2017 Annual Report). Internal Audit appointed a new auditor focusing on Compliance audits. There were frequent reviews of the Compliance framework and associated risks during the year and the Compliance team focused efforts on issue remediation through the scorecard deliverables and additional initiatives.

Heavy emphasis was put on managing our third-party space. We have an ability to be an agent of positive change with our third parties. We want to work with business partners that see the value of operating with high ethical standards and together we can help make a positive difference in the lives of the customers and employees we touch.

To help us understand who we are doing business with and identify the risks that a genuine business relationship can expose us to, we implemented a new third party due diligence process and on-boarded a new group-wide tool to support the process.

The compliance program in Guatemala continues to strengthen with the appointment of a dedicated Local Compliance Officer. The internal control environment continued to strengthen with several operational initiatives such as an updated Code of Conduct and subsequent employee training.

Corporate responsibility

This is the second year that Millicom has integrated corporate responsibility-related performance data and information in our annual financial and operational report to demonstrate how managing key “growing responsibly” topics and subsequent risks support successful delivery of our business strategy.

Millicom’s Corporate Responsibility (CR) team manages the Group’s “growing responsibly” reporting process and publishes CR-related strategy, management and performance information in the annual integrated report. Our integrated report will continue to be a key vehicle in promoting transparency towards investors and other key stakeholders on CR risks and opportunities.

The CR team actively interacts with external stakeholders to ensure that Millicom understands and addresses CR issues that are important and relevant to its stakeholders. This is done in a formal way in a bi-annual

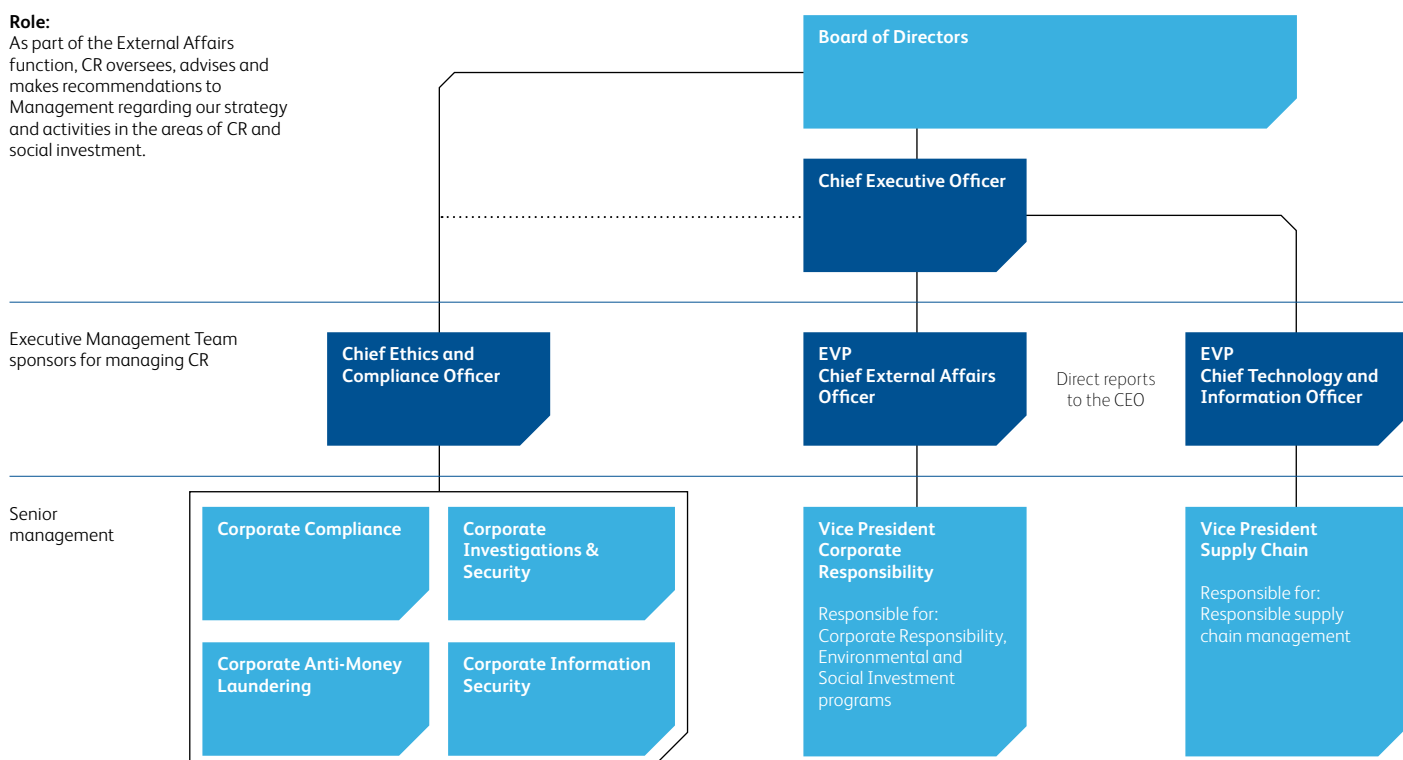
materiality analysis, and for the most part via ongoing interaction with our key stakeholders.

In addition to anticipating and improving preparedness on risks, the CR function also adds value by seeking responsible leadership opportunities for the Group to improve reputation and brand perception, and monitoring cost savings from environmental initiatives.

Governance of CR

Millicom’s Board of Directors oversees the Government Relations (GR), Regulatory Affairs, Corporate Responsibility (CR) and Social Investment (SI) functions of the Group which fall under the umbrella of External Affairs. This is due to the depth and materiality of these topics, the current maturity level of the programs, and the importance of monitoring risks and opportunities relating to them. The Executive Vice President (EVP) Chief External Affairs Officer, a direct report of the CEO, is accountable for delivering updates on the CR and SI strategy to the Board. Progress on CR and SI strategy implementation and issues management is also reported to the Millicom Executive Committee on a monthly basis through the EVP Chief External Affairs Officer, and in specific cases directly.

How CR is governed



Management governance – continued

Security

Millicom has a robust professional security and safety model, managed by the Vice President of Global Investigations, reporting into the Executive Vice President, Chief Ethics & Compliance Officer. The Security team identifies, mitigates, and manages developments that may pose a threat to the resilience and continued operations of the organization. Moreover, Corporate Security oversees the implementation of policy and Group standards in physical security, health and safety, crisis management/business continuity, and information security by local operational teams.

The focus of the Corporate Security team is to protect life, assets, and reputation; to promote well-being; and to build resilience throughout the business to unexpected events or crises.

The Corporate Security team continues to implement international standards such as OHSAS 18001, and ISO 22301 and 31000 in order to secure additional services as well as mitigating risk to the business.

Business Continuity and Crisis Management

Our global and operational business continuity and crisis management system is designed to address significant disruption that might affect our capabilities to perform critical day-to-day activities. This function continues to mature and has responded to events such as extreme weather, civil unrest, and criminal and political activities in the countries in which we operate.

All critical services and business processes are identified by a business impact analysis, and are required to have a disaster recovery and business continuity plan. All critical assets identified in the impact analysis have a risk assessment performed to address all relevant operational threats. All relevant risks are then subjected to a formal risk mitigation plan. Risk assessment is a continuous process.

Millicom crisis management defines the proper response to, and management of, an intense, unexpected and unstable situation that disrupts normal operation and has highly undesirable outcomes, which require extraordinary measures to restore normal operations. Crisis management aims to protect the safety of our staff and our reputation, together with continuous and reliable delivery of service to customers, while maintaining contractual, legal and regulatory compliance.

In parallel, Millicom has in place physical security and loss prevention standards which set minimum acceptable levels of critical site protection, as defined by industry best practice. All activities are subject to a program of monitoring and compliance activities.

Information Security

In 2017, Millicom reorganized its Information Security effort in order to further the maturity of the global program. Reporting into the Executive Vice President, Chief Ethics & Compliance Officer, the program is managed by the Global Chief Information Security Officer (CISO), who is responsible for the identification, management, and mitigation of technology-centric risks throughout the company. The CISO oversees the regional Information security teams to ensure the confidentiality, integrity, and availability of all business-critical systems and assets; identifying emerging threats and risks potentially detrimental to Millicom; and safeguard proprietary and personal customer information. Additionally, the regional teams work closely with business and technology leadership to ensure compliance to corporate policies and regional Information security-related regulatory requirements within the various countries where Millicom conducts business.

The Global CISO meets regularly with the Compliance Committee and Audit Committee to ensure appropriate risks have been elevated and are being addressed. As part of the move to centralize Information Security services, the Information Security team will be re-evaluating the existing technology risk management processes and consolidating all identification and mitigation efforts under the new global function beginning in 2018.

Health and Safety Management

All operating entities across Millicom including corporate are in compliance with the current internal OHSAS 18001 standard, seven of which – or 46% – were externally certificated this year with those remaining central America and Africa due in 2018. Additionally, there will be a transitional period at the later end of 2018 as the company prepares to move to the new ISO 45001 standard.

There was a total of 10 fatalities, ranging from road traffic accidents (RTA), falls from height, violent crime associated with criminal gangs, and one case of suicide, among our contracted staff or our managed service supplier.

In 2017, there was a 120% increase in the overall number of reported health, safety and security incidents in comparison to 2016. The increase in reported numbers in 2017 compared to 2016 is likely the result of a substantial reporting campaign across the company on accidents and incidents reporting.

Significant improvements in our due diligence process have been completed for our staff and suppliers in the health and safety area, bolstering training and awareness in auditing, health and safety vetting and site inspections. In 2016, we targeted the top 20 suppliers across each operating entity and during 2017 our teams targeted the top five suppliers with the most significant health and safety and security risks, and carried out a comprehensive audit of their business to ensure they comply with our strict requirements in this area.

The external verification of our OHSAS 18001 standards highlighted several observations in regard to the management of occupational health across the company. As such areas around capturing sickness absence, health awareness campaign messages and trend analysis to identify specific levels of absenteeism and their underlying causes have been a key focus area.

This will continue to be a major focus for all departments in the coming year.

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