

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 20-F**

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934  
OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2019

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report \_\_\_\_\_

Commission file number:

**MILlicom INTERNATIONAL CELLULAR S.A.**

(Exact name of Registrant as specified in its charter)

**Grand Duchy of Luxembourg**  
(Jurisdiction of incorporation)

**2, Rue du Fort Bourbon,  
L-1249 Luxembourg  
Grand Duchy of Luxembourg**  
(Address of principal executive offices)

**Mauricio Ramos  
President and Chief Executive Officer  
Millicom International Cellular S.A.  
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L-1249 Luxembourg  
Grand Duchy of Luxembourg  
Phone: +352-277-59101  
Email: investors@millicom.com**

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value \$1.50 per share	The Nasdaq Stock Market LLC

Securities registered or to be registered pursuant to Section 12(g) of the Act:

**None**  
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

**None**  
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

101,739,217 shares of Common Stock as of December 31, 2019

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-accelerated Filer ☐ Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its

Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

☐ U.S. GAAP

☒ International Financial Reporting Standards as issued by the International Accounting Standards Board

☐ Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

## TABLE OF CONTENTS

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	<u>PAGE</u>
<a href="#"><u>Presentation of Financial and other Information</u></a>	<a href="#"><u>6</u></a>
<a href="#"><u>Forward-Looking Statements</u></a>	<a href="#"><u>6</u></a>
<a href="#"><u>PART I</u></a>	<a href="#"><u>7</u></a>
<a href="#"><u>ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS</u></a>	<a href="#"><u>7</u></a>
<a href="#"><u>ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE</u></a>	<a href="#"><u>7</u></a>
<a href="#"><u>ITEM 3. KEY INFORMATION</u></a>	<a href="#"><u>8</u></a>
<a href="#"><u>A. Selected Financial Data</u></a>	<a href="#"><u>8</u></a>
<a href="#"><u>B. Capitalization and Indebtedness</u></a>	<a href="#"><u>11</u></a>
<a href="#"><u>C. Reasons for the Offer and Use of Proceeds</u></a>	<a href="#"><u>11</u></a>
<a href="#"><u>D. Risk Factors</u></a>	<a href="#"><u>11</u></a>
<a href="#"><u>ITEM 4. INFORMATION ON THE COMPANY</u></a>	<a href="#"><u>32</u></a>
<a href="#"><u>A. History and Development of the Company</u></a>	<a href="#"><u>32</u></a>
<a href="#"><u>B. Business Overview</u></a>	<a href="#"><u>33</u></a>
<a href="#"><u>C. Organizational Structure</u></a>	<a href="#"><u>43</u></a>
<a href="#"><u>D. Property, Plant and Equipment</u></a>	<a href="#"><u>44</u></a>
<a href="#"><u>Item 4A. Unresolved Staff Comments</u></a>	<a href="#"><u>46</u></a>
<a href="#"><u>ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS</u></a>	<a href="#"><u>46</u></a>
<a href="#"><u>A. Operating Results</u></a>	<a href="#"><u>46</u></a>
<a href="#"><u>B. Liquidity and Capital Resources</u></a>	<a href="#"><u>61</u></a>
<a href="#"><u>C. Research and Development, Patents and Licenses, etc</u></a>	<a href="#"><u>66</u></a>
<a href="#"><u>D. Trend Information</u></a>	<a href="#"><u>66</u></a>
<a href="#"><u>E. Off-Balance Sheet Arrangements</u></a>	<a href="#"><u>66</u></a>
<a href="#"><u>F. Tabular Disclosure of Contractual Obligations</u></a>	<a href="#"><u>66</u></a>
<a href="#"><u>ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES</u></a>	<a href="#"><u>66</u></a>
<a href="#"><u>A. Directors and Senior Management</u></a>	<a href="#"><u>67</u></a>
<a href="#"><u>B. Compensation</u></a>	<a href="#"><u>70</u></a>
<a href="#"><u>C. Board Practices</u></a>	<a href="#"><u>76</u></a>
<a href="#"><u>D. Employees</u></a>	<a href="#"><u>78</u></a>
<a href="#"><u>E. Share Ownership</u></a>	<a href="#"><u>78</u></a>
<a href="#"><u>ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS</u></a>	<a href="#"><u>79</u></a>
<a href="#"><u>A. Major Shareholders</u></a>	<a href="#"><u>79</u></a>
<a href="#"><u>B. Related Party Transactions</u></a>	<a href="#"><u>79</u></a>
<a href="#"><u>C. Interests of Experts and Counsel</u></a>	<a href="#"><u>82</u></a>
<a href="#"><u>ITEM 8. FINANCIAL INFORMATION</u></a>	<a href="#"><u>82</u></a>
<a href="#"><u>A. Consolidated Statements and Other Financial Information</u></a>	<a href="#"><u>82</u></a>
<a href="#"><u>B. Significant Changes</u></a>	<a href="#"><u>83</u></a>
<a href="#"><u>ITEM 9. THE OFFER AND LISTING</u></a>	<a href="#"><u>84</u></a>
<a href="#"><u>A. Offer and Listing Details</u></a>	<a href="#"><u>84</u></a>

<a href="#">B. Plan of Distribution</a>	<a href="#">84</a>
<a href="#">C. Markets</a>	<a href="#">84</a>
<a href="#">D. Selling Shareholders</a>	<a href="#">84</a>
<a href="#">E. Dilution</a>	<a href="#">84</a>
<a href="#">F. Expenses of the Issue</a>	<a href="#">84</a>
<a href="#">ITEM 10. ADDITIONAL INFORMATION</a>	<a href="#">84</a>
<a href="#">A. Share Capital</a>	<a href="#">84</a>
<a href="#">B. Memorandum and Articles of Association</a>	<a href="#">84</a>
<a href="#">C. Material Contracts</a>	<a href="#">87</a>
<a href="#">D. Exchange Controls</a>	<a href="#">88</a>
<a href="#">E. Taxation</a>	<a href="#">89</a>
<a href="#">F. Dividends and Paying Agents</a>	<a href="#">95</a>
<a href="#">G. Statement by Experts</a>	<a href="#">95</a>
<a href="#">H. Documents on Display</a>	<a href="#">95</a>
<a href="#">I. Subsidiary Information</a>	<a href="#">95</a>
<a href="#">ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT RISK</a>	<a href="#">95</a>
<a href="#">ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES</a>	<a href="#">98</a>
<a href="#">A. Debt Securities</a>	<a href="#">98</a>
<a href="#">B. Warrants and Rights</a>	<a href="#">99</a>
<a href="#">C. Other Securities</a>	<a href="#">99</a>
<a href="#">D. American Depositary Shares</a>	<a href="#">99</a>
<a href="#">PART II</a>	<a href="#">99</a>
<a href="#">ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES</a>	<a href="#">99</a>
<a href="#">A. Defaults</a>	<a href="#">99</a>
<a href="#">B. Arrears and Delinquencies</a>	<a href="#">99</a>
<a href="#">ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS</a>	<a href="#">99</a>
<a href="#">ITEM 15. CONTROLS AND PROCEDURES</a>	<a href="#">99</a>
<a href="#">A. Disclosure Controls and Procedures</a>	<a href="#">99</a>
<a href="#">B. Management's Annual Report on Internal Control over Financial Reporting</a>	<a href="#">99</a>
<a href="#">C. Attestation Report of Independent Registered Public Accounting Firm</a>	<a href="#">99</a>
<a href="#">D. Changes in Internal Control over Financial Reporting</a>	<a href="#">99</a>
<a href="#">ITEM 16. [RESERVED]</a>	<a href="#">99</a>
<a href="#">Item 16A. Audit Committee Financial Expert</a>	<a href="#">102</a>
<a href="#">Item 16B. Code of Ethics</a>	<a href="#">102</a>
<a href="#">Item 16C. Principal Accountant Fees and Services</a>	<a href="#">102</a>
<a href="#">Item 16D. Exemptions from the Listing Standards for Audit Committees</a>	<a href="#">103</a>
<a href="#">Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers</a>	<a href="#">103</a>
<a href="#">Item 16F. Change in Registrant's Certifying Accountant</a>	<a href="#">103</a>
<a href="#">Item 16G. Corporate Governance</a>	<a href="#">103</a>
<a href="#">Item 16H. Mine Safety Disclosure</a>	<a href="#">103</a>
<a href="#">PART III</a>	<a href="#">103</a>
<a href="#">ITEM 17. FINANCIAL STATEMENTS</a>	<a href="#">103</a>

[ITEM 18. FINANCIAL STATEMENTS](#)  
[ITEM 19. EXHIBITS](#)

[103](#)  
[104](#)

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Financial statement information

We have included in this Annual Report the Millicom Group's (as defined below) audited consolidated financial statements as of December 31, 2019 and 2018 and for the years ended December 31, 2019, 2018 and 2017. The Millicom Group's financial statements included herein and the accompanying notes thereto have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). We end our fiscal year on December 31. References to fiscal 2019, fiscal 2018 and fiscal 2017 refer to the years ended December 31, 2019, 2018 and 2017, respectively.

Comunicaciones Celulares, S.A. ("Comcel"), our principal Guatemala joint venture company in which we hold a 55% ownership interest but which we do not control, met the income threshold as a significant investee accounted for by the equity method for purposes of Rule 3-09 of Regulation S-X for the years ended December 31, 2019, 2018 and 2017. As permitted by Rule 3-09, the financial statements for Comcel will be separately provided in an amendment to this Form 20-F.

Our management determines operating and reportable segments based on the reports that are used by the chief operating decision maker to make strategic and operational decisions from both a business and geographic perspective. The Millicom Group's risks and rates of return for its operations are predominantly affected by operating in different geographical regions. The Millicom Group has businesses in two main regions, Latin America and Africa, which constitute our two segments. Our Latin America segment includes our Guatemala and Honduras joint ventures as if they were fully consolidated, as this reflects the way our management reviews and uses internally reported information to make decisions about operating matters and to provide increased transparency to investors on those operations. Our Africa segment does not include our joint venture in Ghana because our management does not consider it a strategic part of our group.

### Presentation of data

We present operational and financial data in this Annual Report. Operational data, such as the number of customers, unless otherwise indicated, are presented for the Millicom Group, including our subsidiaries and Guatemala and Honduras joint ventures but excluding our Ghana joint venture. We exclude operational data from our Ghana joint venture because, unlike our other joint ventures, we do not consider it a strategic part of our Group. Financial data is presented either at a consolidated level or at a segmental level, as derived from our financial statements, including the notes thereto.

We have made rounding adjustments to reach some of the figures included in this Annual Report. Accordingly, numerical figures shown as totals in some tables may not be an exact arithmetic aggregation of the figures that preceded them and percentage calculations using these adjusted figures may not result in the same percentage values as are shown in this Annual Report.

### Certain references

Unless the context otherwise requires, references to the "Company" or "MIC S.A." refer only to Millicom International Cellular S.A., a public limited liability company (société anonyme) organized and established under the laws of the Grand Duchy of Luxembourg, and the terms "Millicom," "Millicom Group," "our Group", "we", "us" and "our" refer to Millicom International Cellular S.A. and its consolidated subsidiaries and, where applicable, its joint ventures in Guatemala and Honduras.

Unless otherwise indicated, all references to "U.S. dollars," "dollars" or "\$" are to the lawful currency of the United States of America; all references to "Euro" or "€" are to the lawful currency of the participating Member States in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time; and all references to "Swedish Krona" or "SEK" are to the lawful currency of the Kingdom of Sweden. For a list of the functional currency names and abbreviations in the markets in which we operate, see the introduction to the notes to our audited consolidated financial statements.

## FORWARD-LOOKING STATEMENTS

This Annual Report contains statements that constitute "forward-looking" statements within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934, as amended. This Annual Report contains certain forward-looking statements concerning our intentions, beliefs or current expectations regarding our future financial results, plans, liquidity, prospects, growth, strategy and profitability, as well as the general economic conditions of the industries and countries in

which we operate. Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future sales or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, our business strategy and the trends we anticipate in the industries and the economic, political and legal environments in which we operate and other information that is not historical information.

Many of the forward-looking statements contained in this Annual Report can be identified by the use of forward-looking words such as “anticipate,” “believe,” “could,” “expect,” “should,” “plan,” “intend,” “estimate” and “potential,” among others. These statements appear in a number of places in this Annual Report and include, but are not limited to, statements regarding our intent, belief or current expectations with respect to:

- global economic conditions and foreign exchange rate fluctuations as well as local economic conditions in the markets we serve;
- telecommunications usage levels, including traffic and customer growth;
- competitive forces, including pricing pressures, the ability to connect to other operators’ networks and our ability to retain market share in the face of competition from existing and new market entrants as well as industry consolidation;
- legal or regulatory developments and changes, or changes in governmental policy, including with respect to the availability of spectrum and licenses, the level of tariffs, tax matters, the terms of interconnection, customer access and international settlement arrangements;
- adverse legal or regulatory disputes or proceedings;
- the success of our business, operating and financing initiatives and strategies, including partnerships and capital expenditure plans;
- the level and timing of the growth and profitability of new initiatives, start-up costs associated with entering new markets, the successful deployment of new systems and applications to support new initiatives;
- relationships with key suppliers and costs of handsets and other equipment;
- our ability to successfully pursue acquisitions, investments or merger opportunities, integrate any acquired businesses in a timely and cost-effective manner and achieve the expected benefits of such transactions;
- the availability, terms and use of capital, the impact of regulatory and competitive developments on capital outlays, the ability to achieve cost savings and realize productivity improvements;
- technological development and evolving industry standards, including challenges in meeting customer demand for new technology and the cost of upgrading existing infrastructure;
- the capacity to upstream cash generated in operations through dividends, royalties, management fees and repayment of shareholder loans;
- other factors or trends affecting our financial condition or results of operations; and
- various other factors, including without limitation those described under “Item 3. Key Information—D. Risk Factors.”

This list of important factors is not exhaustive. You should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environments in which we operate. Forward-looking statements are only our current expectations and are based on our management’s beliefs and assumptions and on information currently available to our management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements as a result of various factors, including, but not limited to, those identified under the section of this Annual Report entitled “Item 3. Key Information—D. Risk Factors.” These risks and uncertainties include factors relating to the markets in which we operate and global economies, securities and foreign exchange markets, which exhibit volatility and can be adversely affected by developments in other countries, factors relating to the telecommunications industry in the markets in which we operate and changes in its regulatory environment and factors relating to the competitive markets in which we operate.

## **PART I**

### **ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not applicable to Annual Report filing.

### **ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

### ITEM 3. KEY INFORMATION

#### A. Selected Financial Data

##### Historical financial information

The following tables present selected historical financial data for the Millicom Group. The statement of income data for the Millicom Group set forth below for the years ended December 31, 2019, 2018 and 2017 and the statements of financial position data set forth below as of December 31, 2019 and 2018 are derived from the Millicom Group's audited consolidated financial statements included elsewhere in this Annual Report. The statement of income data for the years ended and as of December 31, 2016 and 2015 and statement of financial position data as of December 31, 2017, 2016 and 2015 are derived from the Millicom Group's audited consolidated financial statements not included in this Annual Report.

The Guatemala and Honduras joint ventures were fully consolidated in our financial statements for fiscal 2015, as we had a path to full control as a result of our governance arrangements and certain put and call options. The put and call options expired unexercised on December 31, 2015 and the Guatemala and Honduras operations were deconsolidated in our financial statements from that date. Although our ownership interests remain unchanged, our interests in the Guatemala and Honduras joint ventures is now accounted for under the equity method of accounting in our financial statements and results of operations for fiscal 2016 and subsequent periods.

Our management determines operating and reportable segments based on the reports that are used by the chief operating decision maker to make strategic and operational decisions from both a business and geographic perspective. The Millicom Group's risks and rates of return for its operations are predominantly affected by operating in different geographical regions. The Millicom Group has businesses in two main regions, Latin America and Africa, which constitute our two segments. Our Latin America segment includes the Guatemala and Honduras joint ventures as if they were fully consolidated, as this reflects the way our management reviews and uses internally reported information to make decisions about operating matters and to provide increased transparency to investors on those operations. Our Africa segment does not include our joint venture in Ghana, because our management does not consider it a strategic part of our group.

You should read this selected financial data together with "Item 5. Operating and Financial Review and Prospects" and the financial statements and accompanying notes included in this Annual Report. The historical results are not necessarily indicative of the Millicom Group's future results of operations or financial condition.



## Selected statement of income data

	Year ended December 31,				
	2019 (i)	2018 (ii) (iii)	2017 (ii) (iii)	2016 (ii) (iii)	2015 (ii) (iii)
	(U.S. dollars in millions)				
Revenue	4,336	3,946	3,936	3,876	6,112
Cost of sales	(1,201)	(1,117)	(1,169)	(1,142)	(1,637)
<b>Gross profit</b>	<b>3,135</b>	<b>2,829</b>	<b>2,767</b>	<b>2,735</b>	<b>4,474</b>
Operating expenses	(1,604)	(1,616)	(1,531)	(1,552)	(2,352)
Depreciation	(825)	(662)	(670)	(648)	(948)
Amortization	(275)	(140)	(142)	(171)	(222)
Share of profit in the joint ventures in Guatemala and Honduras	179	154	140	115	—
Other operating income (expenses), net	(34)	75	69	(13)	(11)
<b>Operating profit</b>	<b>575</b>	<b>640</b>	<b>632</b>	<b>465</b>	<b>940</b>
Interest and other financial expenses	(564)	(367)	(389)	(366)	(395)
Interest and other financial income	20	21	16	21	21
Other non-operating (expenses) income, net	227	(39)	(2)	21	(596)
Profit (loss) from other joint ventures and associates, net	(40)	(136)	(85)	(49)	100
<b>Profit (loss) before taxes from continuing operations</b>	<b>218</b>	<b>119</b>	<b>172</b>	<b>92</b>	<b>71</b>
Charge for taxes, net	(120)	(112)	(162)	(176)	(262)
<b>Profit (loss) for the year from continuing operations</b>	<b>97</b>	<b>7</b>	<b>10</b>	<b>(84)</b>	<b>(192)</b>
Profit (loss) from discontinued operations, net of tax	57	(33)	60	(6)	(252)
<b>Net profit (loss) for the year</b>	<b>154</b>	<b>(26)</b>	<b>69</b>	<b>(90)</b>	<b>(444)</b>
<b>Attributable to:</b>					
The owners of Millicom	149	(10)	87	(32)	(559)
Non-controlling interests	5	(16)	(17)	(58)	115
Earnings (loss) per common share for profit (loss) attributable to the owners of the Company:	1.48	(0.10)	0.86	(0.32)	(5.59)
Earnings (loss) per common share for profit (loss) from continuing operations attributable to owners of the Company	0.92	0.23	0.27	(0.26)	(3.07)

(i) IFRS 16 was adopted as of January 1, 2019, using the modified retrospective method; previous periods were therefore not restated and might not be directly comparable. See "Introduction - New and amended IFRS accounting standards" in the notes to our audited consolidated financial statements included elsewhere in this Annual Report for additional details regarding the impact of the adoptions.

2019 figures also include the impact of our acquisitions: one full year of Cable Onda acquired at the end of 2018 and 8 months of Telefonica Celular de Nicaragua and 4 months of Telefonica Moviles Panama, S.A. each acquired in 2019. see note A.1.2. in the notes to our audited consolidated financial statements.

(ii) IFRS 15 and IFRS 9 were adopted as of January 1, 2018, using the modified retrospective method; previous periods were therefore not restated and might not be directly comparable. See "Introduction - New and amended IFRS accounting standards" in the notes to our audited consolidated financial statements included elsewhere in this Annual Report for additional details regarding the impact of the adoptions.

(iii) Restated for discontinued operations.

**Selected statement of financial position data**

	December 31,				
	2019(i)	2018(ii)	2017(ii)	2016(ii)	2015(ii)
	(U.S. dollars in millions)				
<b>Assets</b>					
Total non-current assets	10,210	8,785	7,646	7,961	8,512
Total current assets	2,641	1,525	1,585	1,661	1,871
Assets held for sale	5	3	233	5	12
<b>Total assets</b>	<b>12,856</b>	<b>10,313</b>	<b>9,464</b>	<b>9,627</b>	<b>10,395</b>
<b>Equity and Liabilities</b>					
Total non-current liabilities	7,770	4,845	4,116	4,361	4,210
Total current liabilities	2,406	2,676	1,989	1,898	2,457
Liabilities directly associated with assets held for sale	—	—	79	—	—
<b>Total liabilities</b>	<b>10,176</b>	<b>7,521</b>	<b>6,183</b>	<b>6,258</b>	<b>6,667</b>
Equity attributable to owners of the Company	2,410	2,542	3,096	3,167	3,477
Non-controlling interests	271	251	185	201	251
Total equity	2,680	2,792	3,281	3,368	3,728
<b>Total equity and liabilities</b>	<b>12,856</b>	<b>10,313</b>	<b>9,464</b>	<b>9,627</b>	<b>10,395</b>

- (i) IFRS 16 was adopted as of January 1, 2019, using the modified retrospective method; previous periods were therefore not restated and might not be directly comparable. See "Introduction - New and amended IFRS accounting standards" in the notes to our audited consolidated financial statements included elsewhere in this Annual Report for additional details regarding the impact of the adoptions.
- (ii) IFRS 15 and IFRS 9 were adopted as of January 1, 2018, using the modified retrospective method; previous periods were therefore not restated and might not be directly comparable. See "Introduction - New and amended IFRS accounting standards" in the notes to our audited consolidated financial statements included elsewhere in this Annual Report for additional details regarding the impact of the adoptions. The consolidated statement of financial position at December 31, 2018 has been restated after finalization of the Cable Onda purchase accounting (see note A.1.2.).

	As of and for the year ended December 31,				
	2019	2018	2017	2016	2015
Share capital	153	153	153	153	153
Number of shares (in thousands)	101,739	101,739	101,739	101,739	101,739
Dividend declared per share (over the period)	2.64	2.64	2.64	2.64	2.64
Diluted net income (loss) per share (over the period) attributable to the owners of the Company	1.48	(0.10)	0.86	(0.32)	(5.59)

**Other revenue data**

In addition to consolidated revenue data, the following table sets forth for the periods indicated certain segment revenue data, which has been extracted from note B.3 to our audited consolidated financial statements, where segment data is reconciled to consolidated data:

	Year ended December 31,				
	2019(i)	2018(ii) (iii)	2017(ii) (iii)	2016(ii) (iii)	2015(ii)(iii)
<b>Consolidated:</b>					
Mobile revenue	2,150	2,126	2,147	2,182	3,946
Cable and other fixed services revenue	1,928	1,565	1,551	1,437	1,626
Other revenue	52	43	38	36	37
Total service revenue	4,130	3,734	3,737	3,655	5,609
Telephone and equipment	206	212	199	221	502
<b>Total Consolidated Revenue</b>	<b>4,336</b>	<b>3,946</b>	<b>3,936</b>	<b>3,876</b>	<b>6,112</b>
<b>Latin America segment:</b>					
Mobile revenue	3,258	3,214	3,283	3,318	3,580
Cable and other fixed services revenue	2,197	1,808	1,755	1,611	1,621
Other revenue	60	48	40	37	37
Total service revenue	5,514	5,069	5,078	4,966	5,237
Telephone and equipment	449	415	363	386	502
<b>Latin America Segment Revenue</b>	<b>5,964</b>	<b>5,485</b>	<b>5,441</b>	<b>5,352</b>	<b>5,740</b>
<b>Africa segment:</b>					
Mobile revenue	372	388	374	380	366
Cable and other fixed services revenue	9	10	9	15	3
Other revenue	1	1	2	3	—
Total service revenue	382	398	385	398	369
Telephone and equipment	—	—	1	—	—
<b>Africa Segment Revenue</b>	<b>382</b>	<b>399</b>	<b>386</b>	<b>398</b>	<b>369</b>

- (i) IFRS 16 was adopted as of January 1, 2019, using the modified retrospective method; previous periods were therefore not restated and might not be directly comparable. See "Introduction - New and amended IFRS accounting standards" in the notes to our audited consolidated financial statements included elsewhere in this Annual Report for additional details regarding the impact of the adoptions.
- (ii) IFRS 15 and IFRS 9 were adopted as of January 1, 2018, using the modified retrospective method; previous periods were therefore not restated and might not be directly comparable. See "Introduction - New and amended IFRS accounting standards" in the notes to our audited consolidated financial statements included elsewhere in this Annual Report for additional details regarding the impact of the adoptions.
- (iii) Restated for discontinued operations.

**B. Capitalization and Indebtedness**

Not applicable to Annual Report filing.

**C. Reasons for the Offer and Use of Proceeds**

Not applicable to Annual Report filing.

**D. Risk Factors**

*In addition to the other information contained in this Annual Report, you should carefully consider the following risk factors before investing in our shares. The risks and uncertainties we describe below are not the only ones we face. Additional risks and uncertainties of which we are not aware or that we currently believe are less material may also adversely affect the business, financial condition and results of operations, cash flows or prospects of the Millicom*

Group. If any of the possible events described below were to occur, the business, financial condition and results of operations of the Millicom Group could be materially and adversely affected. If that happens, the market price of our shares could decline, and you could lose all or part of your investment.

This Annual Report also contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Annual Report.

The risk factors described in this section have been separated into four separate but interrelated areas:

1. Risks related to the telecommunication and cable industries
2. Risks related to Millicom's businesses in the markets in which it operates
3. Risks related to Millicom's size, structure and leadership
4. Risks related to share ownership and registration with the Securities and Exchange Commission

## **1. Risks related to the telecommunication and cable industries**

### **a. Evolution of the telecommunications and cable industries**

***The telecommunications industry is characterized by rapid technological change and continually evolving industry standards.***

The telecommunications industry is characterized by rapidly changing technology and evolving industry standards. The technology we use is increasingly complex, which leads to higher risks of implementation failure or service disruption. Success in the industry is increasingly dependent on the ability of operators to adapt to the changing technological landscape. The technologies utilized today may become obsolete or subject to competition from new technologies in the future. For example, our 3G or 4G services may become obsolete when appropriate devices become available and affordable for consumers and consumers upgrade to 5G services.

Growth in internet connectivity has led to the proliferation of entrants offering Voice over Internet Protocol ("VoIP") services and video content services delivered over the internet. Such operators could displace the services we provide by using our customers' internet access (which may or may not be provided by us) to enable the provision of communication, entertainment and information services directly to our customers. Failure to transform to data-driven products could have a negative impact on our legacy services and impact our results from operations.

Our ability to attract and retain customers is, in part, dependent on our ability to meet customer demand for new technology at the same, or at a quicker rate, than our competitors are able to do.

Failure to adapt and evolve could harm our competitive position, render our products obsolete and cause us to incur substantial costs to replace our products or implement new technologies.

***Implementing new technologies requires substantial investments which may not generate expected returns.***

The introduction of new technologies may require significant capital expenditure on infrastructure and there can be no guarantee that those investments will generate expected returns. As customers reduce their use of mobile voice and short message service ("SMS") services, there may not be a corresponding increase in their data use or revenue generated from data use.

***If we cannot successfully develop and operate our mobile, cable and broadband networks and distribution systems, we will be unable to expand our customer base and may lose market share and revenue.***

Our ability to increase or maintain our market share and revenue is partly dependent on the success of our efforts to expand our business, the quality of our services and the management of our networks and distribution systems. As new technologies are developed or upgraded, such as advanced 4G systems, including 4G LTE, 5G systems, and fiber optic cable networks, our equipment may need to be replaced or upgraded or we may need to rebuild our mobile, cable or broadband network, in whole or in part.

The initial build-out of our networks and distribution systems and sustaining sufficient network performance and reliability is a capital-intensive process that is subject to risks and uncertainties which may delay the introduction of services and increase the cost of network construction or upgrade. Such uncertainties include constraints on our ability to fund additional capital expenditures, as well as external forces, such as obtaining necessary permits and spectrum from regulatory and other local authorities.

Unforeseeable technological developments may also render our services or distribution channels unpopular with customers or obsolete. To the extent we fail to expand, upgrade and modernize our networks and distribution systems on a timely basis relative to our competitors, we may not be able to expand our customer base and we may lose customers to competitors.

**b. Content and content rights**

***We make long-term content and service commitments in advance even though we cannot predict the popularity of the services or ratings the programming will generate and our mobile applications and cable content may not be accepted or widely used by our customers.***

We acquire rights to distribute certain content or services for use by our mobile, paid TV and broadband customers, and we have strategic partnerships with major digital players, such as Amazon, Deezer and HBO. We make long-term commitments in advance even though we cannot predict the popularity of the services or ratings the programming will generate. Fees are negotiated for a number of years and on a share revenue basis; however, in some instances, our commitments include minimum guarantees, which means that we are required to pay a certain agreed upon amount regardless of the amount collected from the provision of such services. The commercial success of applications or content also depends on the quality and acceptance of other competing applications or content released into the marketplace at or near the same time.

***The success of our pay-TV services depends on our ability to access an attractive selection of television programming from content providers.***

The ability to provide movie, sports and other popular programming is a major factor that attracts customers to pay-TV services. We may not be able to obtain sufficient high-quality programming from third-party producers or exclusive sports content for our cable TV services on satisfactory terms or at all in order to offer compelling cable TV services which could result in reduced demand for, and lower revenue and profitability from, our cable services.

***Content and programming costs are rising (especially those with exclusivity rights) and we may not be able to pass the increased costs on to our customers.***

In recent years, the cable and pay-TV industry has experienced a rapid escalation in the cost of content rights and programming. We expect these costs may continue to increase, particularly those related to exclusive and live broadcasts of sporting and other events. We may not be able to moderate the growth in these costs or fully pass these on to our customers in the form of price increases.

***Consumers are increasingly able to choose from a variety of platforms from which to receive content and programming.***

A number of content providers have begun to sell their services through alternative distribution channels including IP-based platforms, smart-TVs and other app-compatible devices. Consumers may choose to purchase on-demand content through these alternative transmission methods which may lead to reduced demand for our pay-TV services.

***We may be subject to legal liability associated with providing online services or media content.***

We host and provide a wide variety of services and products that enable our customers to conduct business, and engage in various online activities. The law relating to the liability of providers of these online services and products for the activities of their customers is still unsettled in some jurisdictions. Claims may be threatened or brought against us for defamation, negligence, breaches of contract, copyright or trademark infringement, unfair competition, tort, including personal injury, fraud, or other theories based on the nature and content of information that we use and store. In addition, we may be subject to domestic or international actions alleging that certain content we have generated or third-party content that we have made available within our services violates applicable law or third-party rights.

We also offer third-party products, services and content. We may be subject to claims concerning these products, services or content by virtue of our involvement in marketing, branding, broadcasting, or providing access to them, even if we do not ourselves host, operate, provide, or provide access to these products, services or content. Defense of any such actions could be costly and involve significant time and attention of our management and other resources, may result in monetary liabilities or penalties, and may require us to change our business in an adverse manner.

**c. Licenses and spectrum**

***Available spectrum is limited, closely regulated and increasingly expensive.***

The availability of spectrum is limited, closely regulated and can be expensive, and we may not be able to obtain it from the regulator or third parties at all or at a price that we deem to be commercially acceptable given competitive conditions. If we acquire spectrum through acquisition, regulators may require us to surrender spectrum to secure regulatory approval. We may need to incur significant capital expenditures in order to acquire licenses or infrastructure to offer new services to our customers or improve our current services.

Additional or supplemental licenses may be required to implement 5G technology in order to remain competitive, and we may be unable to acquire such licenses on reasonable terms or at all.

We may not be able to acquire or retain sufficient quantities of spectrum in our preferred band(s) which could impact the quality and efficiency of our networks and services and may negatively impact our profitability.

***Our licenses may be suspended or revoked and we may be fined or penalized for alleged violations of law or regulations.***

If we fail to comply with the conditions of our licenses or with the requirements established by the legislation or if we do not obtain permits for the operation of our networks and equipment, use of frequencies or additional licenses for broadcasting directly or through agreements with broadcasting companies, we may not have sufficient opportunity to cure any non-compliance. In the event that we do not cure any non-compliance, the applicable regulator may: levy fines; suspend or terminate our licenses, frequency permissions; or other governmental permissions or refuse to renew licenses that are up for renewal. For example, legislation in Tanzania requires telecommunications companies to list their shares on the Dar es Salaam Stock Exchange and offer 25% of their shares in a public offering. We have not yet complied with this requirement and the maximum penalty for non-compliance could include a revocation of our telecommunications licenses in Tanzania.

***Most of our licenses are granted for finite periods.***

Most of our licenses are granted for specified terms, and we have no assurance that any license will be renewed upon expiration. Licenses due to expire in the medium-to-near term include our mobile telecommunications licenses in Paraguay (2021, 2022 and 2023) and Colombia (2021 and 2023).

Other licenses due to expire include our license for data transmission and DTH services in Honduras (2022 and 2024) and concessions to operate telephone services and pay-TV services in Panama (2022 and 2024). In Tanzania, our national and international applications services licenses are due to expire in 2022 and 2020, respectively.

***Licenses may contain additional obligations.***

Licenses may contain additional obligations, including payment obligations, requirements to cover reduced service areas or permit a more limited scope of service (for example, around prisons in El Salvador and Honduras). The cost of extending coverage to reduced service areas may exceed the revenue generated from providing such services. In addition, increased regulations may impose additional obligations on operators and these obligations may affect the retention and renewal of licenses or spectrum. For more information, see “Item 4. Information on the Company—B. Business Overview—Regulation.”

**d. Quality and resilience of networks and service**

***Equipment and network systems failures, including as a result of a natural disaster, sabotage or terrorist attack, could negatively impact our business.***

Our business is dependent on certain sophisticated critical systems, including exchanges, switches, fiber, cable headends, data centers and other key network elements, physical infrastructure and billing and customer service systems. Our technological infrastructure is vulnerable to damage and disruptions from numerous events, including fire, flood, windstorms and other natural disasters, power outages, terrorist acts, equipment and system failures, human errors and intentional wrongdoings, including breaches of our network and information technology security. Ongoing risks to our network include state sponsored censorship, sabotage, theft and poor equipment maintenance.

***Inability to manage a crisis could harm our brand and lead to increased government obligations in the future.***

Telecommunications networks provide essential support to first responders and government authorities in the event of natural disasters, terrorist attacks and other similar crises. If we fail to develop and implement detailed business continuity and crisis management plans, we may be unable to provide service at the level that is required or perceived to be required by the government, the regulator, our customers and by the public at large, and this could lead to new and burdensome regulatory obligations in the future.

**e. Regulation**

***The telecommunications and broadcasting market is heavily regulated.***

The licensing, construction, ownership and operation of mobile telephone, broadband and cable TV networks, and the grant, maintenance and renewal of the required licenses or permits, as well as radio frequency allocations and interconnection arrangements, are regulated by national, state, regional or local governmental authorities in the markets in which we operate, which can lead to disputes with government regulators. For example, the Colombian regulator previously challenged Colombia Móvil's license fee, stating that it should be a significantly higher amount than we had recorded, although Colombia Móvil prevailed.

In addition, certain other aspects of mobile telephone operations, including rates charged to customers, resale of mobile telephone services, and user registrations may be subject to public utility regulation in each market. Additionally, because of our market share, regulators could impose asymmetric interconnection or termination rates, which could undermine our competitive position in the markets in which we operate.

***Changes in regulations may subject us to legal proceedings and regulatory actions and may disrupt our business activities.***

For example, since 2014, mobile operators in El Salvador and Honduras have been required to shut down services or reduce signal capacity in and around prisons. Similar laws have been enacted in Guatemala, although these were later nullified.

Regulations which make it commercially unviable to subsidize our mobile customers' handsets, or set an expiry date on when our customers must use their prepaid minutes, data or SMS bundles, could reduce revenue and margins for mobile services. For example, in 2015, the regulator in Colombia determined that handsets and telecommunication services cannot be bundled and must be invoiced separately. This had a direct impact on handset affordability and caused a sharp decline in our handset sales. In 2016, the regulator in Paraguay extended the unused prepaid data allowance from 30 to 90 days, which impacted the frequency at which a portion of our prepaid customers purchase additional data allowances from us. In 2019, the regulator in El Salvador made a reform to the Consumer Protection Law, which required a change in the telecommunication companies' commercial activities. It demanded the maintenance for up to 90 days of unused data allowances and prohibited automatic renewals, changing our financial results. Additionally, it banned broadcasts, and collection activities outside business hours, impacting our clients' churn trends and payment behavior.

***Our Mobile Financial Services ("MFS") product may be subject to new legislation and regulation.***

In most markets in which we have launched MFS, the regulations governing our MFS are new and evolving, and, as they develop, regulations could become more onerous, imposing additional reporting or controls or limiting our flexibility to design new products, which may limit our ability to provide our services efficiently or at all. We may not be able to modify our service provision in time to comply with any new regulatory requirements, or new regulation may be applied retroactively.

For more information on the regulatory environment in the markets in which we operate, see "Item 4. Information on the Company—B. Business Overview—Regulation."

**f. Cyber security and data protection**

***Cyber-attacks may cause equipment failures that render our networks or systems inoperable and could cause disruptions to our customers' operations.***

Cyber-attacks, including through the use of malware, computer viruses, dedicated denial of services attacks, credential harvesting, social engineering and other means for obtaining unauthorized access to or disrupting the operation of our networks and systems and those of our suppliers, vendors and other service providers, could have an adverse effect on our business. Cyber-attacks may cause equipment failures as well as disruptions to our or our customers' operations. Cyber-attacks against companies, including Millicom, have increased in frequency, scope and potential harm in recent years. Other businesses have been victims of ransomware attacks in which the business becomes unable to access its own information and is presented with a demand to pay a ransom in order to once again have access to its information.

The inability to operate or use our networks and systems or those of our suppliers, vendors and other service providers as a result of cyber-attacks, even for a limited period of time, may result in significant expenses to Millicom and/or a loss of market share to other communications providers. The costs associated with a major cyber-attack on Millicom could include expensive incentives offered to existing customers and business partners to retain their business, increased expenditures on cybersecurity measures and the use of alternate resources, lost revenue from business interruption and litigation.

***Cyber-attacks could result in data loss or other security breaches.***

Our business involves the receipt, storage, and transmission of confidential information, including sensitive personal information and payment card information, confidential information about our employees and suppliers, and other sensitive information about Millicom, such as our business plans, transactions and

intellectual property. Unauthorized access to confidential information may be difficult to anticipate, detect, or prevent. We may experience unauthorized access or distribution of confidential information by third parties or employees, errors or breaches by third party suppliers, or other breaches of security that compromise the integrity of confidential information.

***Our control environment and controls may not be sufficient to prevent or rapidly detect and respond to cyber-attacks, or identify the perpetrators of such attacks.***

The perpetrators of cyber-attacks are not restricted to particular groups or persons. These attacks may be committed by company employees or external actors operating in any geography, including jurisdictions where law enforcement measures to address such attacks are unavailable or ineffective, and may even be launched by or at the behest of nation states. Cyber-attacks may occur alone or in conjunction with physical attacks, especially where disruption of service is an objective of the attacker.

***We collect and process sensitive customer data.***

We increasingly collect, store and use customer data that is protected by data protection laws. Data privacy laws and regulations apply broadly to the collection, use, storage, disclosure and security of personal information that identifies or may be used to identify an individual, such as names and contact information. Many countries have additional laws that regulate the processing, retention and use of communications data (both content and metadata), and in some countries, authorities can intercept communications, sometimes directly or without our knowledge. These laws and regulations are subject to frequent revisions and differing interpretations, and have generally become more stringent over time.

Since we may offer certain services accessed by, or provided to customers within, the European Union, we may be subject to the European Union data protection regulation known as the General Data Protection Regulation (GDPR), which imposes significant penalties for non-compliance.

In addition, some of the countries in which we operate are considering or have passed legislation imposing data privacy requirements that could increase the cost and complexity of providing our services. Although we take precautions to protect data, we may fail to do so and certain data may be leaked or otherwise used inappropriately.

**g. Competition**

***Our industry is experiencing consolidation that may intensify competition among operators.***

The telecommunications and cable industry has been characterized by increasing consolidation and a proliferation of strategic transactions. As a result, we are increasingly competing with larger competitors that may have substantially greater resources than we do. We expect this consolidation and strategic partnering to continue. Acquisitions or strategic relationships could harm us in a number of ways. For example:

- competitors could acquire or enter into relationships with companies with which we have strategic relationships and discontinue our relationship, resulting in the loss of distribution opportunities for our services or the loss of certain enhancements or value-added features to our services;
- a competitor could be acquired by a party with significant resources and experience that could increase the ability of the competitor to compete with our services, as was the case in Guatemala and El Salvador recently when America Movil acquired the mobile businesses of Telefonica; and
- other companies with related interests could combine to form new, formidable competition, which could preclude us from obtaining access to certain markets or content, or which could dramatically change the market for our services.

***Consumers in our industry can change service providers relatively easily at little to no cost, which renders the competition for subscribers between operators intense.***

If new competitors enter into our markets or existing competitors offer more competitively priced products or services, such as eliminating installation fees, subsidizing handsets, modems, wireless routers or set-top boxes or offering content, channels or applications that we do not offer, our customers may move to another operator. Most of our mobile customers are prepaid, which allows them to switch operators at any time without monetary penalty, and some of our cable operator competitors incentivize customers to accept longer contracts, making it difficult to subsequently switch operators.

Some of our customers use devices with dual SIM card capability, allowing them to also utilize our competitors' services, which may negatively affect our mobile revenue. If we are unable to develop strategies to encourage customers to retain us as their primary or sole provider, we could lose a larger percentage of our revenue to our competitors. Mobile number portability in our markets removes a disincentive to changing providers and increases competition and churn. As devices with eSIMs are introduced in our markets, allowing



customers to change providers without changing their SIM cards, churn and pricing competition among providers may also increase.

If we are unable to compete effectively and match or mitigate our competitors' strategies or aggressive competitive behavior, in pricing our services or acquiring new and preferred customers, or if we are unable to develop strategies to encourage customers to retain us as their primary or sole provider, we could suffer adverse revenue impacts or higher costs for customer retention, which could, individually or together, have a material adverse effect on our business, financial condition and results of operations.

***Consumers in the telecommunications industry now have many alternative means of communicating.***

The proliferation of VoIP offerings and other services delivered over the internet (referred to as "Over-The-Top" or "OTT" services) for voice, instant messaging, and content has significantly increased competitive risk and has driven down revenue from legacy voice and SMS services. While these alternative communication methods require usage of data, there are no guarantees that consumers will use our networks to obtain data services.

**h. Environment and sustainability**

***Failure to comply with environmental requirements could result in monetary fines, reputation damage or other obligations.***

Certain of our business operations are subject to environmental laws and regulations since they involve fuel consumption, carbon dioxide emission, and disposal of network equipment and old electronics. Environmental requirements have become more stringent over time and pending or proposed new regulations could impact our operations or costs.

**i. Supplier management**

***We are dependent on key suppliers to provide us with products and devices.***

We rely on handset distributors, manufacturers and application developers to provide us with the handsets, hardware and services demanded by our customers. The key suppliers of our handsets and set-top boxes, in terms of both volume of sales and importance to our operations, are Samsung, Huawei, Apple, Motorola, BMobile, Commscope, and Kaon. We import directly, or we source our handsets through resellers in our markets such as Brightstar Corp.

***We are dependent on key suppliers to provide us with networks and systems.***

We seek to standardize our network equipment to ensure compatibility, ease equipment replacement and reduce downtime of our network and contract with a limited number of international suppliers to achieve economies of scale, which means that we rely on a limited number of manufacturers to provide network and telecommunications equipment and technical support. The key suppliers of equipment and software for our existing networks are Huawei, Ericsson, Commscope, Harmonic, Intraway, Oracle and VMWare.

We have limited influence over these key suppliers and, even less over their suppliers and continuity of their supply chains, which could be disrupted in many ways. Therefore we cannot assure you that we will be able to obtain required products or services on favorable terms or at all.

***International actions including trade sanctions could disrupt or otherwise negatively impact our supply chain.***

In May 2019, the U.S. government announced executive action that could impact our ability to continue obtaining products or services required to operate our networks from suppliers such as Huawei. In November 2019, the U.S. Department of Commerce issued a proposed rule which does not specifically ban all purchases from these suppliers. The proposed rule has not been finalized yet. Although the extent and potential consequences of this proposed rule remain uncertain, it may have a material and adverse effect on our ability to maintain and expand our networks and business. There are a number of alternative suppliers available to us; however, if we are unable to obtain adequate alternative supplies of equipment or technical support in a timely manner, on acceptable commercial and pricing terms, our ability to maintain and expand our networks and business may be materially and adversely affected.

***We rely on interconnection and capacity agreements, the terms of which could be made less favorable due to market participants or regulatory changes.***

Interconnection and capacity agreements are required to transmit voice and data to and from our networks. Our ability to provide services would be hampered if our access to local interconnection and international capacity was limited, or if the commercial terms or costs of interconnect and capacity agreements with other local, domestic and international carriers of data and communications were significantly altered, or if an operator is not able to provide interconnection due to operation and maintenance issues or natural disasters.

***We depend upon certain third parties to operate and maintain parts of the networks we use, including certain towers and network infrastructure, and related services.***

We have sold and leased back a significant number of our towers, including in El Salvador, Colombia, Tanzania and Paraguay, as further discussed under “Item 4. Information on the Company—D. Property, Plant and Equipment—Tower infrastructure,” and we may engage in similar transactions in the future in our other markets.

We have entered into managed services agreements in certain of our markets to outsource the maintenance and replacement of our network equipment. Although the contracts impose performance obligations on the operators and tower management companies, we cannot guarantee that they will meet these obligations or implement remedial action in a timely manner, which may result in these towers or networks not being properly operated. If our managed services agreements terminate, we may be unable to find a cost-effective, suitable alternative provider and we may no longer have the necessary expertise in-house to perform comparable services.

***We and our customers are dependent on third party suppliers of electricity to power transmission and customer premise equipment.***

Significant failure or disruption in the supply of power to the businesses and households that subscribe to our services, or to the data centers that we operate, could have a negative impact on the experience of our customers, which could result in claims against us for failure to provide services and reduce our revenue.

## **2. Risks related to Millicom’s business in the markets in which we operate**

### **a. Emerging Market Risks**

***Most of our operations are in emerging markets that may be subject to greater risks than more developed markets, including in some cases significant political, legal and economic risks.***

Emerging market governments and judiciaries often exercise broad, unchecked discretion, and are susceptible to abuse and corruption and rapid reversal of political and economic policies on which we depend. Political and economic relations among the countries in which we operate are often complex and have resulted, and may in the future result, in conflicts, which could materially harm our business.

The economies of emerging markets are vulnerable to market downturns and economic slowdowns elsewhere in the world. As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in these markets and materially adversely affect their economies.

Turnover of political leaders or parties in emerging markets as a result of a scheduled election upon the end of a term of service or in other circumstances may also affect the legal and regulatory regime in those markets to a great extent than turnover in established countries. Some of the emerging markets in which we operate are susceptible to social unrest, which may lead to military conflict in some cases.

### **b. Strategy and strategic direction**

***We may not be able to successfully implement our strategic priorities.***

Our strategic priorities include, among others, expansion of our high-speed data networks (4G and HFC cable), facilitation of growth in our mobile data and cable segments and implementation of technology transformation projects to improve our operating performance and efficiency. There can be no assurance that our strategy will be successfully implemented and will not cause changes in our operational efficiencies or structure. In addition, the implementation of our strategic priorities could result in increased costs, conflicts with employees, local shareholders and other stakeholders, business interruptions and difficulty in recruiting and retaining key personnel.

***Lack of sufficient information or poor quality of available information regarding our industry, operations or markets may lead to missed opportunities or inefficient capital allocation.***

As the factors we consider in formulating our strategy change (including information, such as customer data insights or new markets into which we may consider entering), we face the risk of not having access to sufficient industry, operational or market data inputs to properly inform our decision-making or needing to rely on poor quality information. There is also a risk that the data to which we have access will be analyzed improperly, if the relevant personnel lack appropriate experience, oversight, or relevant skill sets in data analysis, including through insufficient consideration of interrelationships of key variables such as market dynamics, trends, availability of cash and resources, agility, opportunities and risk factors affecting our business. If we are forced to make assumptions regarding key variables and are unable to consider alternatives to, and consequences of, strategic decisions on a fully informed basis, it may lead to missed opportunities or inefficient capital allocation that could have an adverse effect on our business, financial condition or results of operations.

### **c. Industry structure, market position and competition**

***We face intense competition from other larger telecommunications and cable and broadband providers.***

The markets in which we operate are highly competitive. Our main mobile, cable and broadband competitors include major international and regional telecommunication providers such as America Movil, Telefonica, AT&T and Liberty Latin America. Some of our competitors are state-owned entities. Many of our main competitors have substantially greater resources than we do in terms of access to capital. In some of our markets, our competitors may have access to more spectrum and provide greater or better area coverage, and they may face fewer regulatory burdens than we do.

***We have a weaker market position and face a challenging competitive environment in Colombia, our largest market.***

Relative to our other markets, the telecommunications sector in Colombia is characterized by having more competitors, including America Movil and Telefonica, which are larger than us, and by having more stringent regulatory conditions. Relative to our other markets, our competitive position is also weaker in Colombia, where we are the third largest mobile operator and the second largest provider of fixed services, as measured by subscribers. Additionally, Novator Partners was recently awarded mobile spectrum and has announced plans to enter the Colombian market. Given the importance of Colombia to our results, if we are unable to sustain or improve our position, this could have a material impact on our consolidated financial results.

***Competition is driven by a number of factors, most notably price and increasingly customer experience.***

Within our markets, operators compete for customers principally on the basis of price, promotions, services offered, advertising and brand image, quality and reliability of service, mobile coverage and overall customer experience. Price competition is especially significant on mobile services, which represented more than half of our revenue from continuing operations in 2019. Mobile voice, SMS and data are largely commoditized services, as the ability to differentiate these services among operators is limited. Competition has resulted in pricing pressure, reduced margins and profitability, increased customer churn, and in some markets, the loss of revenue and market share.

***There may be more mobile operators than the market is able to sustain.***

Additional licenses may be awarded in already competitive markets, and regulators may also encourage new entrants by offering them favorable conditions, such as holding spectrum auctions in which certain blocks of spectrum are reserved for new entrants, or by capping the amount of spectrum that existing players can acquire, as in Colombia's 2019 auction.

***Entry by new competitors may have a significant disruptive effect on our markets.***

New competitors may enter our markets with pricing or other product or service strategies, primarily designed to gain market share, that are significantly more competitive than our offers, leading to, for example, significant price competition and lower margins or increased churn.

***In certain of our mobile markets, such as Colombia, our competitors may have a dominant market position.***

Having a dominant market position may provide our competitors with various competitive advantages including from economies of scale, access to spectrum, the ability to significantly influence market dynamics and market regulation.

***Our competitors may be able to provide better pay-TV services than we are able to provide.***

Our pay-TV services compete with other pay-TV services that may offer a greater range of channels to a larger audience, reaching a wider area distribution (especially in rural areas) for a lower price than we charge for our pay-TV services. We also compete with satellite distribution of free-to-air television programming, which viewers can receive by purchasing a satellite dish and a set-top box without any physical cabling. Furthermore, our cable networks are subject to the risk of overbuild and our pay-TV content is subject to the possibility of wireless substitution.

***Many of the mobile telecommunications markets in which we operate have high mobile penetration levels, inhibiting growth opportunities.***

The markets in which we operate have mobile phone service penetration levels that typically exceed 100% of the population. Although there are some opportunities for further growth, our efforts to develop additional sources of revenue may not be successful. Therefore, high mobile penetration rates could constrain future growth and produce an intensification of pricing pressures on all of our mobile services, which could adversely affect our future profitability and return on investments.

**d. Customer base and customer experience**

***A significant proportion of our mobile revenue is generated from prepaid customers and is short-term in nature.***

Prepaid customers do not sign service contracts and are more likely than postpaid customers to switch mobile operators and take advantage of promotional offers by other operators. Many of our mobile customers also subscribe to short-term packages with lengths of one-day to one-week. As a result, we cannot be certain that prepaid customers or short-term data package customers will continue to use our services in the future. Prepaid customers represented 89% of our mobile customers as of December 31, 2019 and generated approximately 54% of our mobile service revenue and 28% of our total service revenue during 2019.

***Transition to more subscription-based businesses creates new challenges.***

Our transition toward an increasingly subscription-based revenue model has implications for our personnel, systems, and business procedures, as we must dedicate increasing levels of management attention and resources toward managing and mitigating risks related to accounts receivables and collections, as well as billing and customer care. If we are unable to implement and manage the information systems and to properly train our employees, we could experience elevated levels of customer churn and bad debt, which would negatively impact our financial results.

**e. Political**

***Some of the countries in which we operate have a history of political instability.***

Some of the countries in which we operate may be subject to greater political and economic risk than developed countries. Some of the countries in which we operate suffer from political instability, civil unrest, or war-like actions by anti-government insurgent groups. These problems may continue or worsen, potentially resulting in significant social unrest or civil war. For example, El Salvador and Honduras have some of the highest murder rates in the world due to violent crime, and both Nicaragua and Bolivia have recently experienced civil unrest.

Any political instability or hostilities in the markets in which we operate can hinder economic growth and reduce discretionary consumer spending on our services and may result in damage to our networks or prevent us from selling our products and services.

***Current and future political or social instability may negatively affect our ability to conduct business.***

We face a number of risks as a result of political and social instability in the countries in which we operate, ranging from the risk of network disruption, sometimes resulting from government requests to shut down our networks as well as forced and illegal abuse of our network by political forces, to the need to evacuate some or all of our key staff from certain countries, in which case there is no guarantee that we would be able to continue to operate our business as previously conducted in such countries. Any of these events would adversely affect our results of operations.

**f. Legal and regulatory**

***The nature of legislation and rule of law in emerging markets may affect our ability to enforce our rights under licenses or contracts or defend ourselves against claims by third parties.***

The nature of much of the legislation in emerging markets, the lack of consensus about the scope, content and pace of economic and political reform and the rapid evolution of the legal systems in emerging markets, place the enforceability and, possibly, the constitutionality of, laws and regulations in doubt and result in ambiguities, inconsistencies and anomalies. These factors could affect our ability to enforce our rights under our licenses or our contracts, or to defend our company against claims by other parties.

***New or proposed changes to laws or new interpretations of existing laws in the markets in which we operate may harm our business.***

We are subject to a variety of national and local laws and regulations in the countries in which we do business. These laws and regulations apply to many aspects of our business. Violations of applicable laws or regulations could damage our reputation or result in regulatory or private actions with substantial penalties or damages. In addition, any significant changes in such laws or regulations or their interpretation, or the introduction of higher standards or more stringent laws or regulations, could have an adverse impact on our business, financial condition, results of operations and prospects. For example, in Colombia in 2017, the regulator introduced caps to wholesale rates on mobile services, which forced us to lower our prices for both voice and data services, and it also cut interconnection rates. In 2016, the regulator in Paraguay required that mobile service providers extend to 90 days, from 30 days previously, the minimum expiration of prepaid mobile data allowances.

***Developing legal systems in the countries in which we operate create a number of uncertainties for our businesses.***

The legal systems in many of the countries in which we operate are less developed than those in more established markets. This creates uncertainties with respect to many of the legal and business decisions that we make, including, among others, potential for negative changes in laws, gaps and inconsistencies between the laws and regulatory structure, difficulties in enforcement, broad regulatory authority held by telecommunications regulators, and inconsistency and lack of transparency in the judicial interpretation of legislation and corruption in judicial or administrative processes or systems. We may not always have access to efficient avenues for appeal and may have to accept the decisions imposed upon us. For more information concerning the legal proceedings to which we are subject, see “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings.”

**g. Macro-economic and currency**

***The economies of emerging markets, including those in which we operate, are vulnerable to market downturns and economic slowdowns elsewhere in the world.***

Telecommunications in emerging markets in general and in our markets in particular, account for a significant part of gross domestic product (“GDP”) and disposable income. As such, any change in economic activity level may impact our business. Furthermore, as consumers in emerging markets have relatively lower levels of disposable income, the demand for our products and services is significantly exposed to the risk of economic slowdown.

As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investments in these markets and materially adversely affect their economies. An economic downturn, a substantial slowdown in economic growth or deterioration in consumer spending could have an adverse effect on the level of demand for our products and services and our growth. We are particularly susceptible to any deterioration in the economic environment of the countries in which we have our largest operations, namely Colombia, Guatemala, Paraguay, Honduras, Panama and Bolivia.

***Changes in economic, political and regulatory conditions in the United States or in U.S. laws and policies governing foreign trade and foreign relations could have an impact on the economies in which we operate.***

Any decision taken by the U.S. government that has an impact on the Latin American economy, such as reducing commercial activity between the countries in which we operate and the United States, limiting immigration, increasing interest rates or slowing direct foreign investments, could adversely affect the disposable income of consumers. In addition, a slowdown in the U.S. economy may have an adverse impact on the level of U.S. dollar remittances that form a large part of the GDP of many of the countries in which we operate.

***Fluctuations or devaluations in local currencies in the markets in which we operate against our U.S. dollar reporting as well as our ability to convert these local currencies into U.S. dollars to make payments, including on our indebtedness, could materially adversely affect our business, financial condition and results of operations.***

A significant amount of our costs, expenditures and liabilities are denominated in U.S. dollars, including capital expenditures and borrowings. We mainly collect revenue from our customers in local currencies, and there may be limits to our ability to convert these local currencies into U.S. dollars. Local currency exchange rate fluctuations in relation to the U.S. dollar may have an adverse effect on our earnings, assets and cash flows. For example, the devaluation of the Colombian peso in the fiscal year 2015 reduced our consolidated revenue by approximately \$250 million. To the extent that our operations retain earnings or distribute dividends in local currencies, the amount of U.S. dollars ultimately received by MIC S.A. is also affected by currency fluctuations.

***A significant amount of our debt and long-term financial commitments are denominated in U.S. dollars.***

Where possible and where financially viable, we borrow in local currency to mitigate the risk of exposure to foreign currency exchange. Our ability to reduce our foreign currency exchange exposure may be limited by a lack of long-term financing in local currency or derivative instruments in the currencies in which we operate. As such, there is a risk that we may not be able to finance local capital expenditure needs or reduce our foreign exchange exposure by borrowing in local currency. For more information, see “Item 11. Quantitative and Qualitative Disclosures About Risk—Foreign currency risk.”

***Due to the lack of available financial instruments in many of the countries or currencies in which we operate, we may not be able to hedge against foreign currency exposures.***

We had net foreign exchange losses of \$32 million in fiscal 2019 compared to net foreign exchange losses of \$40 million in fiscal 2018 and net foreign exchange gains of \$21 million in fiscal 2017. At the operational level we seek to match the currencies of our cash inflows and outflows, but while this practice reduces, it does not eliminate, our significant foreign exchange exposure to the U.S. dollar.

***The governments of the countries in which our operations are located may impose foreign exchange controls that could restrict our ability to receive funds from the operations.***

Substantially all our revenue is generated by our local operations, and MIC S.A. is reliant on its subsidiaries' and joint ventures' ability to transfer funds to it. None of the foreign exchange controls that exist in the countries in which our companies operate significantly restrict the ability of our operating companies to pay interest, dividends, technical service fees, and royalty fees or repay loans by exporting cash, instruments of credit or securities in foreign currencies. However, foreign exchange controls may be strengthened, or introduced, which could restrict MIC S.A.'s ability to receive funds.

In addition, in some countries it may be difficult to convert local currency into foreign currency due to limited liquidity in foreign exchange markets. These restrictions may constrain the frequency for possible upstreaming of cash from our subsidiaries to MIC S.A. in the future. These and any similar controls enacted in the future may cause delays in accumulating significant amounts of foreign currency, and increase foreign exchange risk, which could have an adverse effect on our results of operations.

***We are exposed to the potential impact of any alteration to, or abolition of, foreign exchange which is "pegged" at a fixed rate against the U.S. dollar.***

Any "unpegging," particularly if the currency weakens against the U.S. dollar, could have an adverse effect on our business, financial condition or results of operations. Currently Bolivia operates a fixed peg to the U.S. dollar.

#### **h. Taxation**

***Unpredictable tax systems give rise to significant uncertainties and risks that could complicate our tax planning and business decisions.***

The tax laws and regulations in the markets in which we operate are complex and subject to varying interpretations. The tax authorities in the markets in which we operate are often arbitrary in their interpretation of tax laws, as well as in their enforcement and tax collection activities. We cannot be sure that our interpretations are accurate or that the responsible tax authority agrees with our views. Tax declarations are subject to review and investigation by a number of authorities, which are empowered to impose fines and penalties on taxpayers, and in some cases criminal penalties on company personnel. Tax audits may result in additional costs to our group if the relevant tax authorities conclude that entities of the group did not satisfy their tax obligations in any given year. Such audits may also impose additional burdens on our group by diverting the attention of management resources. The outcome of these audits could harm our business, financial condition, results of operations, cash flows or prospects. Many of our operating companies are often forced to negotiate their tax bills with tax inspectors who may assess additional taxes. We are currently addressing tax disputes with the local tax authorities in several jurisdictions, further described under "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings—Tax disputes."

Adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations could have a material adverse effect on our business, results of operations, financial conditions or cash flows.

***The organizational structure and business arrangements between the various legal entities in the group may give rise to taxation related risks, including relating to the pricing of services which might be challenged as not being on an arm's-length basis.***

Tax authorities could argue that some of these services are on terms more favorable than those that could be obtained from independent third parties and assess higher taxes or fines in respect of the services MIC S.A. provides.

#### **i. Litigation and claims**

***Some of the litigation or claims that we face can be complex, costly, and highly disruptive to our business operations.***

From time to time, in the ordinary course of our business, we are involved in legal proceedings. Some of these legal proceedings can be complex, costly, and highly disruptive to our business operations. Certain of these proceedings may be spurious in nature and may demand significant energy and attention from management and other key personnel. The assessment of the outcome of legal proceedings, including our potential liability, if any, is a highly subjective process that requires judgments about future events that are not within our control. The amounts ultimately received or paid upon settlement or pursuant to final judgment, order or decree may differ materially from amounts accrued in our financial statements. In addition, litigation or similar proceedings could impose restraints on our current or future manner of doing business.

#### **j. Business conduct**

***We may not be able to fully mitigate the risk of inappropriate conduct by our employees, business partners and counterparties.***

Millicom's employees interact with customers, contractors, suppliers and counterparties, and with each other, every day. All employees are expected to respect and abide by the Company's values and code of conduct, commonly referred to as the "Sangre Tigo" culture. While Millicom takes numerous steps to prevent and detect inappropriate conduct by employees, contractors and suppliers that could potentially harm the Company's reputation, customers, or investors, such behavior may not always be detected, deterred or prevented. The consequences of any failure by employees to act consistently with the "Sangre Tigo" expectations could include litigation, regulatory or other governmental investigations or enforcement actions.

***We are subject to anti-corruption and anti-bribery laws.***

We are subject to a number of anti-corruption laws in the countries in which we operate and are located, in addition to the Foreign Corrupt Practices Act ("FCPA") in the United States and the Bribery Act in the United Kingdom. Our failure to comply with anticorruption laws applicable to us could result in penalties, which could harm our reputation and harm our business, financial condition, results of operations, cash flows or prospects. The FCPA generally prohibits covered companies, their officers, directors and employees and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or keeping business and/or other benefits. We operate in countries which pose elevated risks of corruption violations. For example, between 2017 and 2019, the Commission Against Impunity in Guatemala ("CICIG") and Guatemalan prosecutors pursued investigations that have included the country's telecommunications sector and Comcel, our Guatemalan joint venture. On September 3, 2019, the CICIG's activities in Guatemala were discontinued, after the Guatemalan government did not renew the CICIG's mandate, and it is unclear whether the investigations will continue. If we are not in compliance with anti-corruption laws and other laws governing the conduct of business with government entities and/or officials (including local laws), we may be subject to criminal and civil penalties and other remedial measures. Investigations of any actual or alleged violations of such laws or policies related to us could harm our business, financial condition, results of operations, cash flows or prospects.

***Our anti-corruption policies, procedures and internal controls may not be effective in complying with anti-corruption laws.***

We regularly review and update our policies and procedures and internal controls designed to provide reasonable assurance that we, our employees, joint ventures, distributors and other intermediaries comply with the anti-corruption laws to which we are subject. However, anti-corruption policies, procedures and internal controls are not always effective against this risk. We cannot assure you that such policies or procedures or internal controls work effectively at all times or protect us against liability under these or other laws for actions taken by our employees, joint ventures, distributors and other intermediaries with respect to our business or any businesses that we may acquire.

***Our Mobile Financial Services ("MFS") service is complex and increases our exposure to fraud and money laundering.***

Our MFS product has been developed through different distribution channels and we could be responsible, and we may be liable, for online fraud and problems related to inadequately securing our payment systems. These services involve cash handling, exposing us to risk of fraud and money laundering. We must also keep our customers' MFS cash in local currency demand deposits in local banks in each market and ensure customers' access to MFS cash, exposing us to local banking risk.

Anti-money laundering laws are often complex. We endeavor to conform to the highest standards but cannot be certain that we will be able to fully meet all applicable legal and regulatory requirements at all times.

***We may incur significant costs from fraud, which could adversely affect us.***

Our high profile and the nature of the products and services that we offer make us a target for fraud. Many of the markets in which we operate lack fully developed legal and regulatory frameworks and have low conviction rates for fraudulent activities, decreasing deterrence for such schemes. We have been in the past and may in the future be susceptible to fraudulent activity by our employees or third-party contractors despite having robust internal control systems in place across our operations, which could have a material adverse effect on our results of operations.

We also incur costs and revenue losses associated with the unauthorized or unintended use of our networks, including administrative and capital costs associated with the unpaid use of our networks as well as with detecting, monitoring and reducing incidences of fraud. Fraud also impacts interconnection costs, capacity costs, administrative costs and payments to other carriers for unbillable fraudulent roaming charges. In 2019, our most significant impact from fraudulent activity was caused by data charging bypass, where customers were able to use of data without paying the appropriate charges. Any continued or new fraudulent schemes could have an adverse effect on our business, financial condition and results of operations.

***Our risk management and internal controls may not prevent or detect fraud, violations of law or other inappropriate conduct.***

If any of our customers, suppliers, or other business partners receive or grant inappropriate benefits or use corrupt, fraudulent or other unfair business practices, we could be subject to legal sanctions, penalties and harm to our reputation. Given our international operations, group structure, and size, our internal controls, policies and our risk management practices may not be adequate in preventing, detecting or responding to any such incidents which could have a material negative impact on our reputation, business activities, financial position and results of operations.

***We may be directly or indirectly affected by U.S. or other international sanctions laws, which may place restrictions on our ability to interact with business partners or government officials.***

We operate in certain countries in which international sanctions may be imposed by the U.S. or Europe and we may be required to comply with such sanctions. Such sanctions may restrict our ability to implement our strategy or conduct our business in the manner in which we expect. For example, in Nicaragua, several government officials and other key actors are currently included on the Specially Designated Nationalities list of the U.S. Office of Foreign Assets Control.

#### **k. People, health and safety**

***Threats to the safety of our employees or contractors could affect our ability to provide our services.***

Heightened states of danger may exist in certain of the countries in which we operate, including as a result of civil unrest, criminal activity, and the threat of natural or manmade disasters. Such events can pose significant risks to the health and safety of our employees and contractors and may impede or delay our ability to provide service to our customers or potential customers. In those locations, we may incur additional costs to maintain the safety of our personnel, customers, suppliers, and contractors. Despite the precautions, the safety of our personnel, customers, suppliers, and contractors in these locations may continue to be at risk.

***Enforcement of standards of safety and the promotion of a culture of safety may not prevent the frequency or severity of health and safety incidents.***

Although we implement and provide training on health and safety matters, particularly related to the risks of working on telecommunications towers or on TV poles, there is no guarantee that our employees or our contractors will comply with applicable safety standards. If we fail to implement these procedures or if the procedures we implement are ineffective, we may suffer the loss of, or injury, to our employees or contractors, as well as expose ourselves to possible litigation and reputational harm.

***Allegations of health risks related to the use of mobile telecommunication devices and base stations could harm our business.***

There have been allegations that the use of certain mobile telecommunication devices and equipment may cause serious health risks. The actual or perceived health risks of mobile devices or equipment could diminish customer growth, reduce network usage per customer, spark product liability lawsuits or limit available financing. In addition, the actual or perceived health risks may result in increased regulation of network equipment and restrictions on the construction of towers or other infrastructure. Each of these possibilities has the potential to seriously harm our business.

#### **l. Brand and reputation**

***Failing to maintain our intellectual property rights and the reputation of our brands would adversely affect our business.***

Our intellectual property rights, including our key trademarks and domain names, including our Tigo, UNE and Cable Onda brand names, which are well known in the markets in which we operate, are extremely important assets and contribute to our success in our markets. If we are unable to maintain the reputation of and value associated with them, we may not be able to successfully retain and attract customers. Furthermore, our reputation may be harmed if any of the risks described in this “Risk Factors” section materialize. Any damage to our reputation or to the value associated with our Tigo, UNE or Cable Onda brands could have a material adverse effect on our business, financial condition and results of operations.

***Impairment of our intellectual property rights would adversely affect our business.***

We rely upon a combination of trademark and copyright laws, database protections and contractual arrangements, where appropriate, to establish and protect our intellectual property rights. However, intellectual property rights are especially difficult to protect in many of the markets in which we operate. In these markets, the regulatory agencies charged to protect intellectual property rights are inadequately funded, legislation is underdeveloped, piracy is commonplace, and enforcement of court decisions is difficult. The diversion of our management's time and resources along with potentially significant expenses that could be involved in protecting



our intellectual property rights in our markets, or losing any intellectual property rights, could materially adversely affect our business, financial condition and results of operations.

**m. Workforce**

***A significant portion of our workforce is represented by labor unions, and we could incur additional costs or experience work stoppages as a result of the renegotiations of our labor contracts.***

On average during 2019, approximately 26% of our employees (including 41% of our direct workforce in Colombia) participated in collective employment agreements. While we have collective bargaining agreements in place, with subsequent negotiations we could incur significant additional labor costs and/or experience work stoppages which could adversely affect our business operations. In addition, we cannot predict what level of success labor unions or other groups representing employees may have in further organizing our workforce or the potentially negative impact it would have on our operations. Furthermore, our strategic objectives may include divestitures of certain business lines, internal restructuring and other activities that impact employees. We cannot assure you that we will be able to maintain a good relationship with our labor unions and works council. Any deterioration in our relationship with our unions and works council could result in work stoppages, strikes or threats to take such an action, which could disrupt our business and operations materially and adversely affect the quality of our services and harm our reputation.

**3. Risks related to Millicom's size and structure**

**a. Size - capacity and limitations**

***The amount, structure and obligations connected with our debt could impair our liquidity and our ability to expand or finance our future operations.***

As of December 31, 2019, our consolidated indebtedness excluding lease liabilities was \$5,972 million, of which MIC S.A. incurred \$2,773 million directly, and MIC S.A. guaranteed \$464 million of indebtedness incurred by its subsidiaries. In addition, at December 31, 2019 our joint ventures in Guatemala and Honduras had \$1,283 million of debt excluding lease liabilities which was non-recourse to MIC S.A.. Including lease liabilities, our consolidated indebtedness was \$7,036 million, excluding our joint ventures in Guatemala and Honduras, which had lease liabilities of \$313 million.

We may incur additional debt in the future. Although certain of our outstanding debt instruments contain restrictions on the incurring of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions and, under certain circumstances, the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. The acquisition of additional debt could, among other things, require us to dedicate a substantial portion of our cash flow to payments on our debt, place us at a competitive disadvantage compared to competitors who might have less debt, restrict us from pursuing strategic acquisitions or reduce our ability to pay dividends and prevent us from complying with our dividend policy.

***We have incurred and assumed, and expect to incur and assume, additional indebtedness in connection with recent acquisitions.***

We funded our recent acquisitions in Panama and Nicaragua mainly by incurring additional indebtedness, including through the issuance of a \$750 million 6.25% bond in March 25 2019, and the issuance by Cable Onda S.A. ("Cable Onda") of a \$600 million 4.5% bond in November 2019.

Our increased indebtedness following consummation of these or other acquisitions could have the effect, among other things, of reducing our flexibility to respond to changing business and economic conditions as well as reducing funds available for capital expenditures, acquisitions, and creating competitive disadvantages for us relative to other companies with lower indebtedness levels.

**b. Portfolio of operations**

***Most of our operations are in emerging markets and may be subject to greater risks than similar businesses in more developed markets.***

Investors in emerging markets should be aware that these markets are subject to greater risks than more developed markets, including in some cases significant political, legal and economic risks. Investors should fully consider the significance of the risks involved in investing in a company with significant operations in emerging markets and are urged to consult with their own legal, financial and tax advisers.

***We may pursue acquisitions, investments or merger opportunities, or divestitures of existing operations, which may subject us to significant risks and there is no assurance that we will be successful or that we will derive the expected benefits from these transactions.***

We may pursue acquisitions of, investments in or mergers with businesses, technologies, services and/or products that complement or expand our business. Some of these potential transactions could be significant relative to the size of our business and operations. Any such transaction would involve a number of risks and could present financial, managerial and operational challenges, including: diverting management attention from running our existing business or from other viable acquisition or investment opportunities; incurring significant transaction expenses; increased costs to integrate financial and operational reporting systems, technology, personnel, customer base and business practices of the businesses involved in any such transaction with our business; not being able to integrate our businesses in a timely fashion or at all; potential exposure to material liabilities not discovered in the due diligence process or as a result of any litigation arising in connection with any such transaction; and failure to retain key management and other critical employees.

Moreover, we may not be able to successfully complete acquisitions, in light of challenges such as strong competition from our competitors and other prospective acquirers who may have substantially greater resources than we do in terms of access to capital and may be able to pay more than we can with respect to merger or acquisition opportunities, and regulatory approvals required.

***We may not realize the benefits anticipated from the Cable Onda acquisition or the Telefonica CAM acquisitions.***

In December 2018, we purchased 80% of the shares of Cable Onda and in August 2019, Cable Onda purchased 100% of the shares of Telefonica Moviles Panama, S.A. In May 2019, we purchased 100% of the shares of Telefonía Celular de Nicaragua, S.A. We expect to complete the purchase of 100% of the shares of Telefonica de Costa Rica TC, S.A. (the “Costa Rica Acquisition”) in H1 2020.

The anticipated benefits from these acquisitions are, necessarily, based on projections and assumptions about the performance of the acquired businesses as part of the Millicom Group, which may not materialize as expected or which may prove to be inaccurate. We cannot ensure that these acquisitions will achieve the business growth, profits, cost savings and other synergies or benefits we anticipate, or those benefits may take longer to realize than expected. In addition, we may become liable for unforeseen financial, business, legal, environmental or other liabilities that we may have failed, or were unable, to discover in the course of performing our due diligence investigations that we assumed upon consummation of the acquisitions and that may not be fully offset by the indemnification available to us under the acquisitions agreements.

***Divestiture of assets and businesses may not realize expected benefits.***

We may seek to divest existing operations and/or investments. Any such divestiture could involve a number of risks and could present financial, managerial and operational challenges including: diverting management attention from running our existing business or from pursuing other strategic opportunities; incurring significant transaction expenses; and the possibility of failing to properly manage or time the exit to achieve an optimal return.

Furthermore, the timing of exit from the divestiture of assets and businesses may not result in optimal returns, and the amount and timing of proceeds may be lower than our initial investment, and or lower the corresponding carrying value on our balance sheet.

***Our ability to make significant decisions in certain of our operations may depend in part upon the consent of independent shareholders.***

We have local shareholders in our operations in various markets, including subsidiaries that are fully controlled (e.g., in Colombia, Panama and Tanzania) as well as joint-ventures with local entities in which we exercise joint-control (e.g., in Guatemala and Honduras). In these operations, our ability to make significant strategic decisions, receive dividends or other distributions may depend in part upon the consent of independent shareholders, and our operations may be negatively affected in the event of disagreements with or breaches by our partners.

***Millicom's central functions provide essential support and services to our operating subsidiaries and joint ventures.***

These services include, financing, procurement, technical and management services, business support services (including a shared services center in El Salvador), digital transformation, customer experience, procurement, human resources, legal, information technology, marketing services and advisory services related to the construction, installation, operation, management and maintenance of its networks. If Millicom's central functions were unable to provide these services to our operating subsidiaries and joint ventures on a timely basis and at a level that meets our needs, our operating subsidiaries and joint ventures may be disrupted.

***The majority of Millicom's operating subsidiaries and joint ventures operate under the Tigo trademark.***

Millicom provides trademark licensing agreements for use of the Tigo trademark and/or Millicom name, which are non-transferable and continue for an indefinite period unless terminated pursuant to the terms of the

agreements. If these trademark license agreements were terminated, our operating subsidiaries and joint ventures may be disrupted.

**c. Talent acquisition and retention**

***We may be unable to obtain or retain adequate managerial and operational resources.***

Our operating results depend, in significant part, upon the continued contributions and capacity of key senior management and technical personnel. Certain key employees possess substantial knowledge of our business and operations. We cannot assure you that we will be successful in retaining their services or that we would be successful in hiring and training suitable replacements without undue costs or delays.

***Competition for personnel in our markets and certain central functions is intense due to scarcity of qualified individuals.***

***We need new competencies for the new businesses and services we launch, including in the digital field where there is heightened competition for talent.***

**d. Financing and cash flow generation**

***MIC S.A. is a holding company and is dependent on cash flow from its operating subsidiaries and joint ventures.***

MIC S.A.'s primary assets consist of shares in its subsidiaries and joint ventures and cash in its bank accounts. MIC S.A. has no significant revenue generating operations of its own, and therefore its cash flow and ability to service its indebtedness and pay dividends to its shareholders will depend primarily on the operating performance and financial condition of its subsidiaries and joint ventures and its receipt of funds in the form of dividends or otherwise.

There are legal limits on dividends that some of MIC S.A.'s subsidiaries and joint ventures are permitted to pay. Further, some of our indebtedness imposes restrictions on dividends and other restricted payments, which are described under "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Financing."

***Our ability to generate cash depends on many factors beyond our control and we may need to resort to additional external financing.***

Our ability to generate cash is dependent on our future operating and financial performance. This will be impacted by our ability to successfully implement our business strategy, as well as general economic, financial, competitive, regulatory, and technical elements and other factors beyond our control. If we cannot generate sufficient cash, we may, among other things, need to refinance all or a portion of our debt, obtain additional financing, delay capital expenditure or sell assets.

We require a significant amount of capital to operate and grow our business. We fund our capital needs in part through borrowings in the public and private credit markets. Adverse changes in the credit markets, including increases in interest rates, could increase our cost of borrowing and/or make it more difficult for us to obtain financing for our operations or refinance existing indebtedness. In addition, our borrowing costs can be affected by short- and long-term debt ratings assigned by independent rating agencies, which are based, in significant part, on our performance as measured by customary credit metrics. A decrease in these ratings would likely increase our cost of borrowing and/or make it more difficult for us to obtain financing. A severe disruption in the global financial markets could impact some of the financial institutions with which we do business, and such instability could also affect our access to financing.

In particular, periods of industry consolidation require businesses to raise debt and equity capital to remain competitive. An inability to access capital during such periods could have an adverse effect on our business, financial condition or results of operations.

***The cash flow we generate is highly dependent on the dividends we receive from our joint ventures in Guatemala and Honduras.***

Our joint ventures in Guatemala and Honduras have historically generated healthy cash flows and paid dividends. For the year ended December 31, 2019, the Millicom Group received dividends from these joint ventures totaling \$237 million, representing our share of the total dividends paid by our joint ventures; and the Millicom Group paid \$268 million in dividends to its own shareholders during the same year. If the financial condition of these joint ventures deteriorates or if they choose to reduce future dividend payments, or if we fail to diversify our sources of cash flow, our liquidity could suffer.

***Our ability to pay dividends to our shareholders or otherwise remunerate shareholders is subject to our distributable reserves and solvency requirements.***

Any determination to pay dividends or otherwise remunerate shareholders in the future will be at the discretion of our board of directors (as to interim dividends) and at the discretion of the shareholders at the annual general meeting (the "Annual General Meeting") upon recommendation of the board of directors (as to annual dividends or share repurchases) and will depend upon our results of operations, financial condition, distributable reserves, contractual restrictions, restrictions imposed by applicable law and other factors our board of directors and the shareholders at the Annual General Meeting, respectively, deem relevant.

We are not required to pay dividends on our common shares or otherwise remunerate shareholders and holders of our common shares have no recourse if dividends are not declared. Our ability to pay dividends or otherwise remunerate shareholders may be further restricted by the terms of any of our existing and future debt or preferred securities. Additionally, because we are a holding company, our ability to pay dividends on our common shares is limited by restrictions on the ability of our subsidiaries to pay dividends or make distributions to us, including restrictions on our ability to repatriate funds and under the terms of the agreements governing our indebtedness.

#### **4. Risks related to share ownership, governance practices and registration with the SEC**

##### **a. Share price, trading volume and market volatility**

***The price of our common shares might fluctuate significantly, and you could lose all or part of your investment.***

Volatility in the market price of our common shares may prevent you from being able to sell our common shares at or above the price at which you purchased such shares. The trading price of our common shares may be volatile and subject to wide price fluctuations in response to various factors, including:

- market conditions in the broader stock market in general, or in our industry in particular;
- actual or anticipated fluctuations in our financial and operating results;
- introduction of new products and services by us or our competitors;
- entry to new markets or exit from existing markets;
- issuance of new or changed securities analysts' reports or recommendations;
- sales of large blocks of our shares;
- additions or departures of key personnel;
- regulatory developments; and
- litigation and governmental investigations or actions.

These and other factors may cause the market price and demand for our common shares to fluctuate substantially, which may limit or prevent investors from readily selling common shares and may otherwise negatively affect the liquidity of our common shares.

In addition, in the past, when the market price of a stock has been volatile, holders of that stock have often instituted securities class action litigation against the company that issued the stock. If any of our shareholders brought a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management from our business.

***An active trading market that will provide you with adequate liquidity may not develop.***

As of December 31, 2019, approximately 95% of our issued and outstanding shares were in the form of Swedish Depository Receipts ("SDRs") listed on the NASDAQ exchange in Stockholm. We cannot predict the extent to which investors will convert SDRs into common shares or whether the relisting of our common shares on the Nasdaq Stock Market on January 9, 2019 will lead to the development of an active trading market in the U.S. or how liquid that market might become. If an active trading market does not develop in the U.S., you may have difficulty selling the common shares that you purchase, and the value of such shares might be materially impaired.

***Future sales of our common shares, or the perception in the public markets that these sales may occur, may depress our share price and future sales of our common shares may be dilutive.***

Sales of substantial amounts of our common shares in the public market, or the perception that these sales could occur, could adversely affect the price of our common shares and could impair our ability to raise capital through the sale of shares. In the future, we may issue our shares, among other reasons, if we need to raise capital or in connection with merger or acquisition activity. The amount of our common shares issued in connection with a capital raise or acquisition could constitute a material portion of our then-outstanding share capital. Sales of shares in the future may be at prices below prevailing market prices, thereby having a dilutive impact on existing holders and depressing the trading price of our common stock.

***If securities or industry analysts in the United States do not publish research or reports or publish unfavorable research about our business, the price and trading volume of our common shares could decline.***

The trading market for our common shares in the United States will depend in part on the research and reports that securities or industry analysts publish about us, our business or our industry. We may not have significant research coverage by securities and industry analysts in the United States. If no additional securities or industry analysts commence coverage of us, or if we fail to adequately engage with analysts or the investor community, the trading price for our shares could be negatively affected. In the event we obtain additional securities or industry analyst coverage in the United States, if one or more of the analysts who covers us downgrades our common shares, their price will likely decline. If one or more of these analysts, or those who currently cover us, ceases to cover us or fails to publish regular reports on us, interest in the purchase of our shares could decrease, which could cause the price or trading volume of our common shares to decline.

**b. Legal and regulatory compliance and burden**

***The obligations associated with being a public company in the United States require significant resources and management attention.***

As a public company in the United States, we incur legal, accounting and other expenses that we did not previously incur. We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Sarbanes-Oxley Act, the listing requirements of the Nasdaq Stock Market and other applicable securities rules and regulations. The Exchange Act requires that we file annual and current reports with respect to our business, financial condition and results of operations. The Sarbanes-Oxley Act requires, among other things, that we establish and maintain effective internal controls and procedures for financial reporting.

Furthermore, the need to establish and maintain the corporate infrastructure demanded of a U.S. public company may divert management’s attention from implementing our strategy. We have made, and will continue to make, changes to our internal controls and procedures for financial reporting and accounting systems in order to meet our reporting obligations as a U.S. public company. However, the measures we take may not be sufficient to satisfy these obligations. In addition, compliance with these rules and regulations has increased our legal and financial compliance costs and has made some activities more time-consuming. For example, these rules and regulations make it more expensive for us to obtain director and officer liability insurance.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for U.S. public companies. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us.

***We are a foreign private issuer and, as a result, are not subject to U.S. proxy rules but are subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. issuer.***

We report under the Exchange Act as a non-U.S. company with “foreign private issuer” status, as such term is defined in Rule 3b-4 under the Exchange Act. Because we qualify as a foreign private issuer under the Exchange Act and although we follow Luxembourg laws and regulations with regard to such matters, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. public companies, including:

- (i) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- (ii) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- (iii) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events.

Foreign private issuers are required to file their annual report on Form 20-F by 120 days after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year. Foreign private issuers are also exempt from the Regulation Fair Disclosure, aimed at preventing issuers from making selective disclosures of material information. As a result of the above, even though we are contractually obligated and intend to make interim reports available to our stockholders, copies of which we are required to furnish to the SEC on a Form 6-K, and even though we are required to file reports on Form 6-K disclosing whatever information we have made or are required to make public pursuant to Luxembourg law or distribute to our stockholders and that is material to our company, you may not have the same protections afforded to stockholders of companies that are not foreign private issuers.

***If we fail to maintain an effective system of internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud, and investor confidence in our company and the market price of our shares may be adversely affected.***

We are subject to reporting obligations under the U.S. securities laws. The SEC, as required by Section 404 of the Sarbanes-Oxley Act, adopted rules requiring every public company to include in its annual report a management report on such company's internal control over financial reporting containing management's assessment of the effectiveness of its internal control over financial reporting. In addition, an independent registered public accounting firm must attest to and report on the effectiveness of such company's internal control over financial reporting except where the company is a non-accelerated filer. We currently are a large accelerated filer.

Our management has concluded that our internal control over financial reporting was effective as of December 31, 2019. See "Item 15. Disclosure Controls and Procedures." Our independent registered public accounting firm has issued an attestation report as of December 31, 2019. See "Item 15. Controls and Procedures-C. Attestation Report of Independent Registered Public Accounting Firm." However, if we fail to maintain effective internal control over financial reporting in the future, our management and our independent registered public accounting firm may not be able to conclude that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. If we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations, and lead to a decline in the trading price of our shares. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions. Furthermore, we have incurred and anticipate that we will continue to incur considerable costs, management time and other resources in an effort to continue to comply with Section 404 and other requirements of the Sarbanes-Oxley Act.

***We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses.***

As a foreign private issuer, we are not required to comply with the same periodic disclosure and current reporting requirements of the Exchange Act, and related rules and regulations, that apply to U.S. domestic issuers. Under Rule 3b-4 of the Exchange Act, the determination of foreign private issuer status is made annually on the last business day of an issuer's most recently completed second fiscal quarter and, accordingly, we will make the next determination with respect to our foreign private issuer status based on information as of June 30, 2020.

In the future, we could lose our foreign private issuer status if, for example, a majority of our voting power were held by U.S. citizens or residents and we fail to meet additional requirements necessary to avoid loss of foreign private issuer status. The regulatory and compliance costs to us under U.S. securities laws as a domestic issuer may be significantly higher. Kinnevik's distribution of its shares of MIC S.A. may contribute to a loss of our foreign private issuer status.

If we are not a foreign private issuer, we will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the U.S. Securities and Exchange Commission, which are more detailed and extensive than the forms available to a foreign private issuer. We will also be required to comply with U.S. federal proxy requirements, and our officers, directors and controlling shareholders will become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. We may also be required to modify certain of our policies to comply with good governance practices associated with U.S. domestic issuers. Such conversion and modifications will involve additional costs. In addition, we may lose our ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers.

**c. Shareholder protection**

***MIC S.A. is incorporated in Luxembourg, and Luxembourg law differs from U.S. law and may afford less protection to holders of our shares.***

The Company is incorporated under and subject to Luxembourg laws. Luxembourg laws may differ in some material respects from laws generally applicable to U.S. corporations and shareholders, including the provisions relating to interested directors, mergers, sales, amalgamations and acquisitions, takeovers, shareholder lawsuits and indemnification of directors. Luxembourg laws governing the shares of Luxembourg companies may not be as extensive as those in effect in the United States, and Luxembourg law and regulations in respect of corporate governance matters might not be as protective of shareholders as state corporation laws in the United

States. Therefore, our shareholders may have more difficulty in protecting their interests in connection with actions taken by our directors and officers or our principal shareholders than they would as shareholders of a corporation incorporated in the United States. For example, neither our Amended and Restated Articles of Association nor Luxembourg law provides for appraisal rights for dissenting shareholders in certain extraordinary corporate transactions that may otherwise be available to shareholders under certain U.S. state laws.

In addition, under Luxembourg law, by contrast to the laws generally applicable to U.S. corporations, the duties of directors of a company are in principle owed to the company only, rather than to its shareholders. It is possible that a company may have interests that are different from the interests of its shareholders. Shareholders of Luxembourg companies generally do not have rights to take action themselves against directors or officers of the company. Directors or officers of a Luxembourg company must, in exercising their powers and performing their duties, act in good faith and in the interests of the company as a whole and must exercise due care, skill and diligence.

Directors have a duty to disclose any personal interest in any contract or arrangement with the company in case such interest would constitute a conflict of interest. If any director has a direct or indirect financial interest in a matter which has to be considered by the board of directors which conflicts with the interests of the company, Luxembourg law provides that such director will not be entitled to take part in the relevant deliberations or exercise his vote with respect to the approval of such transaction. If the interest of such director does not conflict with the interests of the company, then the applicable director with such interest may participate in deliberations on, and vote on the approval of, that transaction. If a director of a Luxembourg company is found to have breached his or her duties to that company, he or she may be held personally liable to the company in respect of that breach of duty. A director may, in addition, be jointly and severally liable with other directors implicated in the same breach of duty.

***The ability of investors to enforce civil liabilities under U.S. securities laws may be limited.***

MIC S.A. is a Luxembourg public limited liability company (société anonyme) and some of its directors and executive officers are residents of countries other than the United States. Most of the Company's assets and the assets of some of its directors and executive officers are located outside the United States. As a result, it may not be possible for investors in our securities to effect service of process within the United States upon such persons or the Company or to enforce in U.S. courts or outside the United States judgments obtained against such persons or the Company. In addition, it may be difficult for investors to enforce, in original actions brought in courts in jurisdictions located outside the United States, liabilities predicated upon the civil liability provisions of U.S. securities laws.

We have been advised by our Luxembourg counsel, Hogan Lovells (Luxembourg) LLP that the United States and Luxembourg do not have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by a federal or state court in the United States based on civil liability which is not subject to appeal or any other means of contestation, and is enforceable in the relevant state will be recognized and enforced against MIC S.A. by a court of competent jurisdiction of Luxembourg, without re-examination of the merits of the case, subject to compliance with the applicable enforcement procedure (exequatur). As set out in the relevant provisions of the Luxembourg New Code of Civil Procedure (Nouveau Code de Procédure Civile) and Luxembourg case law, these conditions are:

- (i) the foreign court awarding the international judgment has jurisdiction to adjudicate the respective matter under applicable foreign rules of the forum, and such jurisdiction is recognized by Luxembourg private international law;
- (ii) the foreign judgment is enforceable in the foreign jurisdiction;
- (iii) the foreign court has applied the substantive law as designated by the Luxembourg conflict of laws rules, or, at least, the order must not contravene the principles underlying these rules (however, based on case law (T.A. Luxembourg, 10 January 2008, no 111736) as well as legal doctrine, it is not certain that this condition would still be required for an exequatur to be granted by a Luxembourg court);
- (iv) the foreign court has acted in accordance with its own procedural laws;
- (v) the judgment was granted following proceedings where the counterparty had the opportunity to appear, and if appeared, to present a defense; and
- (vi) the foreign judgment does not contravene international public policy (ordre public international) as understood under the laws of Luxembourg.

**d. Corporate governance practices**

***As a foreign private issuer and as permitted by the listing requirements of the Nasdaq Stock Market ("Nasdaq"), we may rely on certain home country governance practices rather than the Nasdaq corporate governance requirements.***

As are a foreign private issuer and in accordance with Nasdaq Listing Rule 5615(a)(3), we may comply with home country governance requirements and certain exemptions thereunder rather than complying with certain of the corporate governance requirements of Nasdaq. For more information regarding the Nasdaq corporate governance requirements in lieu of which we follow home country corporate governance practices, see “Item 6. Directors, Senior Management and Employees—C. Board Practices—NASDAQ corporate governance exemptions.”

Luxembourg law does not require that a majority of our board of directors consists of independent directors. While we currently have a board of directors that is independent of the Company (i.e., the board members are not members of management or employees of the Company), our board of directors may in the future include fewer independent directors than would be required if we were subject to Nasdaq Listing Rule 5605(b)(1). In addition, we are not subject to Nasdaq Listing Rule 5605(b)(2), which requires that independent directors regularly have scheduled meetings at which only independent directors are present.

Similarly, we have adopted a compensation committee, but Luxembourg law does not require that we adopt a compensation committee or that such committee be fully independent. As a result, our practice may vary from the requirements of Nasdaq Listing Rule 5605(d), which sets forth certain requirements as to the responsibilities, composition and independence of compensation committees. Luxembourg law does not require that we disclose information regarding third-party compensation of our directors or director nominees. As a result, our practice varies from the third-party compensation disclosure requirements of Nasdaq Listing Rule 5250(b)(3).

In addition, as permitted by home country practice and as included in our amended and restated articles of association, our nomination committee is appointed by the major shareholders of MIC S.A. and is not a committee of the MIC S.A. board of directors. Our practice therefore may vary from the independent director oversight of director nominations requirements of Nasdaq Listing Rule 5605(e).

Furthermore, our amended and restated articles of association do not provide any quorum requirement that is generally applicable to general meetings of our shareholders (other than in respect of general meetings convened for the first time in relation to amendments to the amended and restated articles of association). This absence of a quorum requirement is in accordance with Luxembourg law and generally accepted business practice in Luxembourg. This practice differs from the requirement of Nasdaq Listing Rule 5620(c), which requires an issuer to provide in its bylaws for a generally applicable quorum, and that such quorum may not be less than one-third of the outstanding voting stock. In addition, we may opt out of shareholder approval requirements for the issuance of securities in connection with certain events such as the acquisition of stock or assets of another company, the establishment of or amendments to equity-based compensation plans for employees, a change of control of us and certain private placements. To this extent, our practice will vary from the requirements of Nasdaq Listing Rule 5635, which generally requires an issuer to obtain shareholder approval for the issuance of securities in connection with such events.

## **ITEM 4. INFORMATION ON THE COMPANY**

### **A. History and Development of the Company**

The Company’s legal name is Millicom International Cellular S.A. The Company uses the Tigo brand in the majority of the countries in which we do business. MIC S.A. is a public limited liability company (société anonyme), organized and established under the laws of the Grand Duchy of Luxembourg on June 16, 1992. The Company’s address is: Millicom International Cellular S.A., 2, Rue du Fort Bourbon, L-1249 Luxembourg, Grand Duchy of Luxembourg. The Company’s telephone number is: +352 27 759 101. The Company’s U.S. agent is: CT Corporation, 111 Eighth Avenue, 13th Floor, New York, New York 10011, United States.

The Millicom Group was formed in December 1990 when Kinnevik, formerly named Industriförvaltnings AB Kinnevik, a company established in Sweden, and Millicom Incorporated, a corporation established in the United States, contributed their respective interests in international mobile joint ventures to form the Millicom Group.

See “Item 4. Information on the Company—B. Business Overview” for historical information regarding the development of our principal business segments in our geographic markets. See “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Capital expenditures” for a description of our capital expenditures.

The SEC maintains an Internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is [www.sec.gov](http://www.sec.gov). The Company’s website address is [www.millicom.com](http://www.millicom.com). The information contained on, or that can be accessed through, the Company’s website is not part of, and is not incorporated into, this Annual Report.



## B. Business Overview

### Introduction

We are a leading provider of cable and mobile services dedicated to emerging markets. Through our main brands Tigo and Tigo Business™, we provide a wide range of digital services in nine countries in Latin America and two countries in Africa, including high-speed data, cable TV, direct-to-home satellite TV (“DTH” and when we refer to DTH together with cable TV, we use the term “pay-TV”), mobile voice, mobile data, SMS, MFS, fixed voice, and business solutions including value-added services (“VAS”). We provide services on both a business-to-consumer (“B2C”) and a business-to-business (“B2B”) basis, and we have used the Tigo brand in all our markets since 2004.

We offer the following principal categories of services:

- Mobile, including mobile data, mobile voice, and MFS to consumer, business and government customers;
- Cable and other fixed services, including broadband, pay-TV, content, and fixed voice services for residential (Home) customers, as well as voice, data and VAS and solutions to business and government customers.

In Latin America, our principal region, we provide both mobile and cable services in eight countries - Bolivia, Colombia, El Salvador, Guatemala, Honduras, Nicaragua, Panama and Paraguay. In addition, we provide cable services in Costa Rica. In Africa, we provide mobile services in Tanzania, and our joint venture with Bharti Airtel provides mobile services in Ghana. In 2018, we completed the divestiture of our operations in Rwanda and Senegal and in 2019 we completed the sale of our operations in Chad. These divestitures are part of a broader effort by us in recent years to improve our financial performance and better invest capital, including by selling underperforming businesses in our Africa segment, which has historically produced lower returns on capital than our Latin America segment.

We conduct our operations through local holding and operating entities in various countries, which are either our subsidiaries (in which we are the sole shareholder or the controlling shareholder) or joint ventures with our local partners. For further details, see note A to our consolidated financial statements. In this Annual Report, our description of our operations includes the operations of all of these subsidiaries and joint ventures.

As of December 31, 2019, we provided services to 37.1 million mobile customers, including 10.6 million 4G customers, which we define as customers who have a data plan and use a smartphone to access our 4G network. As of that date, we also had 3.6 million customer relationships with a subscription to at least one of our fixed services. This includes 2.9 million customer relationships on our HFC networks and 0.3 million DTH subscribers. The majority of the remaining customer relationships are served by our legacy copper network.

For the year ended December 31, 2019, our revenue was \$4,336 million and our net loss was \$154 million. We have approximately 22,000 employees.

### Our strategy

Underpinning our strategy is management’s assessment that penetration rates for both mobile and fixed broadband services in our markets are low relative to penetration rates in other markets globally, and that these have potential to increase over time. Based on our own subscriber data and based also on data from the GSMA for Costa Rica, an association representing mobile operators worldwide, mobile broadband penetration rates, as measured by the number of subscribers who use a smartphone to access mobile data services on 4G networks, were approximately 23% in Nicaragua, 36% in El Salvador, 38% in Honduras, 36% in Guatemala, 38% in Colombia, 44% in Paraguay, 45% in Panama and 58% in Bolivia as of year-end 2019. Based on our own customer data and market intelligence, fixed broadband penetration rates, as measured by the number of residential broadband customers as a percentage of households in the country, ranged from approximately 10% in Honduras to less than 50% Costa Rica. Based on the expectation that mobile and fixed broadband penetration rates in our markets will gradually rise over time, management has defined an operational strategy based on the following four principal pillars.

#### ***Monetizing Mobile Data***

Our mobile networks continue to experience rapid data traffic growth, and we are very focused on making sure that incremental traffic translates into additional revenues. Our mobile data monetization strategy is built around several key drivers:

- *4G/LTE network expansion:* Our 4G networks enable us to deliver high volumes of data at faster speeds in a more cost-efficient manner than with 3G networks. As of December 31, 2019, our 4G networks covered approximately 68% of the population in our markets, a significant increase from coverage of approximately 48% as of December 31, 2016.
- *Smartphone adoption:* More data-capable smartphone devices, particularly 4G/LTE, with a strong device portfolio and strategy to enable our customers to use data services on the move.
- *Stimulating data usage:* More compelling data-centric products and services to encourage our consumers to consume more data, while maintaining price discipline.

## ***Building Cable***

We are moving quickly to meet the growing demand for high-speed data from residential and business customers alike in our Latin American markets. We are doing this by:

- *Accelerating our hybrid fiber-coaxial (“HFC”) network expansion:* We are rapidly deploying our high-speed HFC fixed network, and we are complementing our organic network build-out with small, targeted acquisitions. In 2016, we expanded our HFC network to pass an additional 777,000 homes. In 2017, 2018 and 2019, we significantly increased the pace of our network expansion, organically adding approximately 1 million homes-passed per year.
- *Increasing our commercial efforts to fill the HFC network:* As we expand the network, we also deploy commercial resources necessary to begin monetizing our investment by marketing our services to new potential customers. In addition, the HFC network allows us to sell additional services to existing customers that drive ARPU growth over time.
- *Product innovation:* We drive customer adoption by expanding our range of digital services and aggregating third-party content, as well as some exclusive local and international content, enabling us to differentiate ourselves from our competitors. For example, we have agreements with local soccer teams, leagues and sports channels in Bolivia, Costa Rica, El Salvador, Guatemala, Honduras, Paraguay and Panama to air matches exclusively on our pay-TV channels. We are committed to bringing the best content to our customers, and for that we partner with various players in the ecosystem, from studios to Over-the-Top providers (“OTTs”) and sports industry players.

Our cable network deployment is also critical to help prepare the company for convergence of fixed and mobile networks and services, a trend we expect will accelerate with the deployment of 5G technology in the future.

## ***Expanding B2B***

The expansion of our HFC network as well as the development of state-of-the-art datacenters, analytics and Cloud services is also creating new opportunities for us to target business customers by offering a more complete suite of Information and Communications Technology (“ICT”) services. As of December 31, 2019, we had a total of 12 data centers across our Latin America footprint, including 8 datacenters which are certified according international standards.

Our strategy is to selectively evolve our portfolio into ICT-managed services to avoid excessive fragmentation and operational risk, while building the Tigo Business brand and differentiating ourselves through our service model and frontline execution. We believe that the small and medium-size business (“SMB”) segment represents a particularly attractive opportunity for growth, as SMBs digitize their business and operations using digital communications, and implement Cloud and datacenter solutions in line with what we see in more developed markets.

## ***Digital innovation and customer-centricity***

We are focusing our digital innovation on products and customer-facing developments that drive user adoption of high-speed data services such as: Tigo Shop, Mi Tigo, Tigo Play and Tigo ONEtv.

Through Tigo ONEtv, our next-generation user experience platform, we bring a cutting-edge pay-TV entertainment experience for our customers, with advanced personalization and recommendations, seamless integration of content across linear and on-demand offerings, and robust multiscreen capabilities. We also provide a superior digital user experience through our Tigo Shop App for prepaid customers, Mi Tigo App for post-paid customers, and MFS App. Our focus remains firmly set on driving the adoption and enjoyment of these digital channels by our customers.

We are evolving our strong commercial distribution network to operate digitally, which we believe will improve both customer experience and operational efficiency. To enable a seamless and integrated experience across sales and care touchpoints, we are implementing a business transformation that interlinks user experience, digital innovation, business processes, and our back-end ICT systems.

We have also adopted and deployed a net promoter score (“NPS”) program, designed to strengthen our customer-centric culture, and we have incorporated NPS into our incentive compensation plan beginning in 2018.

## ***Our services***

Our services are organized into two principal categories: Mobile and Cable and other fixed services. In addition, we sell telephone and other equipment, comprised mostly of mobile handsets.

### ***Mobile***

In our Mobile category, we provide mobile services, including mobile data, mobile voice, SMS and MFS, to consumers. Mobile is the largest part of our business and generated 52% of consolidated service revenue (and 59% of our Latin America segment service revenue) for the year ended December 31, 2019 and 57% of our consolidated service revenue (and 63% of our Latin America segment service revenue) for the year ended December 31, 2018 .

We provide Mobile services in every country where we operate, except Costa Rica. As of December 31, 2019, we had a total of 37.1 million Mobile customers.

#### *Mobile data, mobile voice and SMS*

We provide our mobile data, mobile voice and SMS services through 2G, 3G and 4G networks in all our mobile markets. 4G is the fourth generation of mobile technology, succeeding 3G, and it is based on Internet Protocol (IP) technology, as opposed to prior generations of mobile communications which were based on and supported circuit-switched telephone service. Our 4G networks enable us to offer new services to our customers such as video calls and mobile broadband data with richer mobile content, such as live video streaming.

The mobile market has been evolving, with consumption gradually shifting from voice and SMS to data. Our ongoing deployment of 4G networks further supports this evolution to more data-centric usage.

We provide our mobile data, mobile voice and SMS services on both prepaid and postpaid bases. In prepaid, customers pay for service in advance through the purchase of wireless airtime and data access, and they do not sign service contracts. Among various options that our customers can choose from, we offer packages that typically include a combination and voice minutes, SMS and a data allowance, with expiration dates varying in length from a few days up to a few weeks or months. In postpaid, customers pay recurring monthly fees for the right to consume up to a predetermined maximum amount of airtime, SMS and data. In most cases, new postpaid customers sign a service contract with a typical length of one year.

#### *MFS*

We provide a broad range of mobile financial services such as payments, money transfers, international remittances, savings, real-time loans and micro-insurance for critical needs. MFS allows our customers to send and receive money, without the need for a bank account. As of December 31, 2019, we provided MFS to 8.7 million customers, representing 23.8% of our mobile customer handset base. As of December 31, 2019, 74.0% of our total MFS customers were in Tanzania (including Zantel), where more than one customer out of two uses our MFS services. MFS remains a growing business in our markets, which complements our product offering and increases customers' satisfaction and loyalty, reducing our customer churn.

#### *Cable and other fixed services*

In our Cable and other fixed services category, we provide fixed services, including broadband, fixed voice and pay-TV, to residential (Home) consumers and to government and business (B2B) customers. Cable and other fixed services generated 47% of our consolidated service revenue (and 40% of our Latin America segment revenue) for the year ended December 31, 2019 and 42% of our consolidated service revenue (and 36% of our Latin America segment service revenue) for the year ended December 31, 2018.

#### *Home*

Our fixed service residential customers (a "customer relationship") generate revenue for us by purchasing one or more of our three fixed services, pay-TV, fixed broadband, and fixed telephony. We refer to each service that a customer purchases as a revenue generating unit ("RGU"), such that a single customer relationship can have up to three RGUs in countries where we are permitted to sell all three services.

We provide Home services mainly over our HFC network, but we also offer pay-TV services to rural areas via our DTH platform and broadband services using WiMAX and copper-based technologies in some markets. Although most of our customers currently choose to receive broadband speeds of less than 10 Mbps, the HFC networks we are rolling out are based on DOCSIS 3.0 and allow us to offer speeds of up to 150 Mbps on our current infrastructure, which gives us scope to significantly raise our customers' broadband speeds over time. As we retire analog channels over time, our HFC network infrastructure will eventually allow us to offer speeds of up to 1 Gbps. Some of our markets are also compatible for DOCSIS 3.1, which could enable even higher levels of throughput on our HFC networks. In the future, we may also deploy Fiber-To-The-Home ("FTTH") in some markets.

In Latin America, we provide Home services in every country where we operate. As of December 31, 2019, we had 4.3 million connected homes, of which 3.5 million were connected to our HFC network, and we had 8.4 million RGUs, including 6.9 million RGUs on our HFC network. We do not provide Home services in Africa.

We provide our Home services on a postpaid basis, with customers paying recurring monthly subscription fees. In most markets, we offer bundled fixed services, such as our triple-play offering of pay-TV, broadband internet and, where possible, fixed telephone. On average, our Home customers typically contract more than one fixed service from us. In some markets, we also market our services on a convergent basis, bundling both fixed and mobile services, to a very small portion of our total customer base.

#### *B2B fixed*

We offer fixed voice and data telecommunications services, managed services and cloud and security solutions to small, medium and large businesses and governmental entities. We offer B2B fixed services in all of the markets in which we operate, both in Latin America and in Africa.

We believe that B2B fixed provides a significant growth opportunity for Millicom driven by the expected rapid growth in the small and medium size businesses segment and by the adoption of cloud information technology, security and new software defined networks. We expect that the ongoing expansion of our HFC networks in Latin America will help to make us more competitive and increase our share of the B2B fixed market over time. In addition, as we expand our fixed networks throughout our markets, we can better compete for large enterprise and government contracts that typically require a national presence, and we will be better placed to offer fixed, mobile and other value-added services, such as cloud-based services and data center capacity. We already see evidence of this in Colombia in Panama, where we have a more extensive fixed network than in our other markets, and where the proportion of revenue we generate from B2B fixed is significantly larger than in our other Latin America countries.

We have already deployed approximately 160,000 kilometers of fiber in our Latin American markets, and we are expanding our product portfolio to deliver more VAS and business solutions, such as cloud-based services and ICT managed services. In 2019, we inaugurated a new Tier 3 certified data center in Honduras, which further strengthened our ability to better serve small and midsize businesses (“SMB”) and large enterprise customers that require robust infrastructure and redundancy to achieve their own operational efficiency goals and meet business continuity needs. We have also established partnerships in the area of hypercloud, virtualization and Internet of Things (“IoT”), to capture the growth in the adoption of the such technologies and help our customers accelerate their digital transformations.

## **Our markets**

### ***Overview***

The Millicom Group’s risks and rates of return for its operations are predominantly affected by operating in different geographical regions. We have businesses in two regions: Latin America and Africa, which constitute our two segments. Our Latin America segment includes the Guatemala and Honduras joint ventures as if they were fully consolidated, as this reflects the way our management reviews and uses internally reported information to make decisions about operating matters. Our Africa segment does not include our joint venture in Ghana because our management does not consider it a strategic part of our group. See “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Our Segments.”

- *Latin America.* The Latin American markets we serve are Bolivia, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama and Paraguay. We provide Mobile services in each of our Latin American markets, except for Costa Rica, and we provide Cable and other fixed services in each of our Latin American markets.
- *Africa.* The African market we serve is Tanzania, in which we provide Mobile and B2B. Our joint venture with Bharti Airtel provides mobile services in Ghana. We do not provide Cable and other fixed services in our African market.

### ***Latin America***

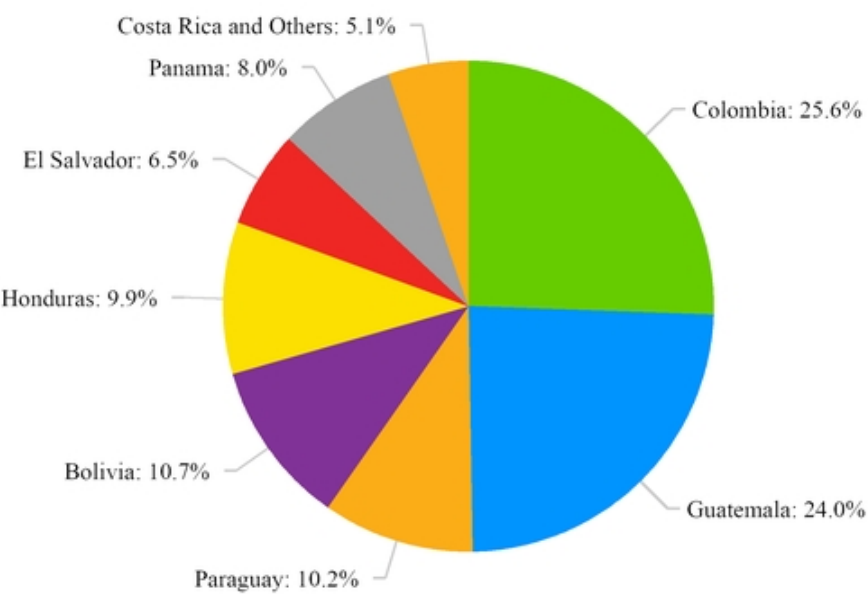
For the years ended December 31, 2019 and 2018, revenue generated by our Latin America segment was \$5,964 million and \$5,485 million, respectively.

We provide mobile services in eight countries in Latin America. As of December 31, 2019, we had a total of 39.8 million Mobile customers, a 18.3% increase from December 31, 2018 mainly due to the acquisitions of mobile operations in Nicaragua and Panama during the year.

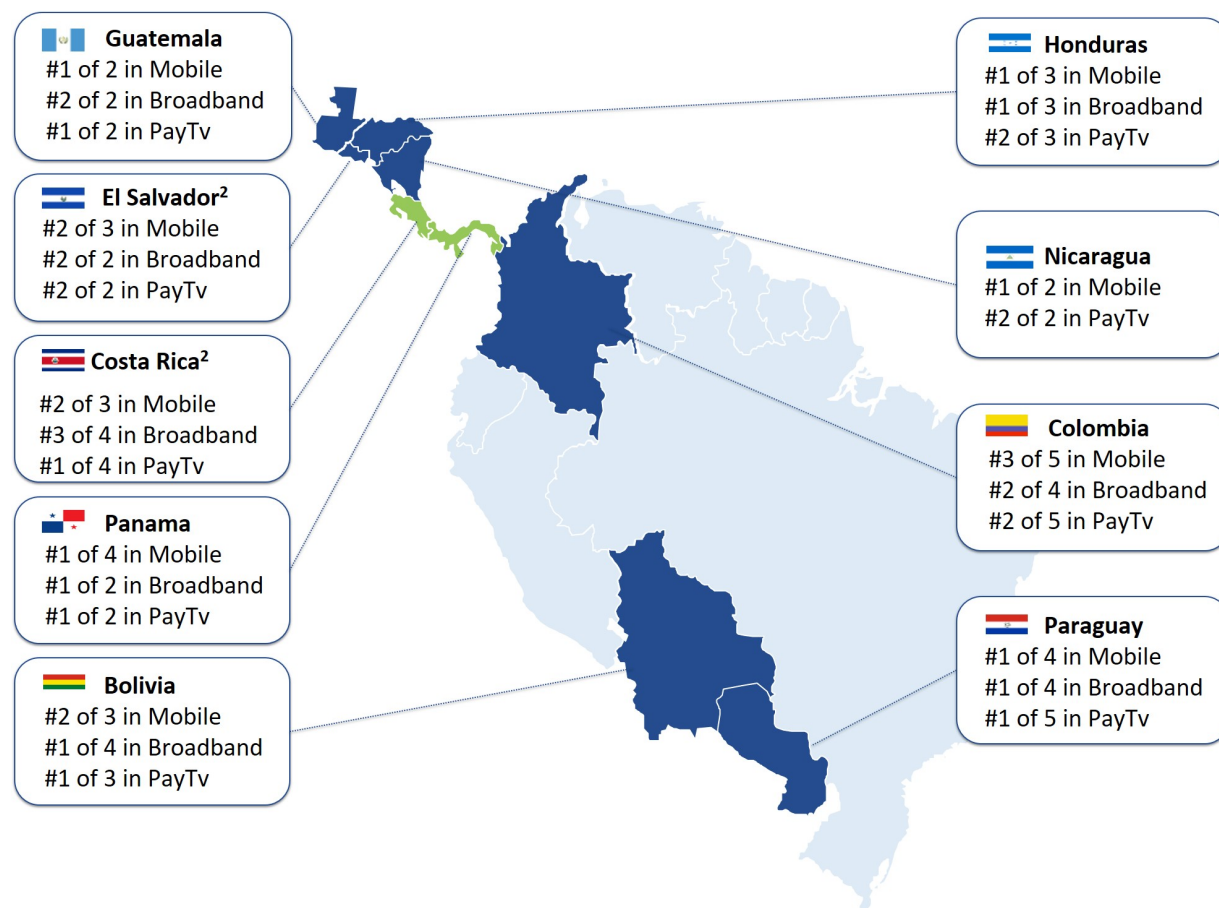
As of December 31, 2019, our Cable business had a network that passed 11.8 million homes and had to 4.3 million customer relationships in Latin America.

An important recent trend in the Latin American telecommunications market has been the growth in fixed broadband penetration. We have significantly increased the coverage of our HFC network largely in response to demand for high-speed fixed broadband services. As of December 31, 2019, our HFC network passed 11.5 million homes, a 8.5% increase from December 31, 2018 (10.6 million), and had 3.5 million customer relationships, a 11.3% increase from December 31, 2018.

The following chart shows the relative revenue generation of each country in our Latin America segment for 2019:



**The Millicom Group's Latin America Mobile, Broadband, and Pay-TV Operations(1)**



- (1) The data presented here is based on subscriber numbers as of December 31, 2019 and reflects the Millicom Group's experience and our investigation of market conditions. The number of market players in each country is based on large network operators only and excludes minor players, based on total market share by subscribers. The Millicom Group has minority partners in jurisdictions which include: Colombia (50%), Honduras (33%), Guatemala (45%) and Panama (20%).
- (2) Reflects our pending acquisition of Telefonica Costa Rica and America Movil's pending acquisition in El Salvador.

**Bolivia**

We provide Mobile and Cable and other fixed services through Telefonica Celular de Bolivia S.A. ("Telecel Bolivia"), which is wholly owned by the Millicom Group. We have operated in Bolivia since 1991.

**Mobile:** As of December 31, 2019, we served 3.7 million subscribers and were the second largest provider of Mobile services in Bolivia, as measured by total subscribers.

**Cable and other fixed:** As of December 31, 2019, we were the largest provider of broadband and pay-TV services in Bolivia, as measured by subscribers, and we had 510,600 customer relationships. We offer broadband services through HFC, and we provide pay-TV primarily through HFC and DTH in Bolivia. We also offer pay-TV services through Multichannel Multipoint Distribution Service ("MMDS"), but we have been gradually migrating our MMDS customers to HFC, which allows us to provide a better customer experience and to generate additional revenue from each customer we upgrade to HFC.

**Colombia**

We provide Mobile and Cable and other fixed services in Colombia through Colombia Móvil S.A., which is a wholly-owned subsidiary of UNE, in which we own a 50% plus one voting share interest. We have operated in Colombia through Colombia Móvil S.A. since 2006 and acquired our interest in UNE, with which we had previously co-owned Colombia Móvil S.A., via a merger in 2014. Since the merger, we have been marketing our services using the Tigo and Tigo-UNE brands.

*Mobile:* As of December 31, 2019, we served 9.4 million subscribers and were the third largest provider of Mobile services in Colombia, as measured by subscribers.

*Cable and other fixed services:* Tigo is one of the principal digital cable operators in Colombia. As of December 31, 2019, we were the second largest provider of pay-TV and broadband internet services in Colombia, as measured by subscribers, with 1.7 million customer relationships. We have been investing heavily to expand the reach of our HFC network and to upgrade our copper network to HFC. By extending the reach of our HFC network in areas historically served by our copper network, we can gradually migrate our copper customers onto our HFC network, thus significantly enhancing the customer experience by expanding the range of products and services they can choose from, including the availability of faster broadband speeds. In Colombia, we also use DTH to provide pay-TV services to customers located outside of our HFC network coverage area.

#### *Costa Rica*

We provide Cable and other fixed services in Costa Rica through Millicom Cable Costa Rica S.A. (“Tigo Costa Rica”), which is wholly owned by the Millicom Group. We have operated in Costa Rica since our acquisition of Amnet in 2008. Amnet and its predecessor companies began operating in Costa Rica in 1982, and the company was the first to provide pay-TV services in the country.

*Cable and other fixed services:* As of December 31, 2019, we had 255,800 customers and we were the largest provider of pay-TV and the third largest provider of broadband internet services in Costa Rica, as measured by subscribers.

In 2019, we agreed to acquire Telefonica de Costa Rica TC, S.A., the second largest provider of mobile services in the country based on the number of customers.

#### *El Salvador*

We provide Mobile and Cable and other fixed services in El Salvador through Telemóvil El Salvador, S.A. de C.V. (“Telemóvil”), which is wholly-owned by the Millicom Group. We have operated in El Salvador since 1993.

*Mobile:* As of December 31, 2019, we served 2.6 million subscribers and were the second largest provider of Mobile services in El Salvador as measured by subscribers, taking into account America Movil’s announced acquisition in the country.

*Cable and other fixed services:* Telemóvil is a leading cable operator in El Salvador. As of December 31, 2019, we were the second largest provider of pay-TV and the second largest provider of broadband internet services, as measured by subscribers, with a total of 274,500 customer relationships.

#### *Guatemala*

We provide Mobile and Cable and other fixed services in Guatemala, principally through Comunicaciones Celulares S.A. (“Comcel”), a joint venture in which Millicom holds a 55% equity interest. The remaining 45% of Comcel is owned by our local partner. See “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Guatemala and Honduras Joint Ventures” for details regarding the accounting treatment of our Guatemala operations. We have operated in Guatemala since 1990.

*Mobile:* As of December 31, 2019, we provided Mobile services to 10.8 million customers and were the largest provider of mobile services in Guatemala, as measured by subscribers.

*Cable and other fixed services:* As of December 31, 2019, our joint venture was the largest provider of pay-TV and the second largest provider of broadband internet services in Guatemala, as measured by subscribers, and it served 519,400 customer relationships with both its HFC network and DTH services.

#### *Honduras*

We provide Mobile and Cable and other fixed services in Honduras through Telefonica Celular S.A. de C.V. (“Celtel”), a joint venture in which the Millicom Group holds a 66.67% equity interest. The remaining 33.33% of Celtel is owned by our local partner. See “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Guatemala and Honduras Joint Ventures” for details regarding the accounting treatment of our Honduras operations. We have operated in Honduras since 1996.

*Mobile:* As of December 31, 2019, we served 4.6 million Mobile subscribers, and we were the largest provider of Mobile services, as measured by subscribers.

*Cable and other fixed services:* As of December 31, 2019, we were the second largest provider of pay-TV and the largest provider of broadband internet services, as measured by subscribers, with 176,000 customer relationships. We offer triple-play services (cable TV, internet and fixed telephone) using our HFC network in Honduras, and we also offer DTH, expanding the reach of our pay-TV offering to areas not covered by our HFC network. We continue to invest to expand and upgrade the capacity of our HFC network in Honduras.

#### *Nicaragua*

In 2019, we purchased Telefonía Celular de Nicaragua, S.A. ("Telefonía Nicaragua"), the leading provider of Mobile services in the country, based on the number of subscribers. As of December 31, 2019, we served 3.4 million mobile subscribers.

Prior to 2019, we had a very small presence in Nicaragua, where we provided mostly B2B fixed services. Since 2018 we also provide Cable services to a small but rapidly-growing customer base.

#### *Panama*

We provide Mobile (since 2019) and Cable and other fixed services in Panama through Cable Onda S.A., which is 80% owned by the Millicom Group with the remaining 20% owned by our local partners. We have operated in Panama since our acquisition of Cable Onda in December 2018. Cable Onda and its predecessor companies began operating in Panama in 1982, and the company was the first to provide pay-TV services in the country. In 2019, our Cable Onda subsidiary acquired Telefonica Moviles Panama, S.A. ("Telefonica Panama") and started to provide Mobile services.

*Mobile:* As of December 31, 2019, we had 1.8 million Mobile subscribers, and we were the largest provider of Mobile services in Panama, as measured by total mobile subscribers.

*Cable and other fixed services:* As of December 31, 2019, we had 437,300 customer relationships and we were the largest provider of pay-TV and the largest provider of broadband internet services in Panama, as measured by subscribers.

#### *Paraguay*

We provide Mobile and Cable and other fixed services in Paraguay through various subsidiaries which are all wholly owned by the Millicom Group. Our largest subsidiary in Paraguay is Telefonica Celular del Paraguay S.A. ("Telecel Paraguay"). We have operated in Paraguay since 1992.

*Mobile:* As of December 31, 2019, we had 3.5 million Mobile subscribers, and we were the largest provider of Mobile services in Paraguay, as measured by total mobile subscribers.

*Cable and other fixed services:* We are the largest provider of pay-TV and broadband internet services in Paraguay as measured by subscribers. As of December 31, 2019, we had 436,600 customer relationships with our HFC network, DTH, and, to a much lesser extent, other technologies. We offer pay-TV services primarily using our HFC network, and we use our DTH license to offer pay-TV in areas not reached by our HFC network. We offer residential broadband internet services mostly using our HFC network, but we also employ fixed wireless technology to provide service beyond the reach of our HFC network. We have exclusive rights to broadcast Paraguay's national league championship games through 2020, and we have exclusive sponsorship rights in telecommunications for the Paraguayan National Soccer Team through 2022.

#### *Africa*

For the year ended December 31, 2019, the revenue generated by our Africa segment, which consists of our operations in Tanzania, was \$381.9 million. For the year ended December 31, 2018, the revenue generated by our Africa segment was \$398.6 million.

As of December 31, 2019, we had 12.7 million Mobile customers in Africa. In addition to the African market described below, we own a 50% interest in a joint venture with Bharti Airtel that provides mobile services in Ghana. We do not consider our Ghana joint venture to be a strategic part of our Group.

#### *Tanzania*

We provide mostly Mobile services in Tanzania primarily through MIC Tanzania plc ("Tigo Tanzania"), a 98.5% owned subsidiary of the Millicom Group. We have operated in Tanzania since 1994.

On October 22, 2015, we acquired 85% of Zanzibar Telecommunications Ltd ("Zantel"), a telecommunications provider operating mainly in Zanzibar, a semi-autonomous region of Tanzania. In 2019, we received approval to combine Tigo Tanzania and Zantel whereby Tigo Tanzania acquired 15% of the remaining shares in Zantel for a consideration representing 1.5% of its own share capital. As a result, the Group's ownership in Tigo Tanzania reduced from 100% to 98.5%, and is now also of 98.5% in Zantel (indirectly).

The Tanzanian government has implemented legislation requiring telecommunications companies to list their shares on the Dar es Salaam Stock Exchange and offer 25% of their shares in a Tanzanian public offering. We are currently planning for the IPO of our Tanzanian operation pursuant to the legislation. We have filed a draft prospectus with the Tanzania Capital



Market and Securities Authority in December 2019, and we await approval of the prospectus to proceed with the mandated IPO. There can be no guarantee if or when such IPO may occur, or the ownership share of our Tanzanian operation that we may sell in the IPO.

*Mobile:* As of December 31, 2019, Tigo Tanzania had 12.7 million subscribers, including Zantel, and we were the second largest mobile provider in Tanzania, as measured by subscribers.

## Regulation

The licensing, construction, ownership and operation of cable TV and mobile telecommunications networks and the grant, maintenance and renewal of cable TV and mobile telecommunications licenses, as well as radio frequency allocations and interconnection arrangements, are regulated by different governmental authorities in each of the markets that Millicom serves. The regulatory regimes in the markets in which Millicom operates are less developed than in other countries such as the United States and countries in the European Union, and can therefore change quickly. See “Item 3. Key Information—D. Risk Factors—2. Risks Related to Millicom’s business in the markets in which we operate—F. Legal and regulatory—Developing legal systems in the countries in which we operate create a number of uncertainties for our businesses.”

Typically, Millicom’s cable and mobile operations are regulated by the government (e.g., a ministry of communications), an independent regulatory body or a combination of both. In all of the markets in which Millicom operates, there are ongoing discussions and consultation processes involving other operators and the governing authorities regarding issues such as mobile termination rates and other interconnection rates, universal service obligations, interconnection obligations, spectrum allocations, universal service funds and other industry levies and number portability. This list is not exhaustive; such ongoing discussions are a typical part of operating in a regulated environment.

Changes in regulation can sometimes impose new burdens on the telecommunications industry and have a material impact on our business and on our financial results. For example, beginning in 2014, the government of El Salvador introduced new restrictions on our ability to provide mobile services in specific geographic areas within the country, requesting specifically that our mobile signal not reach inside the country’s incarceration facilities scattered throughout the country. In order to adequately comply with this requirement, we eventually resorted to shutting down more than 10% of our network infrastructure, which significantly reduced traffic on our network and negatively impacted our revenue, profitability, and service quality in the country. Similar laws have been adopted in Honduras and in Guatemala (though later nullified in Guatemala). In 2015, the Colombian regulator introduced new rules that impede the industry’s ability to bundle a subsidized handset with a mobile service contract, thus significantly limiting our ability to attract new mobile customers by offering handsets at subsidized prices, directly impacting handset affordability and causing a sharp decline in our handset sales. In 2016, the regulator in Paraguay introduced new rules that forced us to extend the maturity of unused prepaid data allowances from 30 to 90 days, which had an immediate negative impact on the frequency of top-ups data purchases and a consequent negative impact on our revenue. In 2017, the Colombian regulator lowered mobile interconnection rates and introduced new caps for tariffs on wholesale services. These changes negatively impacted both our revenue and our profitability in Colombia in 2017. The Colombian regulator previously challenged Colombia Móvil’s license fee, stating that it should be a significantly higher amount than we had paid, although Colombia Móvil prevailed. The regulator has sought to nullify an arbitral award in our favor in this matter. In addition, regulators in certain of our markets have reduced interconnection fees, which represented 7% of our revenue in fiscal 2017, and if rates are reduced further or regulators in other markets reduce interconnect fees, these measures could have a material adverse effect on our overall results of operation. For example, in Honduras, from January 2019 mobile interconnection charges were reduced by 25%. Also, in 2019, new regulation enacted in El Salvador regarding the rollover of voice and data traffic affected the Company.

The mobile services we provide require the use of spectrum, for which we have various licenses in each country where we provide mobile services. Spectrum licenses have expiration dates that typically range from 10 to 20 years. Historically, we have been able to renew our licenses upon expiration by agreeing to pay additional fees. We expect to continue to renew our current licenses as they expire, and we expect to acquire new spectrum licenses as they become available in the future. The table below summarizes our most important current spectrum holdings by country for the Latin America region:

Country	Spectrum	Blocks	Expiration date
Bolivia	700MHz	2x12MHz	2028
Bolivia	850MHz	2x12.5MHz	2030
Bolivia	AWS	2x15MHz	2028
Bolivia	1900MHz	2x10MHz	2028
Colombia*	700MHz	2x20MHz	2040
Colombia	AWS	2x15MHz	2023
Colombia	1900MHz	2x5MHz	2029
Colombia	1900MHz	2x2.5MHz	2021
Colombia	1900MHz	2x20MHz	2023
El Salvador	850MHz	2x12.5MHz	2038
El Salvador	AWS	2x25MHz	2040
El Salvador	1900MHz	2x5MHz	2041
El Salvador	1900MHz	2x5MHz	2028
Guatemala	850MHz	2x24MHz	2032
Guatemala	2600MHz	2x10MHz	2032
Guatemala	2600MHz	1x25 MHz	2033
Guatemala	2600MHz	1x3.3 MHz	2034
Honduras	850MHz	2x25MHz	2028
Honduras	AWS	2x20MHz	2028
Nicaragua	700MHz	2x20MHz	2023
Nicaragua	850MHz	2x12.5MHz	2023
Nicaragua	1900MHz	2x30MHz	2023
Nicaragua	AWS	2x20MHz	2023
Panama	700MHz	2x10MHz	2036
Panama	850MHz	2x12.5MHz	2036
Panama	1900MHz	2x10MHz	2036
Paraguay	850MHz	2x12.5MHz	2021
Paraguay	700MHz	2x15MHz	2023
Paraguay	AWS	2x15Mz	2021
Paraguay	1900MHz	2x15MHz	2022

\* Pending legal validation of the auction results.

Below, we provide further regulatory details in respect of certain of our countries of operation in Latin America.

**Bolivia:** We hold a license to provide telecommunication services in Bolivia until 2051, mobile service authorization and spectrum licenses until 2030, and cable and VOIP and internet authorizations until 2028.

**Colombia:** Colombia Móvil has three separate nationwide spectrum licenses in the 1900 MHz band. In June 2013, Colombia Móvil, acquired spectrum in the AWS (1700/2100 MHz) band, which we use to offer 4G services. In order to reduce the cost and accelerate the deployment of the 4G network, we entered into a network sharing agreement with our competitor, Telefónica Colombia. Colombia Móvil also has an indefinite license (*Habilitación General*) that allows the company to offer several nationwide telecommunication services. In August 2019, the President of Colombia sanctioned the Law of Modernization of the Information Technology and Communications sector which, among other changes, changed the duration of spectrum permits from 10 to 20 years. During 2019, the regulator announced the auction of the 700MHz, 1900MHz and 2500MHz bands, which took place in December 2019, and through which we were awarded the right to use two blocks of 20 MHz in the 700 MHz band. The cable TV license expiring in 2019 was successfully migrated, according to the new Law, to the General Authorization to provide telecommunication services in Colombia.

**Costa Rica:** We hold two cable licenses which expire in 2029 and a license to operate telecommunications services which expires in 2024.

**El Salvador:** In 2017, Telemóvil successfully renewed all of its spectrum licenses. In December 2019, the regulator completed an auction for AWS spectrum in which we acquired 5 blocks totaling 2x25MHz of bandwidth.

*Guatemala:* Comcel operates a nationwide mobile network, and it holds spectrum licenses that expire in 2034. In recent years, the regulator has discussed the possibility of auctioning additional spectrum, but formal plans have not yet been announced.

*Honduras:* Celtel owns spectrum licenses in the 850 MHz and AWS bands, and these expire in 2028. In June 2016, the Honduran government approved a multi-band spectrum auction of frequencies in the 700 MHz, 900 MHz and 2500 MHz bands. The auction was initially planned to be conducted by the end of 2017, but the exact terms and timing are still uncertain.

*Panama:* We hold three telephone licenses that expire in 2022, two cable TV licenses that expire in 2024, a radio license that expires in 2025 and a commercial data transmission license and an Internet for public access license that expire in 2038.

*Paraguay:* We own licenses for four blocks of spectrum in Paraguay, and these give us access to low, mid, and high frequencies, which provide an optimal mix to allow us to offer high-quality network coverage and give us the ability to increase network capacity to meet growing traffic demand needs.

Below, we provide further regulatory details in respect of our operations in Africa.

*Tanzania:* Millicom Tanzania has licenses for network facilities services that expire in 2032, national and international network services licenses that expire in 2032 and 2035, respectively, and a license for application services that expires in 2022. In 2019, Millicom Tanzania purchased the right to use 2x10 MHz of spectrum in the 800 MHz band for a period of 15 years and is currently being used to offer 4G services. Zantel has licenses for facilities and network services to use radio frequency spectrum resources that expire in 2031 and application licenses that expire in 2026. Following the acquisition of Zantel by Millicom Tanzania, an application has been made to merge the licenses so they are co-terminus.

## **Trademarks and licenses**

We own or have rights to some registered trademarks in our business, including Tigo®, Tigo Business®, Tigo Sports®, Tigo Music®, Tigo Money®, Tigo OneTv®, Cable Onda®, Zantel®, Millicom® and The Digital Lifestyle®, among others. Under a number of trademark license agreements and letters of consent, certain operating subsidiaries are authorized to use the Tigo and Millicom trademarks under the applicable terms and conditions.

## **C. Organizational Structure**

The parent company, Millicom International Cellular S.A. ("MIC S.A."), is a Luxembourg public limited liability company (société anonyme). The following table identifies MIC S.A.'s main subsidiaries as of December 31, 2019:

Entity	Country	Activity	Ownership Interest (%)	Voting Interest (%)
<b>Latin America</b>				
Telemovil El Salvador S.A. de C.V.	El Salvador	Mobile, MFS, Cable, DTH	100	100
Millicom Cable Costa Rica S.A.	Costa Rica	Cable, DTH	100	100
Telefonica Celular de Bolivia S.A.	Bolivia	Mobile, DTH, MFS, Cable	100	100
Telefonica Celular del Paraguay S.A.	Paraguay	Mobile, MFS, Cable, PayTV	100	100
Cable Onda S.A.	Panama	Cable, PayTV, Internet, DTH, Fixed-line	80	80
Telefonica Moviles Panama S.A.	Panama	Mobile	80	80
Telefonia Cellular de Nicaragua S.A.	Nicaragua	Mobile	100	100
Colombia Móvil S.A. E.S.P.	Colombia	Mobile	50-1 share	50-1 share
UNE EPM Telecomunicaciones S.A.	Colombia	Fixed-line, Internet, PayTV, Mobile	50-1 share	50-1 share
Edatel S.A. E.S.P.	Colombia	Fixed-line, Internet, PayTV, Cable	50-1 share	50-1 share
<b>Africa</b>				
MIC Tanzania Public Limited Company	Tanzania	Mobile, MFS	98.5	98.5
Zanzibar Telecom Limited	Tanzania	Mobile, MFS	98.5	98.5
<b>Unallocated</b>				
Millicom International Operations S.A.	Luxembourg	Holding Company	100	100
Millicom International Operations B.V.	Netherlands	Holding Company	100	100
Millicom LIH S.A.	Luxembourg	Holding Company	100	100
MIC Latin America B.V.	Netherlands	Holding Company	100	100
Millicom Africa B.V.	Netherlands	Holding Company	100	100
Millicom Holding B.V.	Netherlands	Holding Company	100	100
Millicom International Services LLC	USA	Services Company	100	100
Millicom Services UK Ltd	UK	Services Company	100	100
Millicom Spain S.L.	Spain	Holding Company	100	100

In addition, we provide services in Guatemala primarily through Comcel, a joint venture in which MIC S.A. indirectly holds a 55% equity interest. In Honduras, we provide services through Celtel, a joint venture in which MIC S.A. indirectly holds a 66.67% equity interest. In both Guatemala and Honduras, we entered into our joint ventures at inception of these businesses in the 1990s. At that time, Millicom had limited sources of capital and was investing heavily to deploy mobile operations in many countries around the world; these partners provided local market expertise and reduced Millicom's overall capital needs. Despite the fact that Millicom owns more than 50% of the shares of these entities and has the right to nominate a majority of the directors of each of these entities, all decisions taken by the boards or the shareholders of these companies must be taken by a supermajority vote. This effectively gives either shareholder the ability to veto any decision and therefore neither shareholder has sole control over either entity.

We also own a 50% interest in Bharti Airtel Ghana Holdings B.V, a joint venture with Bharti Airtel to provide mobile services in Ghana. We entered into our joint venture in Ghana in 2017, when we agreed to combine our operations with those of Bharti Airtel, with the objective of gaining scale and to improve both our competitiveness and the profitability of our business in that country. Millicom has the right to nominate half of the directors of this joint venture, but as with the other joint ventures all decisions taken by the board or the shareholders must be taken by a supermajority vote.

## D. Property, Plant and Equipment

### Overview

We own, or have the right to access and use through long-term leases, telecommunications sites and related infrastructure and equipment in all of our markets. In addition, we own, or have the right to access and use through long-term finance leases, tower space, warehouses, office buildings and related telecommunications facilities in all of our markets. We are also party to several site sharing agreements whereby we share our owned telecommunications sites and

related infrastructure and equipment, or lease such property from our counterparties in an effort to maximize the use of telecommunications sites globally. Our leased properties are owned by private individuals, corporations and sovereign states.

Assets used for the provision of cable TV and mobile telephone services include, without limitation:

- switching, transmission and receiving equipment;
- connecting lines (cables, wires, poles and other support structures, conduits and similar items);
- diesel generator sets and air conditioners;
- real property and infrastructure, including telecommunications towers, office buildings and warehouses;
- easements and other rights to use or access real property;
- access roads; and
- other miscellaneous assets (work equipment, furniture, etc.).

## Tower infrastructure

In some of our markets, we have determined that owning passive infrastructure, such as mobile telecommunications towers, no longer confers a competitive advantage. As a result, we have completed a number of sale and lease-back transactions involving some of our tower assets in recent years. These transactions have allowed us to focus our capital investment on other fixed assets, such as network equipment, thereby increasing our network coverage, capacity and the overall quality of our service, while also improving our return on invested capital.

We continue to own a significant number of towers in some of our markets, especially in Central America, and we continuously assess the merits of entering into new sale and lease-back agreements, based in part on the competitive dynamics in our markets, but also on demand and investment appetite by tower companies. Our most recent lease-back agreements typically have (i) an initial 12-year term, with a right for us to renew for up to 10 or 20 years, and (ii) rent denominated and payable in local currency.

In 2017 and 2018, Millicom announced agreements to sell and leaseback wireless communications towers in Paraguay, Colombia and El Salvador to subsidiaries of American Tower Corporation and SBA Communications whereby Millicom agreed to the cash sale of tower assets and to lease back a dedicated portion of each tower to locate its network equipment.

The table below summarizes certain key terms of these transactions and their impact on the Millicom Group:

Signature date	Paraguay	Colombia	El Salvador
	April 26, 2017	July 18, 2017	February 6, 2018
Total number of towers expected to be sold	1,411	1,207	811
Total number of towers transferred as of December 31, 2019	1,411	960	547
Expected total cash proceeds (\$ millions)	127	147	145
Cash proceeds received in 2017 (\$ millions)	75	86	—
Cash proceeds received in 2018 (\$ millions)	41	26	74
Cash proceeds received in 2019 (\$ millions)	11	8	3
Gain on sale recognized in 2017 (\$ millions) (Note B.2)	26	37	—
Gain on sale recognized in 2018 (\$ millions) (Note B.2)	15	13	33
Gain on sale recognized in 2019 (\$ millions) (Note B.2)	—	3	2

For additional information, see note E.4.1. to our audited consolidated financial statements included elsewhere in this Annual Report.

## ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

## ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

*The following discussion of our financial condition and results of operations should be read in conjunction with our audited financial statements for the years ended December 31, 2019, 2018 and 2017, and the notes thereto, included elsewhere in this Annual Report.*

*The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of events may differ materially from those expressed or implied in such forward-looking statements as a result of various factors, including those set forth in “Forward-Looking Statements” and “Item 3. Key Information—D. Risk Factors.”*

### A. Operating Results

#### Factors affecting our results of operations

Our performance and results of operations have been and will continue to be affected by a number of factors and trends, including principally:

- **Macro and socio-demographic factors** that affect demand for and affordability of our services, such as consumer confidence and expansion of the middle class, as well as foreign currency exchange volatility and inflation which can impact our cost structure and profitability. Growth in GDP per capita and expansion of the middle class makes our services affordable to a larger pool of consumers. The emerging markets we serve tend to have younger populations and faster household formation, and produce more children per family, than developed markets, driving demand for our residential services, such as broadband internet and pay-TV. Digitalization of societies leads to more devices connected per household and more data needs. Exposure to inflationary pressures and foreign currency exchange volatility may negatively impact our profitability or make our services more expensive for our customers; in this respect, see “Item 11. Quantitative and Qualitative Disclosures About Risk—Foreign currency risk.”
- **Competitive intensity**, which largely reflects the number of market participants and the financial strength of each. Competitive intensity varies over time and from market to market. Markets tend to be more price competitive and less profitable for us when there are more market participants, and thus any future increase in the number of market participants in any of our markets would likely have a negative effect on our business.
- **Changes in regulation.** Our business is highly-dependent on a variety of licenses granted by regulators in the countries where we operate. Any changes in how regulators award and renew these licenses could impact our business. In particular, our mobile services business requires access to licensed spectrum, and we expect our business and the mobile industry in general will require more spectrum in the future to meet future mobile data traffic needs. In addition, regulators can impose certain constraints and obligations that can have an impact on how we operate the business and on our profitability. For example, in Colombia in 2017, the regulator introduced caps to wholesale rates on mobile services, which forced us to lower our prices for both voice and data services, and it also cut interconnection rates. In 2016, the regulator in Paraguay required that mobile service providers extend to 90 days, from 30 days previously, the minimum expiration of prepaid mobile data allowances; and in El Salvador, the government required us to shut down certain parts of our network near the country’s incarceration facilities.
- **Technological change.** Our business relies on technology that continues to evolve rapidly, forcing us to adapt and deploy new innovations that can impact our investment needs and our cost structure, as well as create new revenue opportunities. This is true for both our mobile and fixed services. With respect to our mobile services, while we are still deploying 4G networks, the industry is already well advanced in planning for the future deployment of 5G, which we expect will drive continued demand for data in the future. With respect to our fixed services, the cable infrastructure we are deploying, largely based on the DOCSIS 3.0 standard, continues to evolve, and we are continuously evaluating alternatives such as DOCSIS 3.1 and FTTH. Over time, 5G and other mobile technologies may also be considered as viable alternatives for fixed services. In the meantime, an important recent trend in the Latin American telecommunications market has been the growth in fixed broadband penetration. We have significantly increased the coverage of our HFC network largely in response to demand for high-speed fixed broadband services. Technological change is also impacting the capabilities of the equipment our customers use, such as mobile handsets and set-top boxes, and potential change in this area may impact demand for our services in the future.

- *Changes in consumer behavior and needs.* In recent years, consumption of mobile services has shifted from voice and SMS to data services due largely to changes in consumer patterns, including for example the adoption and growth of social media, made possible by new smartphones on 4G networks capable of high quality live video streaming.
- *Political changes.* The countries where we operate are characterized as having a high degree of political uncertainty, and electoral cycles can sometimes impact business investment, consumer confidence, and broader economic activity as well as inflation and foreign exchange rates. Moreover, changes in government can sometimes produce significant changes in taxation and regulation of the telecommunications industry that can have a material impact on our business and financial results.

Additional factors and trends affecting our performance and the results of operations are set out in Item 3. Key Information—D. Risk Factors.

## Factors affecting comparability of prior periods

### *Acquisitions*

On February 20, 2019 we announced the agreement with Telefonica S.A. to acquire the entire share capital of Telefónica Móviles Panamá, S.A., Telefónica de Costa Rica TC, S.A. (and its wholly owned subsidiary, Telefónica Gestión de Infraestructura y Sistemas de Costa Rica, S.A.) and Telefonía Celular de Nicaragua, S.A. (together, “Telefonica CAM”) for a combined enterprise value of \$1,650 million (the “Transaction”) payable in cash.

On May 16, 2019, we acquired 100% of Telefonía Celular de Nicaragua, S.A., the number one mobile operator in Nicaragua, adding to our existing cable operations. Since the closing date, we have controlled and therefore fully consolidated Telefonía Celular de Nicaragua, S.A. As of December 31, 2019, Telefonía Celular de Nicaragua, S.A. contributed \$144 million of revenue and a net profit of \$5 million.

On August 29, 2019, we acquired 100% of Telefónica Móviles Panamá, S.A., the leading mobile operator in the Panama. The acquisition was made through Millicom's subsidiary, Cable Onda, the leading cable operator in the country. Since the closing date, we have controlled and therefore fully consolidated Telefónica Móviles Panamá, S.A., with a 20% non-controlling interest. As of December 31, 2019, Telefónica Móviles Panamá, S.A. contributed \$80 million of revenue and a net profit of \$6 million.

As of December 31, 2019, we had not yet completed the acquisition of Telefónica de Costa Rica TC, S.A. (and its wholly owned subsidiary, Telefónica Gestión de Infraestructura y Sistemas de Costa Rica, S.A.).

On December 13, 2018, we acquired a controlling 80% stake in Cable Onda, the largest cable and fixed telecommunications services provider in Panama. Pursuant to the terms of the Stock Purchase Agreement, the transaction closed for cash consideration of \$956 million in addition to which Millicom assumed Cable Onda's debt obligations, including the Corporate Bonds, of which the aggregate principal amount outstanding was \$185 million as of December 31, 2019, as well as other indebtedness. Since the closing date, we have controlled and therefore fully consolidated Cable Onda in our financial statements with a 20% non-controlling interest.

In the years ended December 31, 2019 and 2018, we also completed certain other minor additional acquisitions. See notes A.1.2. and C.6.3 to our audited consolidated financial statements for additional details regarding our acquisitions and the accounting treatment thereof.

### *Discontinued operations*

As a result of the merger of our business in Ghana with another business, and the resulting change in ownership, as well as the sale of our businesses in Senegal, Rwanda and the Democratic Republic of Congo (“DRC”), those businesses have each been classified as assets held for sale (respectively on September 28, 2017, February 2, 2017, January 23, 2018 and February 8, 2016), and their results have been classified as discontinued operations for all periods presented in our consolidated financial statements included herein. For additional details on our discontinued operations, see notes A.4 and E.3 to our audited consolidated financial statements.

### *Ghana*

On March 3, 2017, we and Bharti Airtel Limited (“Airtel”) announced that we had entered into an agreement for MIC S.A.’s subsidiary Tigo Ghana Limited and Airtel’s subsidiary Airtel Ghana Limited to combine their operations in Ghana. As per the agreement, we and Airtel have equal ownership and governance rights in the combined entity. Necessary regulatory approvals were received in September 2017, and the merger was completed on October 12, 2017.

### *Senegal*

On July 28, 2017, we announced that we had agreed to sell our Senegal business to a consortium consisting of NJJ, Sofima (managed by the Axian Group) and the Teylium Group, subject to customary closing conditions and regulatory approvals. On April 19, 2018, the President of Senegal issued an approval decree in respect of the proposed sale. The sale was completed on April 27, 2018.

### *Rwanda*

On December 19, 2017, we announced that we had signed an agreement for the sale of our Rwanda operations to subsidiaries of Airtel. We received regulatory approvals on January 23, 2018 and the sale was subsequently completed on January 31, 2018.

### *DRC*

On February 8, 2016, Millicom announced that it had signed an agreement for the sale of its businesses in the DRC to Orange S.A. The transaction was completed in respect of the mobile business (Oasis S.A.) on April 20, 2016. The separate disposal of the mobile financial services business (DRC Mobile Cash) was completed in September 2016.

### *Chad*

On March 14, 2019, Millicom announced that it had signed an agreement for the sale of its entire operations in Chad to Maroc Telecom. The transaction was completed on June 27, 2019.

## **IFRS 16, IFRS 15 and IFRS 9 adoption**

IFRS 16 “Leases” was effective for periods starting on January 1, 2019 and has been adopted by the Millicom Group as of that date using the modified retrospective approach with the cumulative effect of applying the new standard recognized in retained profits as of January 1, 2019. For a description of the standard and its impact on the Millicom Group, see “Introduction—New and amended IFRS accounting standards” in the notes to our audited consolidated financial statements.

IFRS 15 “Revenue from contracts with customers” and IFRS 9 “Financial instruments” were effective for annual periods starting on January 1, 2018 and have been adopted by the Millicom Group as of that date using the modified retrospective approach. For a description of the standard and its impact on the Millicom Group, see “Introduction—New and amended IFRS accounting standards” in the notes to our audited consolidated financial statements.

## **Guatemala and Honduras Joint Ventures**

Though we hold majority ownership interests in the entities that conduct each of the Guatemala and Honduras joint ventures, the boards of directors are composed of equal numbers of directors from Millicom and from our respective partners, and the shareholders’ agreements for each entity require unanimous board approval for key decisions relating to the activities of these entities. As such, we have determined that neither party controls the entities, and we therefore account for our investments in these entities as equity method investments.

We report our share of the net income of the Guatemala and Honduras joint ventures in our consolidated statement of income under the caption “Share of profit in our joint ventures in Guatemala and Honduras.”

For additional details on the Guatemala and Honduras joint ventures, see note A.2 to our audited consolidated financial statements.

Comcel, our principal Guatemala joint venture company in which we hold a 55% ownership interest but which we do not control, met the income threshold as a significant investee accounted for by the equity method for purposes of Rule 3-09 of Regulation S-X for the years ended December 31, 2019, 2018 and 2017. As permitted by Rule 3-09, the financial statements for Comcel will be separately provided in an amendment to this Form 20-F.

## **Our segments**

Our management determines operating and reportable segments based on the reports that are used by the chief operating decision maker to make strategic and operational decisions from both a business and geographic perspective. The Millicom Group’s risks and rates of return for its operations are predominantly affected by operating in different geographical regions. The Millicom Group has businesses in two main regions, Latin America and Africa, which constitute our two segments. Our Latin America segment includes the Guatemala and Honduras joint ventures as if they were fully consolidated, as this reflects the way our management reviews and uses internally reported information to make decisions about operating matters and to provide increased transparency to investors on those operations. Our Africa segment does not include our joint venture in Ghana because our management does not consider it a strategic part of our group.



## Our customer base

We generate revenue mainly from the mobile and cable and other fixed services that we provide and, to a lesser extent, from the sale of telephone and other equipment. For a description of our services, see “Item 4. Information on the Company—B. Business Overview—Our services.” Our results of operations are therefore dependent on both the size of our customer base and on the amount that customers spend on our services.

We measure the amount that customers spend on our services using a telecommunications industry metric known as ARPU, or average revenue per user per month. We define ARPU for our Mobile customers as (x) the total mobile and mobile financial services revenue (excluding revenue earned from tower rentals, call center, data and mobile virtual network operator, visitor roaming, national third parties roaming and mobile telephone equipment sales revenue) for the period, divided by (y) the average number of Mobile subscribers for the period, divided by (z) the number of months in the period. We define ARPU for our Home customers in our Latin America segment as (x) the total Home revenue (excluding equipment sales, TV advertising and equipment rental) for the period, divided by (y) the average number of customer relationships for the period, divided by (z) the number of months in the period. ARPU is not subject to a standard industry definition and our definition of ARPU may be different to other industry participants.

We provide certain customer data below that we believe will assist investors in understanding our performance and to which we refer later in this section in discussing our results of operations.

### *Mobile customers by segment*

	As of December 31,		
	2019	2018	2017
	(in thousands, except where noted)		
Latin America	39,846	33,691	33,141
of which are 4G customers	15,398	10,487	7,230
Mobile customer ARPU (in U.S. dollars)	\$ 7.3	\$ 7.9	\$ 8.2
Africa	12,686	12,724	11,430
of which are 4G customers	865	456	261
Mobile customer ARPU (in U.S. dollars)	\$ 2.5	\$ 2.6	\$ 2.7

### *Mobile customers by country in our Latin America segment*

	As of December 31,		
	2019	2018	2017
	(in thousands)		
Bolivia	3,716	3,604	3,433
Colombia	9,421	8,601	8,139
El Salvador	2,564	2,590	2,897
Guatemala	10,817	10,941	10,386
Panama	1,766	—	—
Honduras	4,639	4,678	4,821
Nicaragua	3,427	—	—
Paraguay	3,496	3,278	3,465

### *Mobile customers by country in our Africa segment*

	As of December 31,		
	2019	2018	2017
	(in thousands)		
Tanzania (incl. Zantel)	12,686	12,724	11,430

Home customers in our Latin America segment

	As of December 31,		
	2019	2018	2017
	(in thousands, except where noted)		
Total homes passed	11,842	11,008	9,076
Total customer relationships	4,341	4,133	3,303
HFC homes passed	11,460	10,562	8,446
HFC customer relationships	3,456	3,103	2,329
HFC RGUs	6,948	6,203	4,367
Home ARPU (in U.S. dollars)	\$ 29.3	\$ 28.1	\$ 28.3

**Results of operations**

We have based the following discussion on our consolidated financial statements included elsewhere in this Annual Report. You should read it along with these financial statements, and it is qualified in its entirety by reference to them. Our results of operations in periods subsequent to December 31, 2019 will be affected by, among other things, our recent acquisitions and discontinued operations. See “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Factors affecting comparability of prior periods.”

**Consolidated results of operations for the years ended December 31, 2019 and 2018**

The following table sets forth certain consolidated statement of income data for the periods indicated:

	Year ended December 31,		Percentage Change
	2019 (i)	2018 (ii)	
	(U.S. dollars in millions, except percentages)		
Revenue	4,336	3,946	9.9 %
Cost of sales	(1,201)	(1,117)	7.5 %
<b>Gross profit</b>	<b>3,135</b>	<b>2,829</b>	<b>10.8 %</b>
Operating expenses	(1,604)	(1,616)	(0.8)%
Depreciation	(825)	(662)	24.5 %
Amortization	(275)	(140)	95.9 %
Share of profit in our joint ventures in Guatemala and Honduras	179	154	16.0 %
Other operating income (expenses), net	(34)	75	NM
<b>Operating profit</b>	<b>575</b>	<b>640</b>	<b>(10.1)%</b>
Interest and other financial expenses	(564)	(367)	53.7 %
Interest and other financial income	20	21	(4.6)%
Other non-operating (expenses) income, net	227	(39)	NM
Loss from other joint ventures and associates, net	(40)	(136)	(70.3)%
<b>Profit before taxes from continuing operations</b>	<b>218</b>	<b>119</b>	<b>82.6 %</b>
Charge for taxes, net	(120)	(112)	7.2 %
<b>Profit for the year from continuing operations</b>	<b>97</b>	<b>7</b>	<b>NM</b>
Profit (loss) for the year from discontinued operations, net of tax	57	(33)	NM
<b>Net profit (loss) for the year</b>	<b>154</b>	<b>(26)</b>	<b>NM</b>

- (i) IFRS 16 was adopted as of January 1, 2019, using the modified retrospective method; previous periods were therefore not restated and might not be directly comparable. See "Introduction—New and amended IFRS accounting standards" in the notes to our audited consolidated financial statements included elsewhere in this Annual Report for additional details regarding the impact of the adoptions.
- (ii) Restated for discontinued operations.

#### *Revenue*

Revenue increased by 9.9% for the year ended December 31, 2019 to \$4,336 million from \$3,946 million for the year ended December 31, 2018. The increase in revenue was primarily due to additional revenue of \$395 million related to a full year of Cable Onda's revenue in Panama following the completion of the acquisition in December of 2018, the positive \$144 million impact from the Nicaragua mobile acquisition in May of 2019 and the positive \$81 million impact from the Panama mobile acquisition in August of 2019, partially offset by weaker currencies in some of our markets.

Colombia represented over 35%, Paraguay, Bolivia and Panama each represented between 11% and 15%, and no other country represented more than 10% of our consolidated revenue in 2019 and 2018. Panama experienced the highest relative increase in revenues of \$458 million, as a result of the first full year of operations after the acquisition of Cable Onda in December of 2018, as well as the acquisition of the mobile business in August of 2019. Revenue in Nicaragua increased by \$144 million due to the acquisition of the mobile business in May of 2019. Revenue in Bolivia grew by 4.2% due to strong growth in our Cable and other fixed business services. Revenue in Colombia declined by 7.8% due to a weaker average FX rate for the Colombian Peso. El Salvador revenue declined by 4.5% as revenue from prepaid mobile services declined in 2019.

#### *Cost of sales*

Cost of sales increased by 7.5% for the year ended December 31, 2019 to \$1,201 million from \$1,117 million for the year ended December 31, 2018. The increase was mainly due to the impact of acquisition of mobile operations in Panama and in Nicaragua.

#### *Operating expenses*

Operating expenses decreased by 0.8% for the year ended December 31, 2019 to \$1,604 million from \$1,616 million for the year ended December 31, 2018. The decrease was mainly due to lower general and administrative expenses.

#### *Depreciation*

Depreciation increased by 24.5% for the year ended December 31, 2019 to \$825 million from \$662 million for the year ended December 31, 2018. The increase was mainly due to the adoption of IFRS 16, which increased depreciation by \$109 million compared to what it would have been if we had continued to follow IAS 17 in the year ended December 31, 2019, and the acquisition of our operations in Panama and Nicaragua, which increased depreciation, partially offset by a reduction in depreciation due to weaker currencies, particularly in Colombia and Paraguay.

#### *Amortization*

Amortization increased by 95.9% for the year ended December 31, 2019 to \$275 million from \$140 million for the year ended December 31, 2018. The increase was mainly related to our acquisitions in Panama and Nicaragua, which increased amortization by \$129 million for the year ended December 31, 2019.

#### *Share of profit in our joint ventures in Guatemala and Honduras*

Share of profit in our joint ventures in Guatemala and Honduras increased by 16.0% for the year ended December 31, 2019 to \$179 million from \$154 million for the year ended December 31, 2018. The increase was mainly due to growth of the net profits generated in both Guatemala and Honduras. In Guatemala, the increase in net profits came mostly from increased revenue, lower operating expenses due to lower general and administrative costs during the year, and lower levels of FX losses in the year ended December 31, 2019. In Honduras, the increase in net profit was mainly due to an increase in revenues as well as lower levels of FX losses in the year ended December 31, 2019.

#### *Other operating income (expenses), net*

Other operating income (expenses), net, decreased by \$110 million for the year ended December 31, 2019 to an expense of \$34 million from an income of \$75 million for the year ended December 31, 2018. The expense for the year ended December 31, 2019 was mainly due to a loss from the disposal of equity investments, while the income for the year ended December 31, 2018 was mainly due to gains registered from the sale of towers in El Salvador, Paraguay and Colombia.

#### *Interest and other financial expenses*

Interest and other financial expenses increased by 53.7% for the year ended December 31, 2019 to \$564 million from \$367 million for the year ended December 31, 2018. The increase was mainly due to higher gross debt as a result of incurring debt to fund the acquisitions in Panama and Nicaragua, as well as the adoption of IFRS 16 which added \$72 million to interest expense.

#### *Interest and other financial income*

Interest and other financial income decreased by 4.6% for the year ended December 31, 2019 to \$20 million from \$21 million for the year ended December 31, 2018. The slight decrease was mainly due to lower average cash and cash equivalents balances during 2019 as compared to 2018.

#### *Other non-operating (expenses) income, net*

Other non-operating (expenses) income, net increased by \$266 million for the year ended December 31, 2019 to an income of \$227 million from an expense of \$39 million for the year ended December 31, 2018. The increase largely reflects a non-cash net loss of \$38 million related to the revaluation of our stake in Jumia, which completed an initial public offering during 2019 and which is accounted for as a financial asset at fair value and is offset by a net gain of \$312 million related to the gain from disposal and revaluation of our stake in Helios Towers Africa, which completed an initial public offering during 2019, and which is accounted for as a financial asset at fair value.

#### *Loss from other joint ventures and associates, net*

Loss from other joint ventures and associates, net decreased by 70.3% for the year ended December 31, 2019 to a loss of \$40 million from a loss of \$136 million for the year ended December 31, 2018. The decrease was mainly due to the derecognition of Jumia as investment in associates in January. For the year ended December 31, 2018, the Group's share of results from Jumia and Helios Towers associates was a loss of \$66 million. In addition, the decrease was related as well to a lower share of loss from the joint venture in Ghana during 2019 compared to 2018.

#### *Charges for taxes, net*

Charges for taxes, net increased by 7.2% for the year ended December 31, 2019 to \$120 million from \$112 million for the year ended December 31, 2018. The increase was mainly due to the inclusion of the Telefonica and Cable Onda operations.

The main components of charges for taxes, net are the income tax generated by most of the operations in our Latin America segment and the withholding tax we pay when cash is upstreamed from our local operations to MIC S.A. We also have net losses mainly in our corporate entities that reduce our profit before taxes and for which no deferred tax asset is recognized due to the history of losses in such entities. As a result, our effective tax rate is generally above our average statutory tax rate. Moreover, due to the jurisdictional differences and mix, we do not have the opportunity to offset tax expense with accumulated tax loss carry-forwards.

#### *Net profit (loss) for the year*

Net profit (loss) for the year increased by \$180 million for the year ended December 31, 2019 to a profit of \$154 million from a loss of \$26 million for the year ended December 31, 2018. Profit (loss) for the year from continuing operations increased by \$90 million for the year ended December 31, 2019 to a profit of \$97 million from a profit of \$7 million for the year ended December 31, 2018 for the reasons stated above. Profit (loss) for the year from discontinued operations, net of tax increased by \$90 million for the year ended December 31, 2019 to a profit of \$57 million from a loss of \$33 million for the year ended December 31, 2018. The increase in profit (loss) for the year from discontinued operations, net of tax was mainly due to the complete disposal of our Rwanda and Senegal operations that were included in this line during the first quarter of 2018 as well as the complete disposal of our Chad operations that were included in this line for the entirety of 2018.

#### ***Segment results of operations for the years ended December 31, 2019 and 2018***

Our Latin America segment includes the Guatemala and Honduras joint ventures as if they were fully consolidated, as this reflects the way our management reviews and uses internally reported information to make decisions about operating matters. Our Africa segment does not include our joint venture in Ghana because our management does not consider it a strategic part of our group. See “—Our segments” above.

The following table sets forth certain segment data, which has been extracted from note B.3 to our audited consolidated financial statements, where segment data is reconciled to consolidated data, for the periods indicated:

	Year ended December 31,				Percentage Change	
	2019		2018			
	Latin America	Africa	Latin America	Africa	Latin America	Africa
	(U.S. dollars in millions, except percentages)					
Mobile revenue	3,258	372	3,214	388	1.4%	(4.0)%
Cable and other fixed services revenue	2,197	9	1,808	10	21.5%	(13.1)%
Other revenue	60	1	48	1	25.5%	(38.4)%
<b>Service revenue</b>	5,514	382	5,069	398	8.8%	(4.2)%
Telephone and equipment revenue	449	—	415	—	8.2%	NM
<b>Revenue</b>	5,964	382	5,485	399	8.7%	(4.2)%
<b>Operating profit</b>	1,006	24	995	25	1.1%	(2.6)%
<b>Add back:</b>						
Depreciation and amortization	1,435	99	1,133	80	26.7%	24.5 %
Other operating income (expenses), net	2	(2)	(51)	(3)	NM	(35.9)%
<b>EBITDA</b>	2,443	122	2,077	102	17.6%	19.4 %

The following table sets forth revenue from continuing operations by country for certain of the countries in our Latin America segment (i):

	Year ended December 31,		Percentage Change
	2019	2018	
	(U.S. dollars in millions, except percentages)		
Colombia	1,532	1,661	(7.8)%
Guatemala	1,434	1,373	4.5 %
Panama	475	17	nm
Paraguay	610	679	(10.2)%
Honduras	594	586	1.4 %
Bolivia	639	614	4.2 %
El Salvador	387	405	(4.5)%

(i) The revenue figures above are shown before intercompany eliminations.

#### Segment revenue

Revenue of our Latin America segment increased by 8.7% for the year ended December 31, 2019 to \$5,964 million from \$5,485 million for the year ended December 31, 2018. The increase in revenue was due to an increase in our service revenue. The increase in our service revenue was due to an increase in Cable and other fixed services revenue caused by the acquisition of Cable Onda and organic growth driven by the cable business in all of our markets. Additionally, the increase in revenue was due to an increase in Mobile revenue due to the mobile acquisitions in Panama and Nicaragua during 2019. These increases in service revenue were partially offset by a decrease in Mobile organic growth caused by macroeconomic slowdowns as well as increased competition in Bolivia, Paraguay and Guatemala. Our Latin America segment revenue was also negatively impacted by weaker foreign exchange rates in several of the countries which we operate.

Following the disposal of our Chad operations during 2019, our Africa segment operations now consist of Tanzania, including Zantel. Revenue of our Africa segment decreased by 4.2% for the year ended December 31, 2019 to \$382 million from \$399 million for the year ended December 31, 2018. The decrease was mainly due to the impact of lower interconnection rates as well as increased competition.

#### *Segment operating profit*

Operating profit of our Latin America segment increased by 1.1% for the year ended December 31, 2019 to \$1,006 million from \$995 million for the year ended December 31, 2018. The increase was primarily attributable to revenue growth coupled with the positive impact from IFRS 16.

Operating profit of our Africa segment decreased by 2.6% for the year ended December 31, 2019 to \$24 million from \$25 million for the year ended December 31, 2018. The decrease was mainly due to lower revenues and a \$21 million regulatory fine.

#### *Segment EBITDA*

Segment EBITDA is segment operating profit excluding, depreciation and amortization and other operating income (expenses), net which includes impairment losses and gains/losses on the disposal of fixed assets attributable to the segment. Segment EBITDA is used by the management to monitor the segmental performance and for capital management and is further detailed in note B.3. Segment Information in the consolidated financial statements.

EBITDA of our Latin America segment increased by 17.6% for the year ended December 31, 2019 to \$2,443 million from \$2,077 million for the year ended December 31, 2018. The increase was attributable to including a full year of Cable Onda as well as the inclusion of the mobile acquisitions in Panama and Nicaragua and a \$170.6 million increase resulting from the adoption of IFRS 16, partially offset by weaker currency exchange rates. On an organic basis, having deducted the 8.2 percentage points of positive impact from accounting changes (i.e., the effect of the implementation of IFRS 16 as of January 1, 2019), deducted the 11.9 percentage points positive impact of mobile Panama and Nicaragua acquisitions (which were acquired during 2019), added the 5.0 percentage points negative impact of foreign currency fluctuations between the periods, and added 0.4 percentage points of other impacts resulting from the net effect of small differences that result from calculating organic growth using different baselines for each period, EBITDA of our Latin America segment would have increased by 2.1%.

EBITDA of our Africa segment increased by 19.4% for the year ended December 31, 2019 to \$122 million from \$102 million for the year ended December 31, 2018. The increase was mainly due to the adoption of IFRS 16, which added \$34.4 million to EBITDA.

## Consolidated results of operations for the years ended December 31, 2018 and 2017

The following table sets forth certain consolidated statement of income data for the periods indicated:

	Year ended December 31,		
	2018 (i) (ii)	2017 (i) (ii)	Percentage Change
	(U.S. dollars in millions, except percentages)		
Revenue	3,946	3,936	0.3 %
Cost of sales	(1,117)	(1,169)	(4.4)%
<b>Gross profit</b>	2,829	2,767	2.3 %
Operating expenses	(1,616)	(1,531)	5.6 %
Depreciation	(662)	(670)	(1.1)%
Amortization	(140)	(142)	(1.2)%
Share of profit in the joint ventures in Guatemala and Honduras	154	140	9.8 %
Other operating income (expenses), net	75	69	9.2 %
<b>Operating profit</b>	640	632	1.2 %
Interest and other financial expenses	(367)	(389)	(5.8)%
Interest and other financial income	21	16	31.6 %
Other non operation income/expenses	(39)	(2)	NM
Profit (loss) from other joint ventures and associates, net	(136)	(85)	59.1 %
<b>Profit (loss) before taxes from continuing operations</b>	119	172	(30.5)%
Charge for taxes, net	(112)	(162)	(30.6)%
<b>Profit (loss) for the year from continuing operations</b>	7	10	(28.7)%
Profit (loss) from discontinued operations, net of tax	(33)	60	NM
<b>Net profit (loss) for the year</b>	(26)	69	NM

(i) IFRS 16 was adopted as of January 1, 2019, using the modified retrospective method; previous periods were therefore not restated and might not be directly comparable. IFRS 15 and IFRS 9 were adopted as of January 1, 2018, using the modified retrospective method; previous periods were therefore not restated and might also not be directly comparable. See "Introduction—New and amended IFRS accounting standards" in the notes to our audited consolidated financial statements included elsewhere in this Annual Report for additional details regarding the impact of the adoptions.

(ii) Restated for discontinued operations

### Revenue

Revenue increased by 0.3% for the year ended December 31, 2018 to \$3,946 million from \$3,936 million for the year ended December 31, 2017. Year-over-year revenue increased due to an increase in mobile and fixed data as well as Home revenue. The implementation of IFRS 15 had a modest impact as it reduced our 2018 revenue by \$77 million, as compared to what our results would have been if we had continued to follow the IAS 18 standard in the year-end 2018. Most of the impact on revenue relates to the change in how we present the results of wholesale international traffic. Revenue for a portion of this business are now presented on a net basis. This change in presentation produced a reduction in revenue of \$87 million for the full year 2018. Included in our 2017 results for this business were revenue of \$119 million for the full year.

Colombia represented over 42%, Paraguay, Bolivia and El Salvador each represented between 10% and 17%, and no other country represented more than 10% of our consolidated revenue in 2018 and 2017. Bolivia experienced the highest relative increase in revenues of \$58 million, or 10.5%, as a result of robust growth in B2C Home, which benefited from the continued expansion of our HFC network and from strong demand especially for residential broadband services and mobile data adoption. Revenue in Paraguay grew 2.5% with strong performance of 4G and mobile data adoption. Revenue in Colombia declined by 4.5% due to the implementation of IFRS 15, which affected how we present the results of our wholesale international traffic, and due to a weaker average FX rate for the Colombian Peso. El Salvador recorded a revenue decline of 4.1% as our operations there continue to be more exposed than the rest of our Latin America markets to voice and SMS revenue that continues to decline and to

operational challenges that began in 2017 and continued to impact our performance for most of 2018.

#### *Cost of sales*

Cost of sales decreased by 4.4% for the year ended December 31, 2018 to \$1,117 million from \$1,169 million for the year ended December 31, 2017. The increase was mainly due to higher costs associated with our increasing fixed service revenue such as pay-TV which incurs programming costs and B2B services that traditionally have lower gross margins, partially offset by the adoption of IFRS 15 which reduced costs by \$48 million because of the phone subsidies now being partly recorded in cost of sales.

#### *Operating expenses*

Operating expenses increased by 5.6% for the year ended December 31, 2018 to \$1,616 million from \$1,531 million for the year ended December 31, 2017. The increase was mainly due to approximately \$50 million of one-off charges, net of gains, related mostly to the Cable Onda acquisition, as well as to our U.S. listing, the restructuring of our regional Africa operations, and to the relocation of certain functions from Luxembourg to our regional Latin America office.

#### *Depreciation*

Depreciation decreased by 1.1% for the year ended December 31, 2018 to \$662 million from \$670 million for the year ended December 31, 2017. The decrease was mainly due to our operations in Colombia, where some assets related to our copper network have been fully depreciated.

#### *Amortization*

Amortization decreased by 1.2% for the year ended December 31, 2018 to \$140 million from \$142 million for the year ended December 31, 2017. The decrease was mainly due to the full amortization of some assets recognized as part of the purchase accounting in Colombia which was partially offset by the impact of the Cable Onda acquisition that added \$9.0 million to the amortization expense in the last quarter of 2018.

#### *Share of profit in our joint ventures in Guatemala and Honduras*

Share of profit in our joint ventures in Guatemala and Honduras increased by 9.8% for the year ended December 31, 2018 to \$154 million from \$140 million for the year ended December 31, 2017. The increase was due to growth of the net profits generated in both Guatemala and Honduras. The increase in net profits came principally from steady revenue and operating profit growths in Guatemala and Honduras.

#### *Other operating income (expenses), net*

Other operating income (expenses), net increased by \$6 million for the year ended December 31, 2018 to an income of \$75 million from an income of \$69 million for the year ended December 31, 2017. The increase was mainly due to gains registered from the sale of towers in El Salvador, Paraguay and Colombia. See “Item 4. Information on the Company—D. Property, Plant and Equipment—Tower infrastructure.”

#### *Interest and other financial expenses*

Interest and other financial expenses decreased by 5.8% for the year ended December 31, 2018 to \$367 million from \$389 million for the year ended December 31, 2017. The decrease was mainly due to lower gross debt as well as lower costs associated with refinancing during 2018 compared to 2017, partially offset by additional finance lease expenses associated with the tower sale and lease back transactions in El Salvador, Colombia and Paraguay.

#### *Interest and other financial income*

Interest and other financial income increased by 31.6% for the year ended December 31, 2018 to \$21 million from \$16 million for the year ended December 31, 2017. The increase was mainly due to higher average cash and cash equivalents balances during 2018 as compared to 2017.

#### *Other non-operating (expenses) income, net*

Other non-operating (expenses) income, increased by \$37 million for the year ended December 31, 2018 to an expense of \$39 million from an expense of \$2 million for the year ended December 31, 2017. The decrease was mainly due to higher foreign exchange losses in 2018.

#### *Loss from other joint ventures and associates, net*



Loss from other joint ventures and associates, net increased by 59.1% for the year ended December 31, 2018 to a loss of \$136 million from a loss of \$85 million for the year ended December 31, 2017. The increase in the loss was mainly due to losses in Ghana. Our Ghana operations were first accounted for as a joint venture on October 12, 2017 .

#### *Charges for taxes, net*

Charges for taxes, net decreased by 30.6% for the year ended December 31, 2018 to \$112 million from \$162 million for the year ended December 31, 2017. The decrease was mainly due to lower taxes at the corporate level and higher utilization of deferred tax assets in 2018 compared to 2017.

The main components of charges for taxes, net are the income tax generated by most of the operations in our Latin America segment and the withholding tax we pay when cash is upstreamed from our local operations to MIC S.A. We also have net losses in our Africa segment and associates, as well as in our corporate entities that, in the aggregate, reduce our profit before taxes and for which no deferred tax asset is recognized due to the history of losses in such entities. As a result, our effective tax rate is generally above our average statutory tax rate. Moreover, due to the jurisdictional differences and mix, we do not have the opportunity to offset tax expense with accumulated tax loss carryforwards.

#### *Net profit (loss) for the year*

Net profit for the year decreased by \$95 million for the year ended December 31, 2018 to a loss of \$26 million from a gain of \$69 million for the year ended December 31, 2017. Profit for the year from continuing operations decreased by \$3 million for the year ended December 31, 2018 to a profit of \$7 million from a profit of \$10 million for the year ended December 31, 2017 for the reasons stated above. Profit (loss) for the year from discontinued operations, net of tax decreased by \$92 million for the year ended December 31, 2018 to a loss of \$33 million from a profit of \$60 million for the year ended December 31, 2017. The decrease in profit for the year from discontinued operations, net of tax, was mainly due to a loss recognized on the disposal of the Millicom Group's Rwanda operations in 2018.

#### ***Segment results of operations for the years ended December 31, 2018 and 2017***

Our Latin America segment includes the Guatemala and Honduras joint ventures as if they were fully consolidated, as this reflects the way our management reviews and uses internally reported information to make decisions about operating matters. Our Africa segment does not include our joint venture in Ghana because our management does not consider it a strategic part of our group. See “—Our segments” above.

The following table sets forth certain segment data, which has been extracted from note B.3 to our audited consolidated financial statements, where segment data is reconciled to consolidated data, for the periods indicated:

	Year ended December 31,				Percentage Change	
	2018		2017			
	Latin America	Africa	Latin America	Africa	Latin America	Africa
	(U.S. dollars in millions, except percentages)					
Mobile revenue	3,214	388	3,283	374	(2.1)%	3.7 %
Cable and other fixed services revenue	1,808	10	1,755	9	3.0 %	12.5 %
Other revenue	48	1	40	2	18.5 %	(55.2)%
<b>Service revenue</b>	5,069	398	5,078	385	(0.2)%	3.5 %
Telephone and equipment revenue	415	—	363	1	14.4 %	NM
<b>Revenue</b>	5,485	399	5,441	386	0.8 %	3.3 %
<b>Operating profit (loss)</b>	995	25	899	28	10.6 %	(11.6)%
<b>Add back:</b>						
Depreciation and amortization	1,133	80	1,174	81	(3.6)%	(1.1)%
Other operating income (expenses), net	(51)	(3)	(49)	(11)	2.1 %	(77.7)%
<b>EBITDA</b>	2,077	102	2,024	97	2.6 %	4.7 %

The following table sets forth revenue from continuing operations by country for certain of the countries in our Latin America segment:

	Year ended December 31,		Percentage Change
	2018	2017	
(U.S. dollars in millions, except percentages)			
Colombia	1,661	1,739	(4.5)%
Guatemala	1,373	1,328	3.4 %
Paraguay	679	662	2.5 %
Honduras	586	585	0.1 %
Bolivia	614	555	10.5 %
El Salvador	405	422	(4.1)%

#### *Segment revenue*

Revenue of our Latin America segment increased by 0.8% for the year ended December 31, 2018 to \$5,485 million from \$5,441 million for the year ended December 31, 2017. The increase in revenue was due to an increase in our telephone and equipment revenue, partially offset by a decrease in our service revenue. The increase in telephone and equipment revenue was mainly due to the lower average price of 4G devices leading to increased sales. The decrease in our service revenue was primarily attributable to weaker FX rates prevalent in the last quarter of 2018 that was partially offset by growth of revenue from fixed services, with Cable and other fixed services increasing as a result of an increased number of customer relationships, particularly in Paraguay, Guatemala and Bolivia, and B2B increasing as a result of higher voice and data traffic, particularly in Colombia. Mobile declined slightly, with mobile data almost offsetting the decline in mobile voice and SMS, and as a relative proportion of our Latin America segment revenue. However, mobile service revenue continued to represent over 60% of our Latin America segment revenue.

Revenue of our Africa segment increased by 3.3% for the year ended December 31, 2018 to \$399 million from \$386 million for the year ended December 31, 2017. The year-over-year revenue of our Africa segment increased due to an increase in mobile revenue driven by subscriber additions in Tanzania.

#### *Segment operating profit*

Operating profit of our Latin America segment increased by 10.6% for the year ended December 31, 2018 to \$995 million from \$899 million for the year ended December 31, 2017. The increase was primarily attributable to revenue growth coupled with a reduction in depreciation and amortization, primarily in Colombia where some assets recognized as part of the purchase accounting in Colombia were fully amortized during 2018 whereas amortization continued throughout all of 2017.

Operating profit of our Africa segment decreased by 11.6% for the year ended December 31, 2018 to \$25 million from \$28 million for the year ended December 31, 2017. The decrease was mainly due lower gains on disposal of assets.

#### *Segment EBITDA*

Segment EBITDA is segment operating profit excluding, depreciation and amortization and other operating income (expenses), net which includes impairment losses and gains/losses on the disposal of fixed assets attributable to the segment. Segment EBITDA is used by the management to monitor the segmental performance and for capital management.

EBITDA of our Latin America segment increased by 2.6% for the year ended December 31, 2018 to \$2,077 million from \$2,024 million for the year ended December 31, 2017. The increase was attributable to growth in revenues driven by handset and equipment sales and higher revenue from fixed services as well as to cost control measures.

EBITDA of our Africa segment increased by 4.7% for the year ended December 31, 2018 to \$102 million from \$97 million for the year ended December 31, 2017. The increase was mainly due to the increase in revenue and cost control measures.

#### **Other Financial Data**

	Year ended December 31,	
	2019(i)	2018(ii) (iii)
<b>Consolidated:</b>		
Net cash provided by operating activities	801	792
Net cash used in investing activities	(1,502)	(1,199)
Net cash provided by financing activities	1,355	341
Operating free cash flow <sup>(1)</sup>	425	383
Free cash flow <sup>(1)</sup>	(45)	85
Equity free cash flow <sup>(1)</sup>	179	326
<b>Latin America segment:</b>		
Service revenue	5,514	5,069
Telephone and equipment revenue	449	415
Revenue	5,964	5,485
Revenue growth	8.7%	0.8%
Revenue organic growth <sup>(2)</sup>	2.8%	3.5%
Service revenue growth	8.8%	(0.2)%
Service revenue organic growth <sup>(2)</sup>	2.2%	4.3%

- (i) IFRS 16 was adopted as of January 1, 2019, using the modified retrospective method; previous periods were therefore not restated and might not be directly comparable. See "Introduction—New and amended IFRS accounting standards" in the notes to our audited consolidated financial statements included elsewhere in this Annual Report for additional details regarding the impact of the adoptions.
- (ii) IFRS 15 and IFRS 9 were adopted as of January 1, 2018, using the modified retrospective method; previous periods were therefore not restated and might not be directly comparable. See "Introduction - New and amended IFRS accounting standards" in the notes to our audited consolidated financial statements included elsewhere in this Annual Report for additional details regarding the impact of the adoptions.
- (iii) Restated for discontinued operations.

## **(1) Free Cash Flow Measures**

### ***Operating free cash flow***

Operating free cash flow is a non-IFRS measure and is not a uniformly or legally defined financial measure. Operating free cash flow is not a substitute for IFRS measures in assessing our overall financial performance. Because Operating free cash flow is not determined in accordance with IFRS, and is susceptible to varying calculations, Operating free cash flow may not be comparable to other similarly titled measures presented by other companies. Operating free cash flow is included in this report because it is used by our management, and we believe may be useful to investors, to evaluate our core operational cash flow performance from period to period, as reflected in the adjustments in the reconciliation table below. Operating free cash flow has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for an analysis of our results as reported under IFRS.

### ***Free cash flow***

Free cash flow is a non-IFRS measure and is not a uniformly or legally defined financial measure. Free cash flow is not a substitute for IFRS measures in assessing our overall financial performance. Because Free cash flow is not determined in accordance with IFRS, and is susceptible to varying calculations, Free cash flow may not be comparable to other similarly titled measures presented by other companies. Free cash flow is included in this report because it is used by our management, and we believe may be useful to investors, to evaluate our cash flow performance from period to period as it reflects the operating free cash flow generated as described above after net finance charges paid. Free cash flow has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for an analysis of our results as reported under IFRS.

### ***Equity free cash flow***

Equity free cash flow is a non-IFRS measure and is not a uniformly or legally defined financial measure. Equity free cash flow is not a substitute for IFRS measures in assessing our overall financial performance. Because Equity free cash flow is not determined in accordance with IFRS, and is susceptible to varying calculations, Equity free cash flow may not be comparable to other similarly titled measures presented by other companies. Equity free cash flow is included in this report because it is used by our management, and we believe may be useful to investors, to evaluate our cash flow performance from period to period as it reflects our non-IFRS Free cash flow as described above with the addition of dividends or advances received from our joint venture operations (namely Guatemala and Honduras) and the deduction dividends paid to non-controlling interests. Equity free cash flow has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for an analysis of our results as reported under IFRS.

The following table shows a reconciliation from Net cash provided by operating activities to Operating free cash flow, Free cash flow and Equity free cash flow for the Millicom Group:

	Year ended December 31,	
	2019(i)	2018(ii) (iii)
Net cash provided by operating activities	801	792
Purchase of property, plant and equipment	(736)	(632)
Proceeds from sale of property, plant and equipment	24	154
Proceeds from sale of towers part of tower sale and leaseback transactions	(22)	(142)
Purchase of intangible assets	(171)	(148)
Proceeds from sale of intangible assets	—	—
Purchase of spectrum and licenses	59	61
Finance charges paid, net	470	298
Operating free cash flow	425	383
Interest (paid), net	(470)	(298)
Free cash flow	(45)	85
Dividends received from joint ventures (Guatemala and Honduras)	237	243
Dividends paid to non-controlling interests	(13)	(2)
Equity free cash flow	179	326

### ***(2) Revenue and Service Revenue Organic Growth***

Revenue Organic Growth and Service Revenue Organic Growth are non-IFRS measures and are not uniformly or legally defined financial measures. Revenue Organic Growth and Service Revenue Organic Growth are not substitutes for IFRS measures in assessing our overall operating performance. Because Revenue Organic Growth and Service Revenue Organic Growth are not determined in accordance with IFRS, and are susceptible to varying calculations, Revenue Organic Growth and Service Revenue Organic Growth may not be comparable to other similarly titled measures presented by other companies.

Revenue Organic Growth and Service Revenue Organic Growth are included in this report because our management uses these measures to evaluate our core revenue generating performance from period to period, having eliminated (1) the impact of revenue from businesses acquired during the most recent period (such as Telefonica Panama and Telefonía Nicaragua in 2019) and the contribution to revenue of businesses disposed of (such as Rwanda, Senegal in 2018 and Chad in 2019) during either period (“change in perimeter”), (2) the impact of accounting changes (such as the removal of the impact of IFRS 15 adoption in 2018) (3) currency fluctuations, and (4) other, which captures the net effect of small differences that result from calculating organic growth using different baselines for each period.

To eliminate the impact of currency fluctuations, we use recent U.S. dollar exchange rate data for the local non-U.S.-dollar currencies of the markets in which we operate to determine an estimated, or budgeted, exchange rate for such currencies. Revenues and service revenues in non-U.S.-dollar currencies from both the more recent period and the corresponding period of the prior year are then translated into U.S. dollars at the same budgeted exchange rates. Revenue Organic Growth and Service Revenue Organic Growth have limitations as analytical tools, and you should not consider them in isolation, or as substitutes for an analysis of our results as reported under IFRS.

The following table shows a reconciliation from reported growth on an IFRS basis to organic growth for revenue and service revenue for the Latin America segment:

	Revenue		Service Revenue	
	As of and for the year ended December 31,			
	2019	2018	2019	2018
Current period	5,964	5,485	5,514	5,069
Prior year period	5,485	5,441	5,069	5,078
Reported Growth	8.7%	0.8%	8.8%	(0.2)%
Accounting change impact(i)	—%	(2.4)%	—%	(1.0)%
Change in Perimeter impact(ii)	(11.0)%	—%	(11.6)%	—%
Foreign exchange impact(iii)	5.2%	5.1%	5.2%	5.3%
Other(iv)	(0.1)%	0.1%	(0.1)%	0.2%
Organic Growth	2.8%	3.5%	2.2%	4.3%

- (i) The following accounting change impacts were eliminated to calculate revenue organic growth: a positive \$133 million revenue impact in the year ended December 31, 2018 due to the adoption of IFRS 15. The following accounting change impacts were eliminated to calculate service revenue organic growth: a positive \$51 million service revenue impact in the year ended December 31, 2018 due to the adoption of IFRS 15.
- (ii) The following change in perimeter impacts were eliminated to calculate revenue organic growth: a positive \$604 million revenue impact in the year ended December 31, 2019 due to revenue generated by Telefonía Celular de Nicaragua S.A. which was consolidated as of May 16, 2019 and Telefonía Móviles Panamá which we consolidated as of August 29, 2019. The following change in perimeter impacts were eliminated to calculate service revenue organic growth: a positive \$590 million service revenue impact in the year ended December 31, 2019 due to service revenue generated by Cable Onda which was consolidated as of December 13, 2018.
- (iii) The following foreign exchange fluctuation impacts were eliminated to calculate revenue organic growth: a negative \$283 million revenue impact in the year ended December 31, 2019, and a negative \$276 million revenue impact in the year ended December 31, 2018. The following foreign exchange fluctuation impacts were eliminated to calculate service revenue organic growth: a positive \$263 million service revenue impact in the year ended December 31, 2019, and a positive \$270 million service revenue impact in the year ended December 31, 2018.
- (iv) The following other impacts related to changes for comparative purposes were eliminated to calculate revenue organic growth: a positive \$6 million revenue impact in the year ended December 31, 2019, a negative \$7 million revenue impact in the year ended December 31, 2018. The following other impacts related to changes for comparative purposes were eliminated to calculate service revenue organic growth: a positive \$5 million service revenue impact in the year ended December 31, 2019, and a negative \$8 million service revenue impact in the year ended December 31, 2018.

#### Critical accounting policies

The preparation of our financial statements requires management to use judgment in applying accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates are based on management's best knowledge of current events, actions and best estimates as of a specified date, and actual results may ultimately differ from these estimates. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are described in "Introduction—Judgments and critical estimates" in the notes to our audited consolidated financial statements, and in the notes referenced therein.

For a description of new or amended IFRS accounting standards to which we are subject, see "Introduction—New and amended IFRS accounting standards" in the notes to our audited consolidated financial statements.

#### B. Liquidity and Capital Resources

## Overview

The Millicom Group's sources of funds are cash from operations, internal and external financing as well as proceeds from the disposal of assets. The Millicom Group finances its operations centrally at the MIC S.A. level or alternatively, where it deems it more cost effective to do so, at the operational level.

In particular, we seek to finance the costs of deploying and expanding our fixed and mobile networks mainly at the operating level on a country-by-country basis, utilizing credit facilities provided by banks and finance leases, obtaining financing from the debt capital markets, and seeking funding from export credit agencies and development financial institutions such as the InterAmerican Development Bank and the International Finance Corporation.

If we decide to acquire other businesses, we expect to fund these acquisitions from cash resources, borrowings under existing credit facilities and, if necessary, through new borrowings, including under new credit facilities or issuances of debt securities, though we may issue equity also to raise funds.

As of December 31, 2019, \$696 million of the Millicom Group's cash and cash equivalents balance was at the holdings level and a further \$468 million was at the operating subsidiaries level. As of December 31, 2018 and 2017, respectively, \$145 million and \$141 million of the Millicom Group's cash and cash equivalents balance was at the holdings level and a further \$382 million and \$479 million was at the operating subsidiaries level.

If funds at the foreign operating subsidiary level are repatriated, taxes on each type of repatriation and each country would need to be accrued and paid, where applicable.

As of December 31, 2019, our total consolidated indebtedness excluding lease liabilities as of December 31, 2019 was \$5,972 million. As of December 31, 2018 and 2017, respectively, our total consolidated outstanding debt and other financing was \$4,580 million and \$3,785 million.

We believe that our available cash and cash equivalents, borrowings and funds from our operating subsidiaries will be sufficient to meet our projected operating and capital expenditure requirements for at least the next 12 months.

## Cash upstreaming

Progressive improvement in operating and financial performance of our operations has enabled the upstreaming of excess cash to MIC S.A. This is accomplished through a combination of dividends, fees and shareholder loan repayments.

The following table sets forth cash upstreamed to MIC S.A. from our subsidiaries and joint ventures for the periods presented:

	Year ended December 31,		
	2019	2018	2017
	(U.S. dollars in millions)		
Subsidiaries	346	594	754
Joint ventures	261	263	230
<b>Total</b>	<b>606</b>	<b>857</b>	<b>984</b>

In each case, the upstreamed cash was principally used to cover corporate center expenses, service corporate debt, pay corporate center taxes and pay the group dividend.

Some of our operating subsidiaries and joint ventures have covenants on debt outstanding that impose restrictions on their ability to upstream cash to MIC S.A. As a result of these restrictions, significant cash or cash equivalent balances may be held from time to time at our operating subsidiaries and joint ventures.

## Cash flows

Set forth below is a comparative discussion of our cash flows, which includes cash flows from discontinued operations.

*Years ended December 31, 2019 and 2018*

For the year ended December 31, 2019, cash provided by operating activities was \$801 million, compared to \$792 million for the year ended December 31, 2018. The increase is mainly due to higher interest payments due to an increase in gross debt for the acquisitions made in the past year.

Cash used in investing activities was \$1,502 million for the year ended December 31, 2019, compared to \$1,199 million for the year ended December 31, 2018. In the year ended December 31, 2019, Millicom used \$1,014 million in the acquisition of subsidiaries, net of cash acquired (mobile operations in Panama and Nicaragua), \$736 million to purchase property, plant and equipment and \$171 million to purchase intangible assets and licenses, and these items were partially offset by proceeds of \$237 million in dividends from joint ventures, \$111 million from the disposal of subsidiaries (mainly Chad), and \$24 million from the sale of property, plant and equipment such as towers. In the year ended December 31, 2018, Millicom used \$953 million in the acquisition of subsidiaries, net of cash acquired (mainly Cable Onda), \$632 million to purchase property, plant and equipment and \$148 million for intangible assets and licenses. These items were partially offset by \$243 million in proceeds from dividends from joint ventures, and \$154 million from the sale of property, plant and equipment such as towers.

Cash provided in financing activities was \$1,355 million for the year ended December 31, 2019, compared to cash used by financing activities of \$341 million for the year ended December 31, 2018. In the year ended December 31, 2019, we paid \$268 million in dividends (ordinary dividend of \$2.64 per share) and repaid debt of \$1,157 million and lease capital of \$107 million while raising funds of \$2,900 million through new financing. In the year ended December 31, 2018, we paid \$266 million to shareholders in dividends (ordinary dividend of \$2.64 per share) and repaid debt of \$530 million and lease capital of \$17 million while raising funds of \$1,155 million through new financing.

#### ***Years ended December 31, 2018 and 2017***

For the year ended December 31, 2018, cash provided by operating activities was \$792 million, compared to \$820 million for the year ended December 31, 2017. The decrease is mainly due to the weaker average FX rate for the Colombian Peso and no longer having profit before taxes from our operations in Senegal and Rwanda, following the completion of our disposal and discontinuance of those operations in the first few months of 2018.

Cash used in investing activities was \$1,199 million for the year ended December 31, 2018, compared to \$367 million for the year ended December 31, 2017. In the year ended December 31, 2018, Millicom used \$953 million in the acquisition of subsidiaries, net of cash acquired (mainly Cable Onda), \$632 million to purchase property, plant and equipment and \$148 million to purchase intangible assets and licenses, and these items were partially offset by proceeds of \$243 million in dividends from joint ventures, \$176 million from the disposal of subsidiaries (mainly Rwanda and Senegal) and \$154 million from the sale of property, plant and equipment such as towers. In the year ended December 31, 2017, Millicom used \$650 million to purchase property, plant and equipment and \$133 million for intangible assets and licenses. These items were partially offset by \$203 million in proceeds from dividends from joint ventures, and \$179 million from the sale of property, plant and equipment such as towers.

Cash used in financing activities was \$341 million for the year ended December 31, 2018, compared to \$464 million for the year ended December 31, 2017. In the year ended December 31, 2018, we paid \$266 million in dividends (ordinary dividend of \$2.64 per share) and repaid debt of \$530 million while raising funds of \$1,155 million through new financing. In the year ended December 31, 2017, we paid \$265 million to shareholders in dividends (ordinary dividend of \$2.64 per share) and repaid debt of \$1,195 million while raising funds of \$996 million through new financing.

#### **Capital expenditures**

##### ***Historical capital expenditures***

Our capital expenditures of property, plant and equipment, licenses and other intangibles on a consolidated basis and by operating segment, including accruals for such additions at the end of the periods, for the years ended December 31, 2019, 2018, and 2017 is set out in the table below. Our capital expenditure mainly relates to the growth of the 4G network, the rollout of the HFC network, connection of new homes and IT investments.

	Year ended December 31,		
	2019	2018	2017
	(U.S. dollars in millions)		
Additions to property, plant and equipment	719	698	824
Additions to licenses and other intangibles	202	158	130
Total consolidated additions	921	856	954
Latin America segment total additions (including Guatemala and Honduras)	1,119	1,040	977
Africa segment total additions	54	30	173

#### ***Capital expenditure commitments***

As of December 31, 2019, we had commitments to purchase network equipment, land and buildings and other fixed assets with a value of \$122 million from a number of suppliers, of which \$102 million was within one year and \$20 million more than one year. Out of these commitments, \$52 million and \$51 million, respectively, related to the Company's share in joint ventures. We expect to meet these commitments from our current cash balance and from cash generated from our operations.

#### **Financing**

We seek to finance our operations on a country-by-country basis when we determine it to be more cost and risk effective. As local financial markets become more developed, we have been able to finance increasingly at the level of our operations in local currency and on a non-recourse basis to MIC S.A. as of December 31, 2019, 54% of our total consolidated debt excluding lease liabilities of \$5,972 million, or \$3,199 million, was at the operational level (excluding our joint ventures in Guatemala and Honduras) and non-recourse to MIC S.A., and 41% of this debt was denominated in local currency. In addition, at December 31, 2019 our joint ventures in Guatemala and Honduras had \$1,283 million of debt excluding lease liabilities which was non-recourse to MIC S.A.

#### ***Consolidated indebtedness***

Millicom's total consolidated debt excluding lease liabilities as of December 31, 2019 was \$5,972 million and our total consolidated net debt (representing total consolidated debt after deduction of cash, cash equivalents, and pledged deposits) was \$4,807 million. Including lease liabilities, Millicom's total consolidated financial obligations as of December 31, 2019 were \$7,036 million and our total consolidated net financial obligations (representing total consolidated financial obligations after deduction of cash, cash equivalents, and pledged deposits) were \$5,870 million. Millicom's total consolidated debt as of December 31, 2018 was \$4,580 million and our total consolidated net financial obligations was \$4,051 million. See note C.6 to our audited consolidated financial statements included elsewhere in this Annual Report for a reconciliation of total consolidated debt (and financial obligations) to total consolidated net debt (and financial obligations). Our consolidated interest and other financial expenses for the year ended December 31, 2019 were \$564 million and for years ended December 31, 2018 and 2017 were \$367 million and \$389 million, respectively.

Millicom's lease liabilities as of December 31, 2019 was \$1,063 million, 97% of our consolidated lease liabilities or \$1,036 million, was at operational level (excluding our joint ventures in Guatemala and Honduras) and non-recourse to MIC S.A.

The following table sets forth our consolidated debt and financing by entity or operational entity location for the periods indicated:



	Year ended December 31,		
	2019	2018	2017
	(US\$ millions)		
MIC S.A. (Luxembourg)	2,773	1,770	1,255
<b>Latin America:</b>			
Colombia	827	1,016	1,130
Paraguay	502	504	488
Bolivia	350	317	352
El Salvador	268	299	147
Costa Rica	148	148	76
Panama	918	261	—
<b>Africa:</b>			
Tanzania	186	201	217
Chad(1)	—	64	70
Rwanda(1)	—	—	50
Ghana(1)	—	—	—
Senegal(1)	—	—	—
<b>Total debt and financing</b>	<b>5,972</b>	<b>4,580</b>	<b>3,785</b>

(i) Operations were classified as assets held for sale from 2017 and subsequently disposed of or merged.

(ii) Finance lease liabilities were included in Debt and Financing until 31 December 2018, but were reclassified to lease liabilities on January 1, 2019 when adopting the new leasing standard. For more details see "New and amended IFRS accounting standards" in our consolidated financial statements.

For a more detailed description of our outstanding financial obligations, including our credit facilities and outstanding bond or note issuances, see note C.3 to our consolidated financial statements.

Our financing facilities at the MIC S.A. level are subject to a number of financial covenants including net leverage and interest coverage requirements. In addition, certain financings at MIC S.A. level contain restrictions on sale of businesses or significant assets within the businesses.

Our financing facilities at the operational level are subject to a number of financial covenants including requirements with respect to net leverage, debt service coverage, debt to earnings and cash levels. In addition, certain financings at the operational level contain restrictions on sale of businesses or significant assets within the businesses.

#### ***Indebtedness of the Guatemala and Honduras joint ventures***

With respect to the Guatemala and Honduras joint ventures, respectively, total debt excluding lease liabilities as of December 31, 2019 was \$929 million and \$353 million and our total net debt (representing total debt after deduction of cash, cash equivalents, and pledged deposits) was \$740 million and \$313 million. As of December 31, 2019, our joint ventures in Guatemala and Honduras have lease liabilities of \$313 million.

Annual interest expense for the Guatemala joint venture for the years ended December 31, 2019, 2018 and 2017 was \$90 million, \$74 million and \$73 million, respectively. Annual interest expense for the Honduras joint venture for the years ended December 31, 2019, 2018 and 2017 was \$37 million, \$29 million and \$27 million, respectively.

The following table sets forth the debt and financing of the Guatemala and Honduras joint ventures for the periods indicated:

	Year ended December 31,		
	2019	2018	2017
	(US\$ millions)		
Guatemala	929	927	995
Honduras	353	383	388
(i) Finance lease liabilities were included in Debt and Financing until 31 December 2018, but were reclassified to lease liabilities on January 1, 2019 when adopting the new leasing standard.			

The financing facilities of the Guatemala and Honduras joint ventures are subject to a number of financial covenants such as net leverage requirements. In addition, certain of their financings contain restrictions on sale of businesses or significant assets within the businesses.

#### C. Research and Development, Patents and Licenses, etc.

We do not engage in research and development activities, and we do not own any patents.

#### D. Trend Information

For a discussion of trend information, see “—A. Operating Results—Factors affecting our results of operations.”

#### E. Off-Balance Sheet Arrangements

As of December 31, 2019, the Millicom Group’s share of total debt and financing secured by either pledged assets, pledged deposits issued to cover letters of credit, or guarantees issued was \$464 million. Assets pledged by the Millicom Group for these debts and financings amounted to \$1 million as of December 31, 2019. The table below details the maximum exposure under these guarantees and their remaining terms, as of December 31, 2019.

	Total	Less than 1 year	1-3 years	3-5 years
	(US\$ millions)			
Theoretical maximum exposure	464	29	134	300

#### F. Tabular Disclosure of Contractual Obligations

The Millicom Group has various contractual obligations to make future payments, including debt agreements and payables for license fees and lease obligations.

The following table summarizes our obligations under these contracts due by period as of December 31, 2019.

	Total	Less than 1 year	1–5 years	After 5 years
	(US\$ millions)			
Debt and financing (after unamortized financing fees)	5,972	186	1,902	3,884
Future interest commitments on debt and financing(1)	1,502	308	1,088	106
Lease liabilities	1,063	97	490	476
Future interest commitments on leases	928	157	476	295
Capital expenditure	122	102	20	—
<b>Total</b>	<b>9,588</b>	<b>849</b>	<b>3,977</b>	<b>4,762</b>

(1) Future interest commitments on our floating rate debt are calculated using the rates in effect for the floating rate debt as of December 31, 2019.

## ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

## A. Directors and Senior Management

### Directors

The following table sets forth information of each member of the Company's Board of Directors as of the date of this filing:

Name	Position	Year First Elected
Mr. José Antonio Ríos García (1)	Chairman	2017
Ms. Pernille Erenbjerg	Deputy Chairman	2019
Mr. Odilon Almeida	Member	2015
Ms. Janet Davidson	Member	2016
Mr. Tomas Eliasson	Member	2014
Ms. Mercedes Johnson	Member	2019
Mr. Lars-Åke Norling	Member	2018
Mr. James Thompson	Member	2019

(1) First appointed as Chairman in January 2019.

Biographical information of each member of the Company's Board of Directors is set forth below.

**Mr. José Antonio Ríos García**, *Non-executive Director and Chairman of the Board*. Mr. José Antonio Ríos García was re-elected to the Board in May 2019 and was first appointed as Chairman of the Board on January 7, 2019. 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.

**Ms. Pernille Erenbjerg**, *Non-executive Director, Deputy Chairman of the Board, Chairman of the Compensation Committee and Member of the Audit Committee*. Ms. Pernille Erenbjerg was re-elected to the Board in May 2019. Ms. Erenbjerg, born in 1967, is formerly the President and Group Chief Executive Officer of TDC, the leading provider of integrated communications and entertainment solutions in Denmark and Norway. Before being appointed President and Group Chief Executive Officer, Ms. Erenbjerg served as TDC's Chief Financial Officer and as Executive Vice President of Corporate Finance. Ms. Erenbjerg also serves on the Boards of Nordea, the largest financial services group in the Nordic region, and Genmab, the Danish international biotechnology company. Prior to joining TDC in 2003, Ms. Erenbjerg worked for 16 years in the auditing industry, finishing in 2003 as an equity partner in Deloitte. Ms. Erenbjerg holds an MSc in Business Economics and Auditing from Copenhagen Business School.

**Mr. Odilon Almeida**, *Non-executive Director, Member of the Compliance and Business Conduct Committee*. Mr. Odilon Almeida was re-elected to the Board in May 2019. Mr. Almeida, born in 1961, is a senior global leader in the financial, fin-tech, telecom, and consumer goods sectors, and will join ACI Worldwide Inc. as President and CEO in March 2020. He will also be appointed to the Board of ACI. Previously he was an Operating Partner at Advent International, one of the world's largest private equity funds with \$54.3B in assets under management and 345+ investments across 41 countries. 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.

**Ms. Janet Davidson**, *Non-executive Director and Chairman of the Compliance and Business Conduct Committee*. Ms. Janet Davidson was re-elected to the Board in May 2019. Ms. Davidson, born in 1956, also serves on the supervisory board of ST Microelectronics and as a director of AES Corporation and serves on its Financial Audit Committee Compensation Committee and Innovation and technology Committee. Previously, 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 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. Ms. Davidson has a Bachelor of Arts degree in physics from Lehigh University, a Master's degree in Electrical Engineering from Georgia Tech, and a Master of Science in Computer Science through Bell Laboratories.

**Mr. Tomas Eliasson**, *Non-executive Director and Chairman of the Audit Committee*. Mr. Tomas Eliasson was re-elected to the Board in May 2019. 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.

**Ms. Mercedes Johnson**, *Non-executive Director and Member of the Audit Committee*. Ms. Johnson was first elected to the Board in May 2019. Ms. Johnson, born in 1954, also serves on the Board of Directors of three other NASDAQ technology companies - Synopsys, a provider of solutions for designing and verifying advanced silicon chips, Teradyne, a developer and supplier of automated semiconductor test equipment and Maxim Integrated Products, an integrated circuits designer and producer. During her executive career, Ms. Johnson held positions such as Chief Financial Officer of Avago Technologies (now Broadcom) and Chief Financial Officer of LAM Research Corporation. Ms. Johnson holds a degree in Accounting from the University of Buenos Aires.

**Mr. Lars-Åke Norling**, *Non-executive Director, Member of the Compensation Committee and of the Compliance and Business Conduct Committee*. Mr. Norling was re-elected to the Board in May 2019. Mr. Norling, born in 1968, is the CEO of Nordnet since September 2019 and was previously an Investment Director and Sector Head of TMT at Kinnevik AB. Prior to that, he was the Chief Executive Officer of Total Access Communications (dtac) in Thailand where he executed a digital transformation and led a turnaround of the company's financial performance. He has also been EVP of Developed Asia for Telenor as well as Chief Executive Officer of DigiTelecommunications Malaysia and CEO of Telenor Sweden. Mr. Norling holds an MBA from Gothenburg School of Economics, an MSc in Engineering Physics from Uppsala University and an MSc in Systems Engineering from Case Western Reserve University, USA.

**Mr. James Thompson**, *Non-executive Director, Member of the Audit Committee and Member of the Compensation Committee*. Mr. Thompson was re-elected to the Board in May 2019. Mr. Thompson, born in 1961, is a Managing Principal at Kingfisher Family Office. He is also a non-executive Director of C&C Group plc and serves on its Audit Committee. Previously, he was a Managing Principal at Southeastern Asset Management. Between 2001 and 2006, he opened and managed Southeastern Asset Management's London research office. Mr. Thompson holds an MBA from Darden School at the University of Virginia, and a Bachelor's degree in Business Administration from the University of North Carolina.

## Members of the Executive Committee

The following table lists the names and positions of the members of our Executive Committee.

Name	Position
Mr. Mauricio Ramos	President and Chief Executive Officer
Mr. Tim Pennington	Senior Executive Vice President, Chief Financial Officer
Mr. Esteban Iriarte	Executive Vice President, Chief Operating Officer, Latin America
Mr. Xavier Rocoplan	Executive Vice President, Chief Technology and Information Officer
Ms. Rachel Samrén	Executive Vice President, Chief External Affairs Officer
Mr. Salvador Escalón	Executive Vice President, General Counsel
Ms. Susy Bobenrieth	Executive Vice President, Chief Human Resources Officer
Mr. HL Rogers *	Executive Vice President, Chief Ethics and Compliance Officer

\* Until his resignation on January 1, 2020

Biographical information of the members of our Executive Committee is set forth below.

**Mr. Mauricio Ramos**, *President and Chief Executive Officer*. Mr. Mauricio Ramos, born in 1968, joined Millicom in April 2015 as 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, Mr. Ramos held several leadership roles, including positions as Chairman and CEO of VTR in Chile and President of Liberty Puerto Rico. Mr. Ramos is also a member of the Board of Directors of Charter Communications (US). Mr. Ramos formerly served as Chairman of TEPAL, the Latin American Association of Cable Broadband Operators and is a former Member of the Board of Directors of the GSMA. He received a degree in Economics, a degree in Law, and a postgraduate degree in Financial Law from Universidad de los Andes in Bogota.

**Mr. Tim Pennington**, *Senior Executive Vice President, Chief Financial Officer*. Mr. Tim Pennington, born in 1960, joined Millicom in June 2014 as Senior Executive Vice President, Chief Financial Officer. He also currently serves as a

non-executive director of Euromoney Institutional Investor plc. 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. Mr. Pennington 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 has a BA (Honours) degree in Economics and Social Studies from the University of Manchester.

**Mr. Esteban Iriarte**, *Executive Vice President, Chief Operating Officer, Latin America*. Mr. Esteban Iriarte, born in 1972, was appointed as Executive Vice President, Chief Operating Officer (COO), Latin America in August 2016. Previously, Mr. Iriarte 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, Mr. Iriarte 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 Mr. Iriarte joined the board of Sura Asset Management. Sura is one of Latin America's biggest financial groups. Mr. Iriarte 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.

**Mr. Xavier Rocoplan**, *Executive Vice President, Chief Technology and Information Officer*. Mr. Xavier Rocoplan, born in 1974, started working with Millicom in 2000 and joined the Executive Committee as Chief Technology and IT Officer in December 2012. Mr. Rocoplan is currently heading all mobile and fixed network and IT activities across the Group as well as all Procurement & Supply Chain. Mr. Rocoplan 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, Mr. Rocoplan launched Paktel's GSM operation and led the process that was concluded with the disposal of the business in 2007. He 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. Mr. Rocoplan holds Masters degrees in engineering from Ecole Nationale Supérieure des Télécommunications de Paris and in economics from Université Paris IX Dauphine.

**Ms. Rachel Samrén**, *Executive Vice President, Chief External Affairs Officer*. Ms. Rachel Samrén, born in 1974, joined Millicom in July 2014 and manages the Group's Government Relations, Regulatory Affairs, Corporate Communications, Corporate Responsibility, and Security & Crisis Management functions. Her focus is on driving Millicom's global engagement with particular responsibility for special situation strategies. Ms. Samrén'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. Ms. Samrén currently serves on the Board of MIC Tanzania Limited. She holds a BSc in International Relations from the London School of Economics and an MLitt in International Security Studies from the University of St Andrews.

**Mr. Salvador Escalón**, *Executive Vice President, General Counsel*. Mr. Salvador Escalón, born in 1975, was appointed as Millicom's General Counsel in March 2013 and became Executive Vice President in July 2015. Mr. Escalón 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, Mr. Escalón 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. Mr. Escalón has a J.D. from Columbia Law School and a B.B.A. in Finance and International Business from Florida International University.

**Ms. Susy Bobenrieth**, *Executive Vice President, Chief Human Resources Officer*. Ms. Susy Bobenrieth, a global Human Resource professional, born in 1965, joined Millicom in October 2017 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. Ms. Bobenrieth 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.

**Mr. HL Rogers**, *Executive Vice President, Chief Ethics and Compliance Officer (until January 1, 2020)*. Mr. HL Rogers, born in 1977, 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, Mr. 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. Mr. Rogers clerked for Judge Thomas Griffith of the United States Court of Appeals for the District of Columbia Circuit in 2005. He received his J.D. 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. HL Rogers resigned from Millicom on January 1, 2020.

## B. Compensation

For the financial year ended December 31, 2019, the total compensation paid to MIC S.A.'s directors was \$1.9 million and to executive management the total cash compensation plus benefits (excluding pension) was \$12.2 million. The total amounts set aside or accrued by Millicom to provide pension, retirement or similar benefits for directors and executive management was \$1.2 million.

The Company provides information on the individual compensation of its directors and certain members of its executive management in its annual report filed with the *Registre de Commerce et des Sociétés* (Luxembourg Trade and Companies Register), the *Société de la Bourse de Luxembourg S.A.* (Luxembourg Stock Exchange) and the *Commission de Surveillance du Secteur Financier* (CSSF). As that annual report is made publicly available, the relevant individual compensation information it contains for directors and executive management is included below.

### Remuneration of Directors

The remuneration of the members of the Board of Directors comprises an annual fee and shares of MIC S.A. common stock. Director remuneration is proposed by the Nomination Committee and approved by the shareholders at the Annual General Meeting or other shareholders' meetings. Director remuneration for the year ended December 31, 2019 is set forth in the following table.

Board and committees	Remuneration 2019 (1) (USD '000)
<b>Directors</b>	
Mr. José Antonio Ríos García	366
Ms. Pernille Erenbjerg	350
Mr. Odilon Almeida	173
Ms. Janet Davidson	186
Mr. Tomas Eliasson	211
Ms. Mercedes Johnson	173
Mr. Lars-Åke Norling	206
Mr. James Thompson	242
<b>Former Directors (until January 2019):</b>	
Mr. Tom Boardman	—
Mr. Anders Jensen	—
<b>Former Directors (until May 2019):</b>	
Mr. Roger Solé Rafols	16
<b>Total (US\$ '000)</b>	<b>1,923</b>

- (1) Remuneration covers the period from January 7, 2019 to the date of the AGM in May 2020 as resolved at the shareholder meetings on January 7, 2019 and May 2, 2019 respectively. Share based compensation for the period from January 7, 2019 to May 2, 2019 based on the market value of Millicom shares on January 9, 2019 (in total 2,876 shares) and for the period from

May 2, 2019 to May 2020 based on the market value of Millicom shares on May 6, 2019 (in total 16,607 shares). Net remuneration for the period from May 2, 2019 to May 2020 comprised 73% in shares and 27% in cash.

At the AGM held on May 2, 2019, MIC S.A.'s shareholders approved the compensation for the eight directors expected to serve from that date until the 2020 AGM consisting of two components: (i) cash-based compensation and (ii) share-based compensation. The share-based compensation is in the form of fully paid-up shares of MIC S.A. common stock. Such shares are provided from the Company's treasury shares or alternatively issued within MIC S.A.'s authorized share capital exclusively in exchange for the allocation from the premium reserve (i.e., for nil consideration from the relevant directors), in each case divided by the MIC S.A. share closing price on the Nasdaq Stock Market on May 6, 2019, or US\$57.20 per share, provided that shares shall not be issued below the par value.

In respect of directors who do not serve an entire term from the 2019 AGM until the 2020 AGM, the fee-based and the share-based compensation is pro-rated *pro rata temporis*.

### Remuneration of Executive Management

The remuneration of executive management of MIC S.A. 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 are based on actual and future performance. See "—Share Incentive Plans." Share based compensation is granted once a year by the Compensation Committee of the Board.

If the employment of MIC S.A.'s senior executives is terminated, other than for cause, severance of up to 12 months' salary is potentially payable, with the amount of severance calculated based on whichever is the greater of the seniority severance calculation for the terminated executive or the notice period provided in the terminated executive's employment contract, if applicable.

The annual base salary and other benefits of the Chief Executive Officer ("CEO") and the Executive Vice Presidents ("EVPs") (collectively, the "Executive Team") are proposed by the Compensation Committee and approved by the Board.

The remuneration charge for the Executive Team and the share ownership and unvested share awards beneficially granted to the Executive Team in the year ended December 31, 2019 are set forth in the following tables.

Remuneration charge for the Executive Team for 2019	CEO	CFO	Executive Team(8)
		(US\$ '000)	
Base salary	1,167	654	3,498
Bonus	1,428	626	2,098
Pension	279	98	798
Other benefits	50	260	1,521
Termination benefits	—	—	863
<b>Total before share based compensation</b>	<b>2,924</b>	<b>1,639</b>	<b>8,779</b>
Share based compensation(i)(ii) in respect of 2019 LTIP	5,625	1,576	5,965
<b>Total</b>	<b>8,549</b>	<b>3,215</b>	<b>14,743</b>

(1) See "—Share Incentive Plans."

(2) Share awards of 102,122 and 135,480 were granted in 2019 under the 2019 SIPs (as defined below) to the CEO and Executive Team (2018: 80,264 and 112,472) respectively.

(3) Including 8 EVPs, and excluding the CEO and CFO.

<b>Compensation of the Executive Team 2019</b>	<b>CEO</b>	<b>CFO</b>	<b>Executives (8 members)</b>
<b>Equity Compensation (number of shares)</b>			
Performance share plan(i)	40,565	20,030	55,756
Deferred share plan(ii) (for 2019 performance)	31,126	13,657	41,285
Total shares (number)	71,691	33,687	97,041
Value of shares(iii) (\$ '000)	3,383	1,592	4,582

(i) Vesting amounts relating to the 2017 performance share plan based on the estimated performance over the three year period. The value of shares is based on the closing market value of Millicom shares at December 31, 2019 of \$48.23. These shares will vest on March 2020. Final performance metrics will be approved by the Remuneration Committee in March 2020.

(ii) Amounts to be granted relating to the 2020 deferred share plan (awarded in 2020 based on 2019 results). The value of shares is based on the average Q4 2019 closing market value of Millicom shares of \$45.86. These shares will vest over three years from the award date with a vesting schedule 30%/30%/40%, 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.

#### **Share ownership and unvested share awards granted from Company equity plans to the Executive Team**

	<b>CEO</b>	<b>Executive Team(1)</b>	<b>Total</b>
		<b>(number of shares)</b>	
Share ownership (vested from equity plans and otherwise acquired)	190,577	136,306	326,883
Share awards not vested	236,211	334,193	570,404

(1) Including the CFO, 8 EVPs, and excluding the CEO.

#### **Details of Share Purchase and Sale Activity**

During 2019, Millicom's CEO, Mr. Mauricio Ramos, acquired 45,000 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.

<b>Unless this requirement is met each year, no vested Millicom shares can be sold by the individual.</b>	<b>2019</b>
<b>Global Senior Management Level</b>	<b>%</b>
CEO	400
CFO	200
EVPs	100
General managers and VPs	50

Unless this requirement is met each year, no vested Millicom shares can be sold by the individual.



LTIP	Eligibility	Participants	Maximum shares awarded for 2019	Basis for calculating award	Comment
2020 Deferred Share Plan (DSP)	CEO, CFO, other executives and other global senior management	245	377,578	20-100% of base salary	
				400%**	CEO
2019 Performance Share Plan (PSP)	CEO, CFO, other executives and other global senior management	44	257,601	175%**	CFO
				(50%-160%)**	Global senior management team

\* A limited number of high-potential employees and employees in key roles can be nominated by exception.

\*\* Of base salary as per 01.01.2019

### Compensation Guidelines

At the AGM held on May 2, 2019, MIC S.A.'s shareholders approved the following guidelines for remuneration and other employment terms for the senior management for the period up to the 2020 AGM.

The objectives of the guidelines are:

- to ensure that MIC S.A. can attract, motivate and retain senior management, within the context of MIC S.A.'s international talent pool, which is mainly composed of telecommunications companies for the EVPs and above, and Mercer and Towers Watson local surveys.
- to create incentives for senior management to execute strategic plans and deliver excellent operating results, with an emphasis on rewarding growth; and
- to align the incentives of senior management with the interests of shareholders, including requiring substantial share ownership by all senior management.

Compensation shall be based on conditions that are market competitive in the United States and Europe and shall consist of a fixed salary and variable compensation, including the possibility of participation in the equity-based long-term incentive programs and pension schemes. These components shall create a well-balanced compensation reflecting individual performance and responsibility, both short-term and long-term, as well as MIC S.A.'s overall performance.

#### Base Salary

Senior management base salary shall be competitive and based on individual responsibilities and performance.

#### Variable Remuneration

The senior management may receive variable remuneration in addition to base salary. The variable remuneration consists of (a) a Short-term Incentive Plan ("STI") and (b) a Long-term Incentive Plan ("LTI").

The amounts and percentages for variable remuneration are based on pre-established goals and targets relating to the performance of both MIC S.A. and individual employees and are intended to be competitive as part of a total compensation package.

#### Short-Term Incentive Plan

The STI consists of two components: a cash bonus and a restricted deferred component: Deferred Share Plan ("DSP") or Deferred Cash Plan ("DCP") for Guatemala and Honduras joint ventures.

Eligibility for participation in the DSP or DCP is limited to members of MIC S.A.'s Global Senior Management, which comprises the CEO, the EVPs, Corporate Vice Presidents ("VPs"), Corporate Directors, Country General Managers

("GM"), and Country-based Directors reporting directly to Country General Managers. Additionally, employees designated as being "key talents" or having "critical skills" may be nominated to participate in the DSP or DCP. During 2019, 276 individuals were included in this group. Other employees participate in the STI and receive a cash bonus, but do not participate in the DSP or DCP.

The DSP is presented for approval each year at MIC S.A.'s AGM. To the extent that the AGM approves the DSP and thereby the granting of share awards under it to those participating in the DSP, the STI payout is delivered 50% through the cash bonus and 50% through the DSP. For those employees not participating in the DSP, or to the extent that the DSP is not approved by the AGM, the STI (including the portion that would have been provided as shares under the DSP) will be implemented as a cash-only bonus program.

#### *Calculation Formula*

The actual amount of compensation under the STI is based on the following formula:

Employee's base salary X a pre-determined % of base salary X plan performance.

The plan performance is determined as a percentage achievement of financial, non-financial and personal performance measures, applied to a payout scale (with a performance level minimum). All measures are based on current financial year goals.

The 2020 DSP plan (granted in Q1 2020 based on 2019 results), MIC S.A. includes performance measures of service revenue, earnings before interest, tax, depreciation and amortization ("EBITDA"), operating free cash flow and net promoter score achievement. Additionally, the payout scale has a zero payout for achievement less than 95%, a 100% payout for 100% achievement and a 200% payout for 110% or more achievement. Finally, the 2020 DSP share awards will vest (generally subject to the participant still being employed by MIC S.A.) 30% in Q1 2021, 30% in Q1 2022 and 40% in Q1 2023.

#### *Long-Term Incentive Plan*

Eligibility for participation in the LTI is limited to members of MIC S.A.'s Global Executive Management, which is defined by MIC S.A.'s internal role grading structure and consists of the CEO, EVPs, VPs and GMs. During 2019, 46 individuals were included in this group, including certain employees of the Guatemala and Honduras joint ventures.

The 2020 LTI is a Performance Share Plan ("PSP") or Performance Cash Plan ("PCP") for Guatemala and Honduras joint ventures. Share awards granted will vest 100% at the end of a three-year period, subject to performance conditions (as further described in "— Share Incentive Plans").

#### *Other Benefits*

Other benefits can include, for example, a car allowance, medical coverage and, in limited cases, while on an expat assignment, housing allowance, school fees, home leave and other travel expenses.

#### *Pension*

The Global Senior Management are eligible to participate in a global pension plan, covering also death and disability insurance. The global pension plan is secured through premiums paid to insurance companies.

#### *Notice of Termination and Severance Pay*

If the employment of MIC S.A.'s most senior management is terminated, a notice period of up to 12 months potentially applies.

The Compensation Committee regularly reviews best practices in executive compensation and governance and revises our policies and practices when appropriate. For example, in 2019 we revised our change in control agreements for eligible executives to include "double-trigger" provisions, which require an involuntary termination (in addition to change in control) for accelerated vesting of awards.

#### *Deviations from the Guidelines*

In special circumstances, the Board of Directors may deviate from the above guidelines, for example additional variable remuneration in the case of exceptional performance.

## Share Incentive Plans

MIC S.A. shares granted to management and key employee compensation includes share based compensation in the form of share incentive plans (“SIPs”). Since 2016, MIC S.A. has two types of plans, a PSP and a DSP. The PSP and DSP under which share awards were granted in 2017 are referred to as the “2017 SIPs.” The different plans are further detailed below.

### *Deferred share plan (issued from 2016 to 2018)*

For the deferred awards plan, participants are granted shares based on past performance, with 16.5% of the shares vesting on January 1 of each of year one and two, and the remaining 67% on January 1 of year three. Vesting is conditional upon the participant remaining employed with MIC S.A. at each vesting date. Grants were made under the deferred awards plans in 2016, 2017 and 2018 based, respectively, on financial results for the years ended December 31, 2015, 2016 and 2017.

### *Deferred share plan (issued from 2019 to 2020)*

At the 2018 AGM, guidelines concerning the new 2019 DSP were approved, though the DSP was not presented for approval until the 2019 AGM. See “—Compensation Guidelines—Variable Remuneration.” Grants were made under the new DSP in 2019 based on financial results for the year ended December 31, 2018, with 30% of the shares vesting on January 1st of each of year one and two, and the remaining 40% on January 1st of year three. The same conditions will apply for the 2020 DSP which will be based on financial results for the year ended December 31, 2019.

### *Performance share plan (issued in 2016 and 2017)*

Shares granted under this PSP vest at the end of the three-year period, subject to performance conditions, 25% based on positive absolute TSR, 25% based on relative TSR and 50% based on actual compared to budgeted Free Cash Flow. The 2016 Plan vested in March 2019 and the 2017 Plan will vest in March 2020.

### *Performance share plan (issued from 2018 to 2020)*

At the 2018 AGM, a new PSP for 2018 was approved. Shares granted in March 2018 under this PSP vest at the end of the three-year period, subject to performance conditions, 50% based on operating free cash flow with a specific three-year CAGR target, 25% based on service revenue with a specific three-year CAGR target, and 25% based on relative TSR. The 2018 Plan will vest in March 2021. The same rules apply for the 2019 and 2020 PSP plans, which will vest in March 2022 and March 2023, respectively.

The plan awards and shares expected to vest under the SIPs that have been approved are as follows:

	2019 plans		2018 plans		2017 plans		2016 plans	
	Performance plan	Deferred plan	Performance plan	Deferred plan	Performance plan	Deferred plan	Performance plan	Deferred plan
	(number of shares)							
Initial shares granted	257,601	320,840	237,196	262,317	279,807	438,505	200,617	287,316
Additional shares granted(i)	—	20,131	—	3,290	2,868	29,406	—	—
Revision for forfeitures	(17,182)	(9,198)	(27,494)	(26,860)	(40,946)	(88,437)	(49,164)	(78,253)
Revision for cancellations	—	—	(4,728)	—	—	—	—	—
Total before issuances	240,419	331,773	204,974	238,747	241,729	379,474	151,453	209,063
Shares issued in 2017	—	—	—	—	—	(2,686)	(1,214)	(1,733)
Shares issued in 2018	—	—	(97)	(18,747)	(2,724)	(99,399)	(752)	(43,579)
Shares issued in 2019	(150)	(24,294)	(3,109)	(54,971)	(19,143)	(82,486)	(149,487)	(163,751)
Performance conditions	—	—	—	—	—	—	—	—
Shares still expected to vest	240,269	307,479	201,768	165,029	219,862	194,903	—	—
Estimated cost over the vesting period (US\$ millions)	11	18	12	14	10	20	8	12

(i) Additional shares granted represent grants made for new joiners and/or as per CEO contractual arrangements.

### C. Board Practices

MIC SA has a Nomination Committee which is appointed by the major shareholders of MIC S.A. It is not a committee of the MIC S.A. 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 its formation each year and ending when a new Nomination Committee is formed. Nomination Committee proposals to the AGM include:

- The number of members of the Board of Directors, the candidates to be elected or re-elected as Directors of the Board and Chairman of the Board and their remuneration;
- Appointment and remuneration of the external auditor;
- Proposal of the Chairman of the AGM; and
- The procedure for the appointment of the Nomination Committee

Under the terms of the Procedure on Appointment of the Nomination Committee and Determination of the Committee, the Nomination Committee consists of at least three members, appointed by the largest shareholders of Millicom who wish to assert the right to appoint a member. In accordance with the resolution of the 2019 AGM, in consultation with the largest shareholders as of the last business day of May 2019, the current Nomination Committee was formed on October 29, 2019. The members of the Nomination Committee are Mr. John Hernander, appointed by Nordea Investment Funds; Mr. Daniel Sievers, appointed by Fiduciary Management; Mr. Peter Guve, appointed by AMF Pensionsförsäkring AB; and Ms. Juanjuan Niska, appointed by Wellington Management. The members of the Nomination Committee appointed Mr. Hernander as Committee Chairman at their first meeting.

MIC S.A.'s Amended and Restated Articles of Association provide that the Board of Directors must comprise at least six members. The members of the Board of Directors are elected at the AGM which, as required by MIC S.A.'s Amended and Restated Articles of Association and the Luxembourg law of August 10, 1915 on Commercial Companies (as amended), must be held within six months of the end of the fiscal year. At the AGM held May 2, 2019, the number of MIC S.A.'s directors was set at eight and the current directors and the Chairman were elected until the time of the next AGM. The next AGM is scheduled to be held on May 5, 2020.

MIC S.A.'s Board of Directors has developed, and continuously evaluates, work procedures in line with the corporate governance rules of the Swedish Code of Corporate Governance (the "Swedish Code") applicable to listed companies. MIC S.A. is subject to the Swedish Code as a company with its shares listed on the Nasdaq Stockholm, where they trade in the form of SDRs. From January 9, 2019, MIC S.A. is subject to the listing rules of the Nasdaq Stock Market in the US where its shares are traded.

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

The Board of Directors 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 Executive Committee and monitors its performance. In addition to corporate law rules applicable in Luxembourg, the Swedish Code sets out that the division of work between the Board and the CEO is primarily set out in "The Rules of Procedure and Instruction to the CEO".

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). MIC S.A.'s Board of Directors also evaluates the performance of the CEO annually.

The work conducted by MIC S.A.'s Board of Directors is supported by the following committees:

- the Audit Committee;
- the Compensation Committee;
- the Compliance and Business Conduct Committee.

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.

*Audit Committee.* MIC S.A.’s Board of Directors has delegated to the Audit Committee, as reflected in its charter, 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 Millicom 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 MIC S.A.’s Annual Report and Accounts remains with the Board. The members of the Audit Committee are Mr. Eliasson (Chairman and financial expert), Ms. Erenbjerg, Mr. Thompson and Ms. Johnson.

*Compensation Committee.* Pursuant to its charter, 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 evaluation of the CEO is conducted by the Compensation Committee. The evaluation criteria and the results of the evaluation are then discussed by the Compensation Committee Chairman with the entire Board. The members of the Compensation Committee are Ms. Erenbjerg (Chairman), Mr. Norling and Mr. Thompson.

The Board, based on guidelines by the Compensation Committee, proposes the remuneration of senior management. Remuneration of the CEO requires Board approval. The guidelines for remuneration of senior management, including STI and LTI, and the share-based incentive plans for Millicom’s employees are approved by the shareholders at the AGM.

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

- monitors the Millicom 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 Millicom Group’s ethics line or otherwise;
- oversees allocation of resources and personnel to the compliance area;
- assesses the Millicom Group’s performance in the compliance area; and
- ensures that the Millicom Group maintains proper standards of business conduct.

The members of the Compliance and Business Conduct Committee are Ms. Davidson (Chairman), Mr. Almeida and Mr. Norling.

*Code of Conduct.* The Millicom Group’s Code of Conduct is adopted and approved by the Board of Directors. All directors, officers and employees must sign a statement acknowledging that they have read, understood and will comply with the Code of Conduct. Furthermore, all of our directors, officers and employees must complete an annual training on the Code of Conduct.

*Directors’ Service Agreements.* None of MIC S.A.’s current directors have entered into service agreements with the Millicom Group or any of its subsidiaries providing for benefits upon termination of their respective directorships.

## **NASDAQ corporate governance exemptions**

As a foreign private issuer incorporated in Luxembourg with its principal listing on the Nasdaq Stockholm, Millicom follows the laws of the Grand Duchy of Luxembourg, its “home country” corporate governance practices, in lieu of the provisions of the Nasdaq Stock Market’s Marketplace Rule 5600 series that apply to the constitution of a quorum for any meeting of shareholders, the composition and independence requirements of the Nominations Committee and the Compensation Committee and the requirement to have regularly scheduled meetings at which only independent directors are present. The Nasdaq Stock Market’s rules provide for a quorum of no less than 33 1/3% of Millicom’s outstanding shares. However, Millicom’s Amended and Restated Articles of Association provide that no quorum is required. The Nasdaq Stock Market’s rules provide for the involvement of independent directors in the selection of director nominees. However, Millicom relies on its home country practices, in lieu of this requirement, which permit its director nominations committee to be comprised of shareholder representatives. See “Item 6. Directors, Senior Management and Employees—C.

Board Practices—Nomination Committee.” The Nasdaq Stock Market’s rules require each Compensation Committee member to be an independent director for purposes of the Nasdaq Stock Market’s Marketplace Rule 5605(d)(2). However, to preserve greater flexibility in who may be appointed to the Compensation Committee, Millicom will be relying on its home country practices, in lieu of this requirement, which do not require the Compensation Committee to be comprised solely of directors who qualify as independent for such purposes. The Nasdaq Stock Market’s rules require listed companies to have regularly scheduled meetings at which only independent directors are present. However, Millicom follows its home country practices instead, which do not impose such a requirement.

#### D. Employees

On average, the Millicom Group had approximately 22,375 employees in 2019, and 21,403 employees in 2018. Management believes that relations with the employees are good. Some of our employees belong to a union and approximately 26% of our employees participated in collective agreements on average during 2019. The temporary employees of the Company corresponded to 6% of the average total number of employees in 2019.

#### E. Share Ownership

The table below sets forth information regarding the beneficial ownership of our common shares as of January 1, 2020, by our directors and senior management. For purposes of this table, a person is deemed to have “beneficial ownership” of any shares as of a given date which such person has the right to acquire within 60 days after such date. For purposes of computing the percentage of outstanding shares held by each person, or group of persons, named above on a given date, any security which such person or persons has the right to acquire within 60 days after such date is deemed to be outstanding, but is not deemed to be outstanding for the purpose of computing the percentage ownership of any other person. Except as otherwise indicated, the holders listed below have sole voting and investment power with respect to all shares beneficially owned by them. They have the same voting rights as all other holders of common shares.

Shareholder	Common Shares	Percentage of Common Shares
Mr. José Antonio Ríos García, Chairman of the Board of Directors	5,814	—%
Ms. Pernille Erenbjerg, Deputy Chairman	3,320	—%
Mr. Odilon Almeida, Director	5,086	—%
Ms. Janet Davidson, Director	4,431	—%
Mr. Tomas Eliasson, Director	5,703	—%
Mr. Lars-Åke Norling, Director	2,836	—%
Ms. Mercedes Johnson, Director	1,748	—%
Mr. James Thompson, Director	9,155	—%
Mr. Mauricio Ramos, President and Chief Executive Officer	190,577	—%
Mr. Tim Pennington, Senior Executive Vice President, Chief Financial Officer	28,378	—%
Mr. Esteban Iriarte, Executive Vice President, Chief Operating Officer, Latin America	29,657	—%
Mr. Xavier Rocoplan, Executive Vice President, Chief Technology and Information Officer	38,533	—%
Ms. Rachel Samrén, Executive Vice President, Chief External Affairs Officer	10,309	—%
Mr. Salvador Escalon, Executive Vice President, General Counsel	28,940	—%
Ms. Susy Bobenrieth, Executive Vice President, Chief Human Resources Officer	—	—%
Mr. HL Rogers, Executive Vice President, Chief Compliance and Ethics Officer	1,592	—%
<b>Directors and members of the Executive Committee as a group</b>	<b>366,795</b>	<b>—%</b>

\* less than 1%

None of the members the Company’s Board of Directors owns any options of the Company. The Company’s senior management and other key personnel do not own options or rights to purchase common shares under the share-based incentive plans. For more information, see “—B. Compensation.”

## ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

### A. Major Shareholders

To the extent known to the Company, it is neither directly nor indirectly owned or controlled by another corporation, any government, or any other person. In addition, there are no arrangements, known to the Company, the operation of which may result in a change in its control in the future.

The table below sets out beneficial ownership of our common shares (directly or through SDRs), par value \$1.50 each, by each person who beneficially owns more than 5% of our common stock at December 31, 2019.

Name of Shareholder	Common Shares	Percentage of Share Capital
Dodge & Cox (1)	9,380,493	9.2%
Swedbank Robur Fonder AB (2)	5,276,526	5.2%

(1) As of December 31, 2019, Dodge & Cox held 9,380,493 of our common shares (9.2% of common shares then outstanding). As of December 31, 2018, Dodge & Cox held 8,128,305 of our common shares (8.0% of common shares then outstanding). As of December 31, 2017, Dodge & Cox held 10,744,648 of our common shares (10.6% of common shares then outstanding).

(2) As of December 31, 2019, Swedbank Robur Fonder AB held 5,276,526 of our common shares (5.2% of common shares then outstanding). As of December 31, 2018, Swedbank Robur Fonder AB held 1,508,980 of our common shares (1.5% of common shares then outstanding). As of December 31, 2017, Swedbank Robur Fonder AB held 1,096,317 of our common shares (1.1% of common shares then outstanding).

On November 7, 2019, the shareholders of Kinnevik, who held 37,835,438 of our common shares (37.2% of our shares then outstanding) as of December 31, 2018, agreed to distribute Kinnevik's shareholding in Millicom to existing Kinnevik shareholders through a share redemption plan. Each ordinary share in Kinnevik (irrespective of share class) was entitled to one redemption share, and each redemption share was entitled to 0.1372 Millicom SDRs. The record date for the share split and the right to receive redemption shares was November 14, 2019, and since that date, Kinnevik is no longer a related party or shareholder in Millicom. The redemption shares were traded on Nasdaq Stockholm from and including November 15, 2019 to and including November 29, 2019. Millicom SDRs were paid out to the holders of redemption shares on December 3, 2019.

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 MIC S.A. 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.

Based upon the SDR ownership reported by Euroclear Sweden AB, as of December 31, 2019 there were 174 SDR holders in the United States holding 26,874,945 SDRs (representing 26.4% of the outstanding share capital as of such date). According to the records held by American Stock Transfer & Trust Company ("AST") reported as of December 31, 2019, there were 83 shareholders in the United States holding 7,896,200 common shares (representing 7.8% of the outstanding share capital as of such date).

However, these figures may not be an accurate representation of the number of beneficial holders nor their actual location because most of the common shares and SDRs were held for the account of brokers or other nominees.

### B. Related Party Transactions

The disclosure as to related party transactions in our audited consolidated financial statements is in some respects broader than that required by Form 20-F. As required by Form 20-F, "related parties" includes enterprises that control, are controlled by or are under common control with MIC S.A., associates, individuals owning directly or indirectly an interest in the voting power of the Company that gives them significant influence over MIC S.A., close family members of such persons, key management personnel (including directors and senior management) and any enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by certain of the persons listed above. For the purposes of note G.5 to our audited consolidated financial statements, related parties also includes the entities described below, which

is beyond the scope of the Form 20-F definition. Nonetheless, for purposes of consistency of presentation, we use the broader definition of related parties used in our audited consolidated financial statements for purposes of this Item 7.B.

The Company conducts transactions with certain related parties on normal commercial terms and conditions. The Millicom Group's significant related parties are:

**Kinnevik AB (Kinnevik) and subsidiaries**, Millicom's previous principal shareholder - until November 14, 2019, date on which Millicom SDRs were paid out to the shareholders of Kinnevik.

**Helios Towers Africa Ltd (HTA)**, in which Millicom held a direct or indirect equity interest - until October 15, 2019, date on which Millicom lost significant influence on HTA and started accounting for its investments at fair value under IFRS 9.

**EPM and subsidiaries (EPM)**, the non-controlling shareholder in our Colombian operations.

**Miffin Associates Corp and subsidiaries (Miffin)**, our joint venture partner in Guatemala.

**Cable Onda partners and subsidiaries**, the non-controlling shareholders in our Panama operations.

#### ***Kinnevik***

Kinnevik is a Swedish company with interests in the telecommunications, media, publishing, paper and financial services industries. For most of 2019, Kinnevik was Millicom's largest shareholder and the beneficial owner of approximately 37.2% of MÍC S.A.'s share capital. However, as at December 31, 2019, Kinnevik no longer owns any beneficial interest in Millicom.

During the years 2019, 2018, 2017 and 2016, the Company purchased services from Kinnevik subsidiaries including fraud detection, procurement and professional services. Transactions and balances with Kinnevik Group companies are disclosed under Other in the tables below.

#### ***Helios Towers***

Millicom sold its tower assets and leased back a portion of space on the towers in several African countries and contracted for related operation and management services with HTA. The Millicom Group has future lease commitments in respect of the tower companies. Millicom's investments in Helios Towers Africa Ltd (HTA) have been listed during 2019, and Millicom resigned from its board of directors' positions, thereby terminating its significant influence on HTA.

#### ***Empresas Públicas de Medellín (EPM)***

EPM is a state-owned, industrial and commercial enterprise, owned by the municipality of Medellín, and provides electricity, gas, water, sanitation, and telecommunications. EPM owns 50% of our operations in Colombia.

#### ***Miffin Associates Corp (Miffin)***

The Millicom Group purchases and sells products and services from Miffin Group. Transactions with Miffin represent recurring commercial operations such as purchase of handsets, and sale of airtime.

#### ***Cable Onda Partners***

Our partners in Panama are the non-controlling shareholders of Cable Onda and own 20% of the company, and indirectly 20% of Telefonica Moviles Panama, S.A., which was acquired by Cable Onda in August 2019. Additionally, they also hold interests in several entities which have purchasing and selling recurring commercial operations with Cable Onda (such as the sale of content costs, delivery of broadband services, etc.).

The Company had the following expenses and income and gains from transactions with related parties for the periods indicated:



	Year ended December 31		
			2017
Expenses from transactions with related parties	2019	2018	
	(US\$ millions)		
Purchases of goods and services from Miffin	(209)	(173)	(181)
Purchases of goods and services from EPM	(42)	(40)	(36)
Lease of towers and related services from HTA(i)	(146)	(28)	(28)
Other expenses	(15)	(3)	(4)
Total	(412)	(244)	(250)

(i) HTA ceased to be a related party on October 15, 2019.

	Year ended December 31		
			2017
Income and gains from transactions with related parties	2019	2018	
	(US\$ millions)		
Sale of goods and services to Miffin	306	284	277
Sale of goods and services to EPM	13	17	18
Other revenue	3	2	1
<b>Total</b>	<b>322</b>	<b>303</b>	<b>295</b>

As at December 31, the Company had the following balances with related parties:

Non-current and current liabilities	2019	2018
	(US\$ millions)	
Payables to Guatemala joint venture(i)	361	315
Payables to Honduras joint venture(ii)	133	143
Payables to EPM	37	14
Payables to Panama non-controlling interests	—	—
Other accounts payable	—	9
Sub-total	531	482
(Finance) Lease liabilities to HTA (iii)	—	99
<b>Total</b>	<b>531</b>	<b>580</b>

(i) Shareholder loans bearing interest. Out of the amount above, \$337 million are due over more than one year.

(ii) Amount payable mainly consist of dividend advances for which dividends are expected to be declared later in 2019 and/or shareholder loans.

(iii) HTA ceased to be a related party on October 15, 2019.

Non-current and current assets	2019	2018
	(US\$ millions)	
Receivables from EPM	3	5
Receivables from Guatemala and Honduras joint ventures	23	20
Advance payments to Helios Towers Tanzania(ii)	—	6
Receivables from Panama	—	—
Receivable from AirtelTigo Ghana (i)	43	41
Other accounts receivable	4	1
<b>Total</b>	<b>73</b>	<b>73</b>

- 
- (i) Disclosed under Other non-current assets in the statement of financial position.
  - (ii) HTA ceased to be a related party on October 15, 2019.

### **C. Interests of Experts and Counsel**

Not applicable to Annual Report filing.

## **ITEM 8. FINANCIAL INFORMATION**

### **A. Consolidated Statements and Other Financial Information**

#### ***Financial Statements***

Consolidated financial statements are set forth under “Item 18. Financial Statements.”

#### ***Legal Proceedings***

##### ***General litigation***

In the ordinary course of business, Millicom is a party to various litigation or arbitration matters in each jurisdiction in which we operate. The principal categories of litigation to which we are subject include the following:

- commercial claims, which include claims from third-party dealers, suppliers and customers alleging breaches or improper terminations of commercial agreements, or the charging of fees not in compliance with applicable law;
- regulatory claims, which consist primarily of consumer claims, as well as complaints regarding the locations of antennae and other equipment, mostly in Colombia and El Salvador; and
- labor and employment claims, including claims for wrongful termination and unpaid severance or other benefits.

By category of litigation, commercial claims account for a majority of the litigation matters to which we are party by both number of cases and total potential exposure based on the amount claimed.

By geography, litigation matters in Colombia represent a majority of the litigation matters to which we are party by both number of cases and total potential exposure. This is due to the size of our operations in Colombia, the comparatively high general prevalence of litigation there, and consumer protection and quality of service regulations which facilitate claims against telecommunications companies.

For additional details, see note G.3.1 of our audited consolidated financial statements.

##### ***Tax disputes***

In addition to the litigation matters describe above, we have ongoing tax claims and disputes in most of our markets. Generally, these disputes relate to differences with the tax authorities following their completion of audits for prior tax years dating back to 2007 or challenges by the tax authorities to our interpretation of tax regulations. Examples of these challenges and disputes relate to issues such as the following:

- the applicability, deductibility or reporting of VAT or sales tax in Honduras, Costa Rica and Tanzania;
- withholding tax payable on commissions, services fees and finance leases in Bolivia, El Salvador, Guatemala, Honduras, Paraguay and Tanzania;
- the application of stamp tax on dividend payments in Guatemala;
- the deductibility of expenses and interest on shareholder loans and other debt instruments in El Salvador and Tanzania;
- the deductibility of management, royalty and service fees paid to MIC S.A. by our operations in Bolivia, Costa Rica, El Salvador, Honduras and Tanzania;
- deductibility of commissions and discounts on handsets in Honduras;

- the deductibility of expenses for depreciation and amortization in Colombia, Guatemala and Paraguay;
- the application of the territoriality principle in the determination of the taxable base of municipal taxes in Colombia and Nicaragua and
- the application of withholding taxes on dividends in Nicaragua.

In many instances, the tax authorities seek to impose substantial penalties and interest charges while the disputed amounts remain unpaid, as we seek resolution through negotiations or court proceedings, resulting in significantly higher total claims than we expect the tax authorities will receive once the matter has been finally resolved. We work with the local tax authorities to substantiate claims or negotiate settlement amounts to close an audit, except in those instances where we are challenging or appealing the tax authorities' claims.

For additional details, see note G.3.2 of our audited consolidated financial statements.

#### ***Dividend and Share Buyback Program(s)***

Holders of MIC S.A. common shares (and SDRs) are entitled to receive dividends proportionately when, as and if declared by the Company's Board of Directors and approved by shareholders at the AGM, subject to Luxembourg legal reserve requirements, as well as restrictions in the agreements governing our indebtedness.

On May 2, 2019, a dividend distribution of \$2.64 per share (or \$267,571,480 in the aggregate) from MIC S.A.'s profit or loss brought forward account at December 31, 2018, was approved by the shareholders at the AGM to be distributed in two equal installments, one of which was paid on May 10, 2019 and the other of which was paid on November 12, 2019.

On May 4, 2018, a dividend distribution of \$2.64 per share (or \$266,022,071 in the aggregate) from MIC S.A.'s profit or loss brought forward account at December 31, 2017, was approved by the shareholders at the AGM and distributed in two equal installments, one of which was paid on May 15, 2018 and the other of which was paid on November 14, 2018.

On May 4, 2017, a dividend distribution of \$2.64 per share (or \$265,416,542 in the aggregate) from MIC S.A.'s profit or loss brought forward account at December 31, 2016, was approved by the shareholders at the AGM and distributed on May 12, 2017.

#### **B. Significant Changes**

No significant changes have occurred other than as described in this Annual Report since the date of our most recent audited financial statements.

## ITEM 9. THE OFFER AND LISTING

### A. Offer and Listing Details

The principal trading market of MIC S.A.’s shares is currently NASDAQ Stockholm, where MIC S.A.’s shares are listed and trade in the form of SDRs. Each SDR represents one share. MIC S.A. does not intend to list its SDRs on any national securities exchange in the United States.

Since January 9, 2019, MIC S.A.’s common shares have been listed on the Nasdaq Stock Market’s Global Select Market (the “Nasdaq Global Select Market”) in the United States. MIC S.A.’s common shares had previously been listed on the Nasdaq Global Select Market until May 27, 2011.

### B. Plan of Distribution

Not applicable to Annual Report filing.

### C. Markets

The SDRs are listed on the main market of NASDAQ Stockholm under the symbol “MIC\_SDB.” NASDAQ Stockholm is a regulated market in accordance with the Swedish Securities Market Act and is subject to regulation and supervision by the Swedish Financial Supervisory Authority. The Swedish Securities Market Act provides for the regulation and supervision of the Swedish securities markets and market participants, and the Swedish Financial Supervisory Authority implements such regulation and supervision.

MIC S.A.’s common shares are listed on the Nasdaq Global Select Market in the United States under the symbol “TIGO.”

### D. Selling Shareholders

Not applicable to Annual Report filing.

### E. Dilution

Not applicable to Annual Report filing.

### F. Expenses of the Issue

Not applicable to Annual Report filing.

## ITEM 10. ADDITIONAL INFORMATION

### A. Share Capital

Not applicable to Annual Report filing.

### B. Memorandum and Articles of Association

#### Articles of Association

##### *Registration and Object*

Millicom International Cellular S.A. is a public limited 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 articles of association of MIC S.A. define its purpose *inter alia* as follows: “... to engage in all transactions pertaining directly or indirectly to the acquisition and holding of participating interests, in any form whatsoever, in any Luxembourg or foreign business enterprise, including but not limited to, the administration, management, control and development of any such enterprise”. At the extraordinary general meeting of shareholders held on January 7, 2019, the shareholders adopted the Amended and Restated Articles of Association, filed herewith as Exhibit 1.1.

##### *Directors*

*Restrictions on Voting*

If a director has a personal material interest in a proposal, arrangement or contract to be decided by MIC S.A., the amended and restated articles of association provide that the validity of the decision of MIC S.A. is not affected by a conflict of interest existing with respect to a director. However, any such personal interest must be disclosed to the Board of Directors ahead of the vote and the relevant director shall abstain from considering and voting on the relevant issue. Such conflict of interest must be reported to the next general meeting of shareholders.

#### *Compensation and Nomination*

The decision on annual remuneration of directors (“*tantièmes*”) is reserved by the amended and restated 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 own, including the shares allotted under any share based compensation scheme.

The Nomination Committee makes recommendations for the election of directors to the AGM. At the AGM, shareholders may vote for or against the directors proposed or may abstain. The Nomination Committee reviews and recommends the directors’ fees which are approved by the shareholders at the AGM.

In proposing persons to be elected as directors at the AGM, the Company must comply with the nomination committee rules of the Swedish Code of Corporate Governance, so long as such compliance does not conflict with applicable mandatory law or regulation or the mandatory rules of any stock exchange on which the Company's shares are listed. In the event that the Company does not comply with the nomination committee rules of the Swedish Code of Corporate Governance and a committee of the Board is established to propose persons to be elected as directors at the AGM, any Shareholder holding at least 20% of the issued and outstanding shares of the Company, excluding treasury shares, has the right to designate: (1) one of the then-serving directors to be a member of such committee, so long as such designation and the director so designated meet the requirements of any applicable mandatory law or regulation or the mandatory rules of any stock exchange on which the Company's shares are listed, and (2) one person, who may or may not be a director, to attend any meeting of such committee as an observer, without the right to vote at such meeting, so long as such attendance does not conflict with applicable mandatory law or regulation or the mandatory rules of any stock exchange on which the Company's shares are listed. Any designation made pursuant to this provision lapses upon such designating Shareholder holding less than 20% of the issued and outstanding shares of the Company, excluding treasury shares.

#### *Borrowing Powers*

The directors generally have unrestricted borrowing powers on behalf of and for the benefit of MIC S.A.

#### *Age Limit*

There is no age limit for being a director of MIC S.A. Directors could be elected for a maximum period of six years, but the Company has followed the practice of electing them annually at the AGM.

#### *Share Ownership Requirements*

Directors need not be shareholders in MIC S.A.

### **Shares**

#### *Rights Attached to the Shares*

MIC S.A. has only one class of shares, common shares, and each share entitles its holder to:

- one vote at the general meeting of shareholders,
- receive dividends when such distributions are decided, and
- share in any surplus left after the payment of all the creditors in the event of liquidation. There is a preferential subscription right pursuant to Luxembourg corporate law under any share or rights issue for cash, unless the Board of Directors, within the limits specified in the amended and restated articles of association, or an extraordinary general meeting of shareholders, as the case may be, restricts the exercise thereof.

#### *Redemption of Shares*

The amended and restated articles of association provide for the possibility and set out the terms for the repurchase by MIC S.A. of its own shares, which repurchase must be approved in accordance with applicable law and the rules of any exchange on which MIC S.A.’s shares are listed. A share repurchase plan was approved at our 2019 AGM authorizing the

Board of Directors, at any time between May 2, 2019 and the date of the 2020 AGM, provided the required levels of distributable reserves are met by MIC S.A. at that time, either directly or through a subsidiary or a third party, to engage in a share repurchase plan of MIC S.A.'s common shares to be carried out for all purposes allowed or which would become authorized by the laws and regulations in force, and in particular the Luxembourg law of 10 August 1915 on commercial companies, as amended (the "Share Repurchase Plan") by using its available cash reserves, in an amount not exceeding the lower of (i) five per cent (5%) of MIC S.A.'s outstanding share capital as of the date of the AGM (i.e., approximating a maximum of 5,086,960 shares corresponding to \$7,630,440 in nominal value) or (ii) the then available amount of MIC S.A.'s distributable reserves on a parent company basis, on the Nasdaq Stock Market in the United States, Nasdaq Stockholm or any other recognized alternative trading platform, at an acquisition price which may not be less than SEK 50 per share (or the U.S. dollar equivalent) nor exceed the higher of (x) the published bid that is the highest current independent published bid on a given date or (y) the last independent transaction price quoted or reported in the consolidated system on the same date, regardless of the market or exchange involved, provided, however, that when common shares are repurchased, the price shall be within the registered interval for the share price prevailing at any time (the so called spread), that is, the interval between the highest buying rate and the lowest selling rate.

#### *Sinking Funds*

MIC S.A. shares are not subject to any sinking fund.

#### *Liability for Further Capital Calls*

All of the issued shares in MIC S.A.'s capital are fully paid up. Accordingly, none of MIC S.A.'s shareholders are liable for further capital calls.

#### *Principal Shareholder Restrictions*

There are no provisions in the amended and restated articles of association that discriminate against any existing or prospective holder of MIC S.A.'s shares as a result of such shareholder owning a substantial number of shares.

#### ***Changes to Shareholder's Rights***

In order to change the rights attached to the shares of MIC S.A., an extraordinary general meeting of shareholders must be duly convened and held before a Luxembourg notary, as under Luxembourg law such change requires an amendment of the articles of association. A quorum of presence of at least 50% of the shares present or represented is required at a meeting held after the first convening notice, whereas there is no quorum of presence requirement at a meeting held after the second convening notice. Any decision must be taken by a majority of two thirds of the shares present or represented at the general meeting. Any change to the obligations attached to shares may be adopted only with the unanimous consent of all shareholders.

#### ***Shareholders' Meetings***

General meetings of shareholders are convened by convening notice published in the Luxembourg Official Gazette (Journal des Publications, Recueil Electronique des Sociétés et Associations), in a Luxembourg newspaper, in short version in the Swedish newspaper SvD, as a press release and on the Millicom website. According to article 18 of the amended and restated articles of association of MIC S.A., the Board of Directors determines in the convening notice the formalities to be observed by each shareholder for admission to the AGM. An AGM must be convened every year within six months of the end of the financial year, at the registered office of the Company or any other place in Luxembourg as may be specified in the convening notice. Other meetings can be convened as necessary.

#### ***Limitation on Securities Ownership***

There are no limitations imposed under Luxembourg law or the amended and restated articles of association on the rights of non-resident or foreign entities to own shares of the Company or to hold or exercise voting rights on shares of the Company.

#### ***Change of Control***

There are no provisions in the amended and restated articles of association of the Company that would have the effect of delaying, deferring or preventing a change in control of MIC S.A. and that would operate only with respect to a merger, acquisition or corporate restructuring involving the Company, or any of its subsidiaries.

Luxembourg laws impose the mandatory disclosure of an important participation in Millicom and any change in such participation.

#### ***Disclosure of Shareholder Ownership***

As required by the Luxembourg law on transparency obligations of January 11, 2008, as amended (the “Transparency Law”), a shareholder who acquires or disposes of shares, including depositary receipts representing shares in the Company’s capital must notify the Company’s Board of Directors of the proportion of shares held by the relevant person as a result of the acquisition or disposal, where that proportion reaches, exceeds or falls below the thresholds referred to in the Transparency Law. As per the Transparency Law, the above also applies to the mere entitlement to acquire or to dispose of, or to exercise, voting rights in any of the cases referred to in the Transparency Law.

## **C. Material Contracts**

### **6.0% Senior Notes**

On March 17, 2015, MIC S.A. issued a \$500 million 6.000% fixed interest rate bond that matures on March 10, 2025. The bond is governed by the Amended and Restated Indenture between Millicom International Cellular S.A., Citibank, N.A., London Branch and Citigroup Global Markets Deutschland AG dated May 30, 2018, included as Exhibit 4.1 to this Annual Report.

On April 8, 2019, MIC S.A. and Citibank, N.A., London Branch, as trustee, entered into the first supplemental indenture to the amended and restated indenture, dated as of May 30, 2018, governing MIC S.A.’s \$500 million 6.000% Senior Notes due 2025, included as Exhibit 4.7 to this Annual Report. The purpose of the first supplemental indenture was primarily to generally conform certain terms in the amended and restated indenture to those in the indentures governing all of MIC S.A.’s other outstanding notes.

### **Revolving Credit Facility**

On January 27, 2017, MIC S.A. entered into a \$600 million multi-currency revolving credit facility with variable interest rates, which matures on January 27, 2022. The facility was arranged by The Bank Of Nova Scotia, BNP Paribas, Citigroup Global Markets Limited and DNB Markets, a part of DNB Bank ASA, Sweden Branch and is included as Exhibit 4.3 to this Annual Report.

### **5.125% Senior Notes**

On September 20, 2017, MIC S.A. issued a \$500 million 5.125% fixed interest rate bond that matures on January 15, 2028. The bond was issued pursuant to the Amended and Restated Indenture for the \$500 million 5.125% Senior Notes due 2028 between Millicom International Cellular S.A., Citibank, N.A., London Branch and Citigroup Global Markets Deutschland AG dated May 30, 2018, included as Exhibit 4.2 to this Annual Report.

### **6.625% Senior Notes**

On October 16, 2018, to help finance the Cable Onda Acquisition, MIC S.A. issued \$500 million aggregate principal amount of its 6.625% fixed interest rate notes that mature on October 15, 2026. The notes were issued pursuant to the Indenture for the \$500 million 6.625% Senior Notes due 2026 between Millicom International Cellular S.A., Citibank, N.A., London Branch and Citigroup Global Markets Europe AG dated October 16, 2018, included as Exhibit 4.5 to this Annual Report.

### **Stock Purchase Agreements for Telefonica CAM**

On February 20, 2019, MIC S.A., Telefonica Centroamerica Inversiones, S.L. (“Telefonica Centroamerica”) and Telefonica S.A. (“Telefonica”) entered into a stock purchase agreement pursuant to which, subject to the terms and conditions contained therein, MIC S.A. agreed to purchase 100% of the shares of Telefonica Moviles Panama, S.A., from Telefonica Centroamerica (the “Panama Acquisition”).

On February 20, 2019, MIC S.A., Telefonica Centroamerica and Telefonica entered into a stock purchase agreement pursuant to which, subject to the terms and conditions contained therein, Millicom agreed to purchase 100% of the shares of Telefonica de Costa Rica TC, S.A., from Telefonica (the “Costa Rica Acquisition”).

On February 20, 2019, MIC S.A., Telefonica Centroamerica and Telefonica entered into a stock purchase agreement pursuant to which, subject to the terms and conditions contained therein, Millicom agreed to purchase 100% of the shares of Telefonica Celular de Nicaragua, S.A., a company incorporated under the laws of Nicaragua, from Telefonica Centroamerica (the “Nicaragua Acquisition,” and together with the Panama Acquisition and the Costa Rica Acquisition, the “Telefonica CAM Acquisitions”).

### **Camelia US\$1.65 billion Bridge Loan**

On February 20, 2019, MIC S.A. closed USD 1.65 billion term loan facility agreement by and between Goldman Sachs, JPMorgan and Morgan Stanley, and further syndicated available to be drawn to (i) pay the purchase price for the Telefonica CAM Acquisitions, (ii) refinance the debts of any member of the Telefonica group and/or (iii) pay any costs, fees, interests or other expenses in connection with the Telefonica CAM Acquisitions or the facility. As of December 19, 2019, the Bridge Facility had been canceled in its entirety and was never drawn on.

**US\$750 million 6.250% Senior Notes due 2029 issued by MIC S.A.**

On March 25, 2019, to help finance the Telefonica CAM Acquisitions, MIC S.A. issued \$750 million aggregate principal amount of its 6.250% senior notes due 2029. The notes were issued pursuant to the Indenture for the \$750 million 6.250% Senior Notes due 2029 between Millicom International Cellular S.A., Citibank, N.A., London Branch and Citigroup Global Markets Europe AG dated March 25, 2019, included as Exhibit 4.6 to this Annual Report.

**US\$300 million Term Facility Agreement**

On April 24, 2019, MIC S.A. executed a \$300 million Term Facility Agreement arranged by DNB Bank ASA, Sweden Branch and Nordea Bank Abp, Filial i Sverige, included as Exhibit 4.8 to this Annual Report. This facility was fully drawn on as of December 31, 2019.

**SEK 2 Billion Floating-Rate Senior Unsecured Sustainability Bond due 2024 issued by MIC S.A.**

On May 15, 2019, MIC S.A. completed its offering of a SEK 2 billion (approximately \$210 million) floating-rate senior unsecured sustainability bond due 2024, included as Exhibit 4.9 to this Annual Report.

**D. Exchange Controls**

There are no governmental laws, decrees, regulations or other legislation of Luxembourg that may affect:

- the import or export of capital including the availability of cash and cash equivalents for use by the Millicom Group, or
- the remittance of dividends, interests or other payments to non-resident holders of MIC S.A.'s securities other than those deriving from the U.S.-Luxembourg double taxation treaty.



## **E. Taxation**

### **Luxembourg Tax Considerations**

*The following information is of a general nature only on certain tax considerations effective in Luxembourg in relation to holders of shares in respect of the ownership and disposition of shares in MIC S.A., and does not purport to be a comprehensive description of all of the tax considerations that might be relevant to an investment decision in such company. It is included herein solely for preliminary information purposes and is not intended to be, nor should it be construed to be, legal or tax advice. The information contained herein is based on the laws presently in force in Luxembourg on the date hereof, and thus subject to any change in law that may take effect after such date. Shareholders in MIC S.A. should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.*

*Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature, or to any other concepts, refers to Luxembourg tax law or concepts only. Further, any reference to a resident corporate shareholder/taxpayer includes non-resident corporate shareholders/taxpayers carrying out business activities through a permanent establishment, a permanent representative or a fixed place of business in Luxembourg to which assets would be attributable. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal), a solidarity surcharge (contribution au fonds pour l'emploi), as well as personal income tax (impôt sur le revenu) generally. Corporate shareholders may further be subject to net wealth tax (impôts sur la fortune), as well as other duties, levies or taxes. Corporate income tax, municipal business tax, as well as the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.*

#### **(a) Luxembourg withholding tax on dividends paid on MIC S.A. shares**

Dividends distributed by MIC S.A. will in principle be subject to Luxembourg withholding tax at the rate of 15%.

##### *Luxembourg resident corporate holders*

No dividend withholding should apply on dividends paid by MIC S.A. to a Luxembourg resident company if the conditions of Article 147 of the Luxembourg income tax law ("LITL") are met, meaning that the Luxembourg residence corporate holder should be a collective entity covered by article 2 of the EU Parent Subsidiary (Council Directive 2011/96/EU of 30 November 2011), a fully taxable (capital) company not listed in the appendix to article 166 LITL, paragraph 10, the Luxembourg State, a Luxembourg commune or a Luxembourg syndicate of communes or an undertaking of a Luxembourg public body, holding shares which meets the qualifying participation test (10% of the share capital or acquisition price of the shares of at least € 1.2 million held or committed to be held for a minimum of 12 months).

##### *Luxembourg resident individual holders*

Luxembourg withholding tax on dividends paid by MIC S.A. to a Luxembourg resident individual holder may entitle such holder to a tax credit for the tax withheld.

##### *Non-Luxembourg resident holders*

Non-Luxembourg resident shareholders of MIC S.A. should benefit from a withholding tax exemption if the conditions of Article 147 LITL are met, meaning 10% shareholding or share acquisition price of € 1.2 million, 12 months holding period and that the non-Luxembourg resident should either be (i) an entity which fall within the scope of Article 2 of the European Council Directive 2011/96/EU, as amended (the "Parent-Subsidiary Directive") and which are not excluded to benefit from this directive under its mandatory general anti-avoidance rule as implemented in Luxembourg, or (ii) corporate holder subject to a tax comparable to Luxembourg corporate income tax and which are resident in a country having concluded a double tax treaty with Luxembourg (such as the United States), or (iii) corporate holder subject to a tax comparable to Luxembourg corporate income tax resident in a State member of the European Economic Area other than a Member State of the EU or (iv) corporate holder resident in Switzerland subject to corporate income tax in Switzerland without benefiting from a tax exemption.

Non-Luxembourg resident holders which do not fall within the scope of Article 147 LITL withholding tax exemption but resident in a State with which Luxembourg has concluded a double tax treaty may claim a reduced withholding tax under the conditions set forth in the relevant double tax treaty.

In the case the non-Luxembourg resident holder fulfills the requirements to benefit from a withholding tax exemption or is entitled to a reduced withholding tax under an applicable double tax treaty but has been subject to this 15% withholding tax it may claim a refund from the Luxembourg tax administration.

**(b) Luxembourg income tax on dividends and capital gains received from MIC S.A. shares**

*Fully taxable resident corporate shareholders*

For resident corporate taxpayers, dividends (and other payments) derived from shares held in a company and capital gains realized on the sale of shares in a company are, in principle, fully taxable and thus subject to a combined corporate income tax rate of 24.49% (for resident corporate taxpayers established in Luxembourg City), except that, as described in further detail below, (i) dividends can benefit either from a full exemption if the conditions of article 166 LITL are met or from a 50% exemption if the conditions of Article 115 (15a) LITL are met, and (ii) capital gains realized by resident corporate shareholders are fully exempt if the conditions of the Grand Ducal Decree of December 21, 2002, (as amended) are fulfilled.

Under the Luxembourg participation exemption on dividends as implemented by Article 166 LITL, dividends derived from shares may be exempt from income tax at the level of the resident corporate shareholder if cumulatively, (i) the shareholder is either (a) a fully taxable resident collective entity taking one of the forms listed in the appendix to paragraph 10 of Article 166 LITL, (b) a fully taxable resident corporation not listed in the appendix to paragraph 10 of Article 166 LITL, (c) a permanent establishment of a collective entity referred to in Article 2 of the Parent-Subsidiary Directive, (d) a permanent establishment of a corporation resident in a State with which the Grand Duchy of Luxembourg has signed an agreement in an attempt to avoid double taxation, or (e) a permanent establishment of a corporation or a cooperative society resident in a State party to the European Economic Area Agreement other than a Member State of the European Union, (ii) the subsidiary is either (a) a collective entity referred to in Article 2 of the Parent-Subsidiary Directive, (b) a fully taxable resident corporation not listed in the appendix to paragraph (10) of Article 166 LITL, or (c) a non-resident corporation fully subject to a tax corresponding to the Luxembourg corporate income tax, and (iii) the shareholder has held or commits itself to hold, for an uninterrupted period of at least 12 months, a participation representing at least 10% in the share capital of the subsidiary or an acquisition price of at least €1.2 million. Liquidation proceeds are deemed to be a received dividend and may be exempt under the same conditions. The participation through an entity that is transparent for Luxembourg income tax purposes is to be considered as direct participation in proportion to the amount held in the net assets invested in that tax transparent entity.

The Luxembourg participation exemption regime may be denied if the income is (i) deductible in the other EU Member State paying such income or (ii) paid as part of an arrangement or a series of arrangements that, having been put into place with the main purpose or one of the main purposes of obtaining a tax advantage that defeats the object or purpose of the Parent-Subsidiary Directive, is not genuine having regard to all relevant facts and circumstances. For the purposes of this anti-avoidance rule, an arrangement, which may comprise several steps or parts, or a series of arrangements, is considered as not genuine to the extent that it is not put into place for valid commercial reasons that reflect economic reality.

Expenses, including interest expenses and impairments, in direct economic relation with the shareholding held by a resident corporate shareholder should not be deductible for income tax purposes up to the amount of any exempt dividend derived during the same financial year. Expenses exceeding the amount of the exempt dividend received from such shareholding during the same financial year should remain deductible for income tax purposes.

If the conditions of the Luxembourg participation exemption, as described above, are not met, 50% of the gross amount of dividends may however be exempt from corporate income tax in accordance with Article 115 (15a) LITL if such dividends are received from (i) a fully taxable corporation resident in Luxembourg, (ii) a corporation (a) resident in a State with which the Grand Duchy of Luxembourg has signed an agreement in an attempt to avoid double taxation, and (b) fully subject to a tax corresponding to the Luxembourg corporate income tax, or (iii) a company resident in a Member State of the European Union and referred to in Article 2 of the Parent-Subsidiary Directive.

Capital gains realized on shares by resident corporate shareholders may be exempt from corporate income tax if the conditions mentioned above under the Luxembourg participation exemption on dividends are met, except that the acquisition price must be of at least €6 million instead of €1.2 million. The participation through an entity that is transparent for Luxembourg income tax purposes is to be considered as direct participation in proportion to the amount held in the net assets invested in that tax transparent entity. Taxable gains are determined as being the difference between the price for which the shares have been disposed of and the lower of their cost or book value.

Capital gains realized upon the disposal of shares should remain taxable for an amount corresponding to the sum of the expenses related to the shareholding and impairments recorded on the shareholding that reduced the taxable basis of the resident corporate shareholder in the year of disposal or in previous financial years.

### *Resident corporate shareholders with a special tax regime*

A resident corporate shareholder that is governed by the law of May 11, 2007, on Family Estate Management Companies (as amended) or by the Law of February 13, 2007, on Specialized Investment Funds (as amended) or by the Law of December 17, 2010, on Undertakings for Collective Investment (as amended) or by the law of July 23, 2016, on Reserved Alternative Investment Funds not having the exclusive purpose of investing in risk capital, is not subject to Luxembourg income tax; thus, neither dividends (and other payments) derived from shares held in a company nor capital gains realized on the sale or disposal, in any form whatsoever, of shares in a company, are taxable at the level of such resident corporate shareholders.

### *Resident individual shareholders*

For resident individual shareholders, dividends derived from shares and capital gains realized on the sale of shares are, in principle, subject to income tax at the progressive ordinary rate (with a current effective marginal rate of up to 42%). Such income tax rate is increased by 7% for income not exceeding €150,000 for single taxpayers and €300,000 for couples taxed jointly, and by 9% for income above these amounts. In addition, a 1.4% dependence insurance contribution is due.

50% of the gross amount of dividends derived from shares may however be exempt from income tax, if the conditions laid down under Article 115 (15a) LITL, as described above, are complied with. In addition, a total lump-sum of €1,500 (which is doubled for taxpayers who are jointly taxable) is deductible from the total of dividends received during the tax year.

Capital gains realized on the disposal of the shares by resident individual shareholders who act in the course of the management of their private wealth, will in principle only be taxable if said capital gains qualify either as speculative gains or as gains on a substantial participation. A disposal may include a sale, an exchange, a contribution or any other kind of alienation of shares. Capital gains are deemed to be speculative if the shares are disposed within six months after their acquisition or if their disposal precedes their acquisition. Speculative gains realized during the year that are equal to, or are greater than, €500 are subject to income tax at ordinary rates. A participation is deemed to be substantial where a resident individual shareholder holds, either alone or together with his spouse, his partner or minor children, directly or indirectly, at any time within the 5 years preceding the disposal, more than 10% of share capital of a collective entity. A shareholder is also deemed to alienate a substantial participation if such participation (i) has been acquired free of charge, within the 5 years preceding the transfer, and (ii) was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same 5-year period). Capital gains realized on a substantial participation more than six months after the acquisition thereof may benefit from an allowance of up to €50,000 granted for a ten-year period (which is doubled for taxpayers who are jointly taxable). They are subject to income tax according to the half- global rate method, (i.e., the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation).

Capital gains realized on the disposal of the Company's shares by resident individual shareholders, who act in the course of their professional or business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the shares have been disposed of and the lower of their cost or book value.

### *Non-resident shareholders*

Non resident shareholders (either individual or corporate) owning a non-substantial shareholding are exempt from capital gains taxes. Non resident shareholders owning a substantial shareholding (more than 10% of share capital of a collective entity) are taxable in Luxembourg on a capital gain realized upon the disposal if at the date of the disposal the shareholding has been owned for not more than six months, unless the non resident shareholder is resident in a treaty country and the treaty allocates the taxation right for the capital gain to the country of residence. In this latter case, no capital gains tax will be due by non resident shareholder. Capital gains realized on the disposal of shares by non resident shareholders that have been owned for more than 6 months are exempt from Luxembourg income tax.

## **(c) Other Taxes**

### *Net wealth tax*

Whilst non-resident corporate taxpayers may only be subject to net wealth tax on their on the net assets attributable to a permanent establishment located in Luxembourg or on real estate assets located in Luxembourg, resident corporate taxpayers are in principle subject to net wealth tax at the rate of 0.5% for net wealth up to €500 million and at 0.05% for net wealth exceeding this threshold, unless a double tax treaty provides for an exemption or the asset may benefit from the Luxembourg participation exemption regime. Net worth is referred to as the unitary value (valeur unitaire), as determined at January 1 of each year. The unitary value is basically calculated as the difference between (a) assets estimated at their fair market value and (b) liabilities vis-à-vis third parties, unless one of the exceptions mentioned below are satisfied.

A resident corporate shareholder will be subject to net wealth tax on shares, except if (i) the shareholder is a securitization company governed by the Law of March 22, 2004, on Securitization (as amended) or an investment company in risk capital governed by the Law of June 15, 2004, on Venture Capital Vehicles (as amended) or a specialized investment fund governed by the Law of February 13, 2007, on Specialized Investment Funds (as amended) or a family wealth management company governed by the Law of May 11, 2007, on Family Estate Management Companies (as amended) or an undertaking for collective investment governed by the Law of December 17, 2010, on Undertakings for Collective Investment (as amended) or a pension-saving company as well as a pension-saving association, both governed by the Law of July 13, 2005, (as amended) or a reserved alternative investment fund governed by the law of July 23, 2016, or (ii) if the conditions mentioned above for the participation exemption regime on dividend income are met at the end of the previous year (except that no minimum holding period is required).

A resident corporate shareholder may further be subject to either a minimum net wealth tax of €4,815 or to a progressive minimum net wealth tax from €535 to €32,100, which depends on the total assets on their balance sheet. The minimum net wealth tax of €4,815 will be applicable for a resident corporate shareholder, which has a minimum of 90% of fixed financial assets, transferable securities and cash at bank on its balance sheet, except if its accumulated fixed financial assets do in addition not exceed €350,000, in which case it may benefit from a minimum net wealth tax of €535. Items (e.g., real estate properties or assets allocated to a permanent establishment) located in a treaty country, where the latter has the exclusive tax right, are not considered for the calculation of the 90% threshold.

Despite the above mentioned exceptions, the minimum net wealth tax also applies if the resident corporate shareholder is a securitization company governed by the Law of March 22, 2004, on Securitization (as amended) or an investment company in risk capital governed by the Law of June 15, 2004, on Venture Capital Vehicles (as amended) or a pension-saving company as well as a pension-saving association, both governed by the Law of July 13, 2005, (as amended) or a reserved alternative investment fund having the exclusive purpose of investing in risk capital governed by the law of July 23, 2016.

The net wealth tax charge for a given year can be avoided or reduced if a specific reserve, equal to five times the net wealth tax to save, is created before the end of the subsequent tax year and maintained during the five following tax years. The net wealth tax reduction corresponds to one fifth of the reserve created, except that the maximum net wealth tax to be saved is limited to the corporate income tax amount due for the same tax year, including the employment fund surcharge, but before imputation of available tax credits.

#### *Inheritance tax*

Where a shareholder is a resident of Luxembourg for tax purposes at the time of his/her death, shares are included in his/her taxable estate for inheritance tax assessment purposes.

#### *Gift tax*

Gift tax may be due on a gift or donation of shares if recorded in a Luxembourg notarial deed or otherwise recorded in Luxembourg.

#### *Registration taxes and stamp duties*

In principle, neither the issuance of shares nor the disposal of shares is subject to Luxembourg registration tax or stamp duty.

However, a registration duty may be due in the case where (i) the deed acknowledging the issuance/disposal of shares is either attached (*annexé*) to a deed subject to a mandatory registration in Luxembourg (e.g., public deed) or lodged with a notary's records (*déposé au rang des minutes d'un notaire*), or (ii) in case of a registration of such deed on a voluntary basis.

### **Material U.S. Federal Income Tax Considerations**

The following is a description of material U.S. federal income tax consequences to the U.S. Holders described below of owning and disposing our common shares. It does not describe all tax considerations that may be relevant to a particular person's decision to hold common shares. This discussion applies only to a U.S. Holder that holds common shares as capital assets for U.S. federal income tax purposes. In addition, it does not describe all of the U.S. federal income tax consequences that may be relevant in light of the U.S. Holder's particular circumstances, including alternative minimum tax consequences, the potential application of the provisions of the Internal Revenue Code of 1986, as amended (the "Code") known as the Medicare contribution tax and tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;

- dealers or traders in securities that use a mark-to-market method of tax accounting;
- persons holding common shares as part of a hedging transaction, straddle, wash sale, conversion transaction or other integrated transaction or persons entering into a constructive sale with respect to the common shares;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities classified as partnerships for U.S. federal income tax purposes;
- tax-exempt entities, “individual retirement account” or “Roth IRA”;
- persons that own or are deemed to own ten percent or more of our shares, by vote or value;
- persons who acquired our common shares pursuant to the exercise of an employee stock option or otherwise as compensation; or
- persons holding common shares in connection with a trade or business conducted outside of the United States.

If an entity that is classified as a partnership for U.S. federal income tax purposes owns common shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships owning common shares and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of owning and disposing of the common shares.

This discussion is based on the Code, administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations, and the income tax treaty between Luxembourg and the United States (the “Treaty”) all as of the date hereof, any of which is subject to change or differing interpretations, possibly with retroactive effect.

A “U.S. Holder” is a person who, for U.S. federal income tax purposes, is a beneficial owner of our common shares and is:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

U.S. Holders should consult their tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of our common shares in their particular circumstances.

Except as described below, this discussion assumes that we are not, and will not become, a passive foreign investment company (a “PFIC”) for any taxable year.

### ***Taxation of Distributions***

Distributions paid on common shares, other than certain pro rata distributions of common shares, will generally be treated as dividends to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, we expect that distributions generally will be reported to U.S. Holders as dividends. Subject to applicable limitations, dividends paid to certain non-corporate U.S. Holders may be taxable at the favorable tax rate applicable to “qualified dividend income.” U.S. Holders should consult their tax advisers regarding the availability of the favorable tax rate on dividends in their particular circumstances.

Dividends will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Dividends will be included in a U.S. Holder’s income on the date of receipt. The amount of any dividend income paid in euros will be the U.S. dollar amount calculated by reference to the exchange rate in effect on the date of actual or constructive receipt, regardless of whether the payment is in fact converted into U.S. dollars at that time. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder should not be required to recognize foreign currency gain or loss in respect of the dividend income. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt.

Dividends will be foreign-source and will include any amount withheld by us in respect of Luxembourg income taxes. Subject to applicable limitations, some of which vary depending upon the U.S. Holder's particular circumstances, non-refundable Luxembourg income taxes withheld from dividends at a rate not exceeding any applicable rate provided by the Treaty will be creditable against the U.S. Holder's U.S. federal income tax liability. The rules governing foreign tax credits are complex and U.S. Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances. In lieu of claiming a foreign tax credit, U.S. Holders may, at their election, deduct foreign taxes, including any Luxembourg income tax, in computing their taxable income, subject to generally applicable limitations under U.S. law. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the taxable year.

### ***Sale or Other Disposition of Common Shares***

For U.S. federal income tax purposes, gain or loss realized on the sale or other disposition of common shares will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder held the common shares for more than one year. The amount of the gain or loss will equal the difference between the U.S. Holder's tax basis in the common shares disposed of and the amount realized on the disposition, in each case as determined in U.S. dollars. This gain or loss will generally be U.S.-source gain or loss for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

### ***Passive Foreign Investment Company Rules***

We believe that we were not a "passive foreign investment company" (a "PFIC") for U.S. federal income tax purposes for our taxable year ending December 31, 2019. However, because PFIC status depends on the composition of a company's income and assets and the market value of its assets from time to time, there can be no assurance that the Company will not be a PFIC for any taxable year. If we are a PFIC for any year during which a U.S. Holder holds common shares, we generally will continue to be treated as a PFIC with respect to that U.S. Holder for all succeeding years during which the U.S. Holder holds common shares, even if we cease to meet the threshold requirements for PFIC status.

If we are a PFIC for any taxable year during which a U.S. Holder holds common shares, gain recognized by a U.S. Holder on a sale or other disposition (including certain pledges) of the common shares will be allocated ratably over the U.S. Holder's holding period for the common shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC will be taxed as ordinary income. The amount allocated to each other taxable year will be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge will be imposed on the resulting tax liability for each such year. Further, to the extent that any distribution received by a U.S. Holder on its common shares exceeds 125% of the average of the annual distributions on the common shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, that distribution will be subject to taxation in the same manner. If we were a PFIC, certain elections (such as mark-to-market election) may be available that would result in alternative tax consequences of owning and disposing of the common shares.

In addition, if we are a PFIC or, with respect to particular U.S. Holder, are treated as a PFIC for the taxable year in which we pay a dividend or for the prior taxable year, the preferential dividend rate discussed above with respect to dividends paid to certain non-corporate U.S. Holders will not apply.

If a U.S. Holder owns common shares during any year in which we are a PFIC, the U.S. Holder generally must file annual reports on an IRS Form 8621 (or any successor form) with respect to us, generally with the U.S. Holder's federal income tax return for that year.

U.S. Holders should consult their tax advisers concerning the potential application of the PFIC rules.

### ***Information Reporting and Backup Withholding***

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding.

The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS.

Certain U.S. Holders who are individuals or specified entities may be required to report information on their U.S. federal income tax returns relating to their ownership of our common shares, subject to certain exceptions (including an

exception for common shares held in a financial account, in which case the account may be reportable if maintained by a non-U.S. financial institution).

U.S. Holders should consult their tax advisers regarding their reporting obligations with respect to their ownership and disposition of common shares.

**F. Dividends and Paying Agents**

Not applicable to Annual Report filing.

**G. Statement by Experts**

Not applicable to Annual Report filing.

**H. Documents on Display**

Upon the effectiveness of this Annual Report, we will become subject to the information requirements of the Exchange Act, except that as a foreign issuer, we will not be subject to the proxy rules or the short-swing profit disclosure rules of the Exchange Act. In accordance with these statutory requirements, we will file or furnish reports and other information with the SEC, which you may inspect and copy at the Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is [www.sec.gov](http://www.sec.gov).

**I. Subsidiary Information**

Not applicable.

**ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT RISK**

**Financial risk management**

Millicom regularly performs risk management assessments and reviews to identify its major risks and to take the necessary steps to mitigate such risks. The principal market risks to which we are exposed are interest rate risk, foreign currency exchange risk and non-repatriation. Each year Millicom Group Treasury revisits and presents to the Audit Committee updated Treasury and Financial Risks Management policies. The Millicom Group analyzes each of these financial risks individually as well as on an interconnected basis and defines and implements strategies to manage the economic impact on the Millicom Group's performance in line with its Financial Risk Management policy. These policies were last reviewed in late 2018.

As part of the annual review of the above mentioned risks, the Millicom Group targets a strategy with respect to the use of derivatives and natural hedging instruments ranging from raising debt in local currency (where the Company targets to reach 40% of debt in local currency over the medium term) to maintaining a 75/25% mix between fixed and floating rate debt or agreeing to cover up to six months forward of operating costs and capex denominated in non-functional currencies through a rolling and layering strategy. Millicom's risk management strategies may include the use of derivatives to the extent a market would exist in the jurisdictions where the Millicom Group operates. Millicom's policy prohibits the use of such derivatives in the context of speculative trading.

On December 31, 2019 and 2018, the fair value of derivatives held by the Millicom Group may be summarized as follows:

	2019	2018
	(US\$ millions)	
<b>Derivatives</b>		
Cash flow hedge derivatives	(17)	—
Net derivative asset (liability)	(17)	—

## Interest rate risk

Debt and financing issued at floating interest rates expose the Millicom Group to cash flow interest rate risk. Debt and financing issued at fixed rates expose the Millicom Group to fair value interest rate risk. The Millicom Group's exposure to risk of changes in market interest rates relate to both of the above. To manage this risk, the Millicom Group's policy is to maintain a combination of fixed and floating rate debt with target that more than 75% of the debt be at fixed rates. The Millicom Group actively monitors borrowings against this target. The target mix between fixed and floating rate debt is reviewed periodically. The purpose of Millicom's policy is to achieve an optimal balance between cost of funding and volatility of financial results, while taking into account market conditions as well as our overall business strategy. At December 31, 2019, approximately 76% of the Millicom Group's borrowings are at a fixed rate of interest or for which variable rates have been swapped for fixed rates with interest rate swaps (2018: 68%).

The table below summarizes, as at December 31, 2019, our fixed rate debt and floating rate debt:

	Amounts due within						Total
	1 year	1–2 years	2–3 years	3–4 years	4–5 years	>5 years	
	(US\$ millions)						
Financing at December 31, 2019							
Fixed rate financing	118	117	118	332	431	3,428	4,543
Weighted average nominal interest rate	6.32%	5.46%	5.01%	7.24%	5.44%	5.81%	5.86%
Floating rate financing	68	38	27	185	654	457	1,429
Weighted average nominal interest rate	2.97%	1.77%	1.41%	3.25%	4.26%	0.96%	1.52%
Total	186	155	145	517	1,085	3,884	5,972
Weighted average nominal interest rate	5.10%	4.55%	4.34%	5.81%	4.73%	5.24%	4.82%

The table below summarizes, as at December 31, 2018, our fixed rate debt and floating rate debt:

	Amounts due within						Total
	1 year	1–2 years	2–3 years	3–4 years	4–5 years	>5 years	
	(US\$ millions)						
Financing at December 31, 2018							
Fixed rate financing	140	162	137	436	204	2,036	3,116
Weighted average nominal interest rate	6.35%	6.59%	6.64%	6.61%	4.10%	6.47%	6.34%
Floating rate financing	318	175	266	133	263	309	1,465
Weighted average nominal interest rate	10.28%	5.89%	2.73%	0.49%	4.41%	1.13%	1.98%
Total	458	337	403	570	468	2,345	4,580
Weighted average nominal interest rate	9.08%	6.23%	4.06%	5.18%	4.28%	5.76%	4.95%

A 100 basis point fall or rise in market interest rates for all currencies in which the Group had borrowings at December 31, 2019 would increase or reduce profit before tax from continuing operations for the year by approximately US\$14 million (2018: US\$15 million).

From time to time, Millicom enters into currency and interest rate swap contracts to manage its exposure to fluctuations in interest rates and currency fluctuations in accordance with its Financial Risk Management policy. Details of these arrangements are provided below.

### ***Interest rate and currency swaps on SEK denominated debt***

The swaps on the previous SEK bond were accounted for as a cash flow hedge as the timing and amounts of the cash flows under the swap agreements matched the cash flows under the SEK bond. Fluctuations were recorded through other



comprehensive income in our financial statements. They matured in April 2018 and were settled against a cash payment of \$63 million.

In May 2019, MIC S.A. entered into swap contracts in order to hedge the foreign currency and interest rate risks in relation to the issuance of the SEK 2 billion (approximately \$208 million) senior unsecured sustainability bond. These swaps are accounted for as cash flow hedges as the timing and amounts of the cash flows under the swap agreements match the cash flows under the SEK bond. Their maturity date is May 2024. The hedging relationship is highly effective and related fluctuations are recorded through other comprehensive income. At December 31, 2019, the fair values of the swaps amount to a liability of \$0.2 million.

#### ***Interest rate and currency swaps in Costa Rica and interest rate swaps in El Salvador***

Our operations in El Salvador and Costa Rica also entered into several swap agreements in order to hedge foreign currency and interest rate risks on certain long term debts. These swaps are accounted for as cash flow hedges and related fair value changes are recorded through other comprehensive income. At December 31, 2019, the fair values of these swaps amount to liabilities of \$17 million.

#### ***Interest rate and currency swaps on Euro-denominated debt***

In June 2013, Millicom entered into interest rate and currency swaps whereby Millicom will sell Euros and receive USD to hedge against exchange rate fluctuations on an intercompany seven-year Euro 134 million principal and related interest financing of its operation in Senegal. The outstanding 2020 Notes were repaid in August 2017 and as a result these swaps have been settled. The year-to-date revaluation of the swap resulted in a \$22 million loss. The Millicom Group finally received \$10 million in cash on settlement date.

The above hedge was considered ineffective, with fluctuations in the fair value of the hedge recorded through the statement of income in our consolidated financial statements.

No other financial instruments have a significant fair value at December 31, 2019.

#### **Foreign currency risk**

The Millicom Group is exposed to foreign exchange risk arising from various currency exposures in the countries in which it operates. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. In the years ended December 31, 2019, 2018 and 2017, foreign currency exchange rate fluctuations resulted in a loss of \$32 million, a loss of \$40 million and a gain of \$21 million, respectively.

Millicom seeks to reduce its foreign currency exposure through a policy of matching, as far as possible, assets and liabilities denominated in foreign currencies, or entering into agreements that limit the risk of exposure to currency fluctuations against the US dollar reporting currency. In some cases, Millicom may also borrow in US dollars where it is either commercially more advantageous for joint ventures and subsidiaries to incur debt obligations in US dollars or where US dollar denominated borrowing is the only funding source available to a joint venture or subsidiary. In these circumstances, Millicom accepts the remaining currency risk associated with financing its joint ventures and subsidiaries, principally because of the relatively high cost of forward cover, when available, in the currencies in which the Millicom Group operates.

The following table summarizes debt denominated in US dollars and other currencies at December 31, 2019 and 2018.

	2019	2018
	(US\$ millions)	
<b>Debt denomination at December 31</b>		
Debt denominated in US dollars	3,535	2,572
Debt denominated in currencies of the following countries:		
Colombia	531	718
Chad	—	62
Tanzania	14	112
Bolivia	350	306
Paraguay	206	207
El Salvador(i)	268	299
Panama(i)	918	261
Luxembourg (SEK denominated)	43	43
Costa Rica	107	—
<b>Total debt denominated in other currencies</b>	<b>2,437</b>	<b>2,008</b>
<b>Total debt</b>	<b>5,972</b>	<b>4,580</b>

(i) El Salvador's official unit of currency is the U.S. dollar, while Panama uses the U.S. dollar as legal tender. Our local debt in both countries is therefore denominated in U.S. dollars but presented as local currency (LCY).

At December 31, 2019, if the US dollar had weakened/strengthened by 10% against the other functional currencies of our operations and all other variables held constant, then profit before tax from continuing operations would have increased/decreased by \$17 million (2018: \$53 million ). This increase/decrease in profit before tax would have mainly been as a result of the conversion of the USD-denominated net debts in our operations with functional currencies other than the US dollar.

#### Non-repatriation risk

Millicom's operating subsidiaries and joint ventures generate most of the revenue of the Millicom Group and in the currency of the countries in which they operate. Millicom is therefore dependent on the ability of its subsidiaries and joint venture operations to transfer funds to the Company.

Although foreign exchange controls exist in some of the countries in which Millicom Group companies operate, none of these controls currently significantly restrict the ability of these operations to pay interest, dividends, technical service fees, royalties or repay loans by exporting cash, instruments of credit or securities in foreign currencies. However, existing foreign exchange controls may be strengthened in countries where the Millicom Group operates, or foreign exchange controls may be introduced in countries where the Millicom Group operates that do not currently impose such restrictions. If such events were to occur, the Company's ability to receive funds from the operations could be subsequently restricted, which would impact the Company's ability to make payments on its interest and loans and, or pay dividends to its shareholders. As a policy, all operations which do not face restrictions to deposit funds offshore and in hard currencies should do so for the surplus cash generated on a weekly basis. The Company and its subsidiaries make use of notional and physical cash pooling arrangements in hard currencies to the extent permitted.

In addition, in some countries it may be difficult to convert large amounts of local currency into foreign currency because of limited foreign exchange markets. The practical effects of this may be time delays in accumulating significant amounts of foreign currency and exchange risk, which could have an adverse effect on the Millicom Group. This is a relatively rare case for the countries in which the Millicom Group operates.

Lastly, repatriation most often gives rise to taxation, which is evidenced in the amount of taxes paid by the Millicom Group relative to the Corporate Income Tax reported in its statement of income.

## ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

### A. Debt Securities

Not applicable to Annual Report filing.

**B. Warrants and Rights**

Not applicable to Annual Report filing.

**C. Other Securities**

Not applicable to Annual Report filing.

**D. American Depositary Shares**

Not applicable.

**PART II**

**ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**

**A. Defaults**

Not applicable.

**B. Arrears and Delinquencies**

Not applicable.

**ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS**

Not applicable.

**ITEM 15. CONTROLS AND PROCEDURES**

**A. Disclosure Controls and Procedures**

As of December 31, 2019, MIC S.A., under the supervision and with the participation of the Millicom Group's management, including the Company's Chief Executive Officer and the Chief Financial Officer, performed an evaluation of the effectiveness of the Millicom Group's disclosure controls and procedures. The Millicom Group's disclosure controls and procedures are designed to ensure that information required to be disclosed under the Exchange Act is accumulated and communicated to the Millicom Group's management to allow timely decisions regarding required disclosures. The Millicom Group's management necessarily applied its judgment in assessing the costs and benefits of such controls and procedures, which by their nature can provide only reasonable assurance regarding management's control objectives.

Based on this evaluation, the Company's Chief Executive Officer and the Chief Financial Officer concluded that as of December 31, 2019 the Millicom Group's disclosure controls and procedures are effective at the reasonable assurance level for recording, processing, summarizing and reporting the information the Company is required to disclose in the reports it files under the Exchange Act within the time periods specified in the U.S. Securities and Exchange Commission's (the "SEC") rules and forms.

**B. Management's Annual Report on Internal Control over Financial Reporting**

The Millicom Group's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of the Company's financial reporting as well as the preparation of consolidated financial statements for external reporting purposes in accordance with IFRS as issued by the International Accounting Standards Boards.

The Company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of consolidated financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements and, even when

determined to be effective, can provide only reasonable assurance with respect to consolidated financial statements preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

In May 2019, the Company completed its acquisition of 100% of the shares of Telefonía Celular de Nicaragua, S.A. (“Telefonía Nicaragua”). In August 2019, a 80% owned subsidiary of the Company, Cable Onda S.A., acquired 100% of the shares of Telefonica Moviles Panama, S.A. (“Telefonica Panama”). The Company is in the process of evaluating the existing controls and procedures of Telefonía Nicaragua and Telefonica Panama and integrating them into the Company’s internal control over financial reporting.

In accordance with SEC Staff guidance permitting a company to exclude an acquired business from management’s assessment of the effectiveness of internal control over financial reporting for the year in which the acquisition is completed, the Company has excluded these businesses from its assessment of the effectiveness of internal control over financial reporting as of December 31, 2019.

Telefonía Nicaragua represented 4% and 8% of the Company’s total and net assets as of December 31, 2019, and 3% of the Company’s revenues and 3% of the Company’s net income for the year ended December 31, 2019.

Telefonica Panama represented 6% and 22% of the Company’s total assets as of December 31, 2019, and 2% of the Company’s revenues and 4% of the Company’s net income for the year ended December 31, 2019.

The Company’s management conducted an assessment of the effectiveness of the Company’s internal control over financial reporting as of December 31, 2019, based on the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on its assessment, management believes that, as of December 31, 2019, the Company’s internal control over financial reporting is effective based on those criteria.

The Company’s internal control over financial reporting as of December 31, 2019 has been audited by Ernst & Young S.A., the Company’s external independent registered public accounting firm, as stated in its report which follows.

## **C. Attestation Report of Independent Registered Public Accounting Firm**

To the Shareholders and the Board of Directors of  
Millicom International Cellular S.A.

### **Opinion on Internal Control Over Financial Reporting**

We have audited Millicom International Cellular S.A.'s internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Millicom International Cellular S.A. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on the COSO criteria.

As indicated in the accompanying Management's Annual Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of:

- (1) Telefonía Celular de Nicaragua S.A, which is included in the 2019 consolidated financial statements of the Company and constituted 4% and 8% of total and net assets, respectively, as of December 31, 2019 and 3% and 3% of revenues and net income, respectively, for the year then ended and;
- (2) Telefónica Móviles Panama S.A, which is included in the 2019 consolidated financial statements of the Company and constituted 6% and 22% of total and net assets, respectively, as of December 31, 2019 and 2% and 4% of revenues and net income, respectively, for the year then ended;

Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of Telefonía Celular de Nicaragua S.A. and Telefónica Móviles Panama S.A.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2019 consolidated financial statements of the Company and our report dated February 28, 2020 expressed an unqualified opinion thereon.

### **Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### **Definition and Limitations of Internal Control Over Financial Reporting**

A company's 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 purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young

Société anonyme

Cabinet de révision agréé

Luxembourg,

28 February 2020

#### D. Changes in Internal Control over Financial Reporting

In May 2019, the Company completed its acquisition of 100 percent of the shares of Telefonía Celular de Nicaragua, S.A. In August 2019, Cable Onda S.A. acquired 100 percent of the shares of Telefonica Moviles Panama, S.A. The Company is engaged in refining and harmonizing the internal controls and processes of the acquired businesses with those of the Company.

#### ITEM 16. [RESERVED]

##### Item 16A. Audit Committee Financial Expert

MIC S.A.'s Audit Committee is chaired by Mr. Eliasson, and includes Ms. Erenbjerg, Ms. Johnson and Mr. Thompson. MIC S.A.'s Board of Directors has determined that each of Mr. Eliasson, Ms. Erenbjerg, Mr. Thompson and Ms. Johnson have the professional experience and knowledge to qualify as "audit committee financial experts" as defined by SEC rules. MIC S.A.'s Board has also determined that each of Mr. Eliasson, Ms. Erenbjerg, Mr. Thompson and Ms. Johnson are independent within the meaning of the independence requirements contemplated by Rule 10A-3 under the Exchange Act and the applicable Nasdaq listing rules.

##### Item 16B. Code of Ethics

Millicom has a Code of Conduct that applies to all employees and management. In May 2019, the Code of Conduct was amended to specify in greater detail our responsibility to regulators and shareholders, and clarify the duty of our employees to report concerns regarding accounting, internal controls, or auditing issues. In the year ended December 31, 2019, Millicom did not waive compliance with its Code of Conduct by its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The Code of Conduct is available at <https://www.millicom.com/our-responsibility/compliance/millicom-code-of-conduct/>.

##### Item 16C. Principal Accountant Fees and Services

The following table summarizes the aggregate amounts paid to Millicom's auditors for the years ended December 31, 2019 and 2018.

	2019	2018
	(US\$ millions)	
Audit fees	6.8	6.7
Audit related fees	1.3	0.4
Tax fees	0.1	0.2
Other fees	0.6	0.6
Total	8.8	7.7

Audit related services consist principally of consultations related to financial accounting and reporting standards, including making recommendations to management regarding internal controls and the issuance of certifications for debt and bonds. Tax services consist principally of tax planning services and tax compliance services. All other fees are for services not included in the other categories. 100% of the audit related, tax and other fees for 2019 and 2018 were approved by the audit committee.

#### *Audit Committee Pre-approval Policies*

The policies and procedures provide that requests for categories of non-audit services by Millicom’s auditors that have been pre-approved by the Audit Committee must be approved by management and subsequently reported to the Audit Committee on at least a quarterly basis, subject to a maximum annual and individual project cap. Other permitted services not listed in the pre-approved services list ratified by the Audit Committee must be pre-approved by the Audit Committee’s Chairman in between the regularly scheduled meetings and subsequently approved by the Audit Committee in full (during scheduled meetings), regardless of the level of fees.

#### **Item 16D. Exemptions from the Listing Standards for Audit Committees**

Not applicable.

#### **Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

None.

#### **Item 16F. Change in Registrant’s Certifying Accountant**

Not applicable.

#### **Item 16G. Corporate Governance**

As a foreign private issuer incorporated in Luxembourg with its principal stock exchange listing on Nasdaq Stockholm, Millicom follows its “home country” corporate governance practices and the laws of the Grand Duchy of Luxembourg, in lieu of the provisions of the Nasdaq Stock Market’s Marketplace Rule 5600 series that apply to the constitution of a quorum for any meeting of shareholders, the composition and independence requirements of the Nomination Committee and the Compensation Committee and the requirement to have regularly scheduled meetings at which only independent directors are present. The Nasdaq Stock Market’s rules provide for a quorum of no less than 33⅓% of Millicom’s outstanding shares. However, Millicom’s Amended and Restated Articles of Association do not require a quorum. The Nasdaq Stock Market’s rules provide for the involvement of independent directors in the selection of director nominees. However, Millicom relies on its home country practices, in lieu of this requirement, which permit its director nominations committee to be comprised of shareholder representatives. The Nasdaq Stock Market’s rules require each Compensation Committee member to be an independent director for purposes of the Nasdaq Stock Market’s Marketplace Rule 5605(d)(2). However, to preserve greater flexibility in who may be appointed to the Compensation Committee, Millicom relies on its home country practices, in lieu of this requirement, which do not require the Compensation Committee to be comprised solely of directors who qualify as independent for such purposes. The Nasdaq Stock Market’s rules require listed companies to have regularly scheduled meetings at which only independent directors are present. However, Millicom follows its home country practices which do not impose such a requirement.

#### **Item 16H. Mine Safety Disclosure**

Not applicable.

### **PART III**

#### **ITEM 17. FINANCIAL STATEMENTS**

We have responded to Item 18 in lieu of this item.

#### **ITEM 18. FINANCIAL STATEMENTS**

Financial Statements are filed as part of this Annual Report, see page F-1.

## ITEM 19. EXHIBITS

<a href="#"><u>1.1</u></a> *	Amended and Restated Articles of Association of Millicom International Cellular S.A.
<a href="#"><u>2.1</u></a> *	Description of Share Capital
<a href="#"><u>4.1</u></a>	Amended and Restated Indenture for the \$500,000,000 6.0% Senior Notes due 2025 between Millicom International Cellular S.A., Citibank, N.A., London Branch and Citigroup Global Markets Deutschland AG dated May 30, 2018 (incorporated herein by reference to Exhibit 4.1. to the Company's Registration Statement on Form 20-F (File No. 001-38763) filed with the SEC on December 13, 2018)
<a href="#"><u>4.2</u></a>	Amended and Restated Indenture for the \$500,000,000 5.125% Senior Notes due 2028 between Millicom International Cellular S.A., Citibank, N.A., London Branch and Citigroup Global Markets Deutschland AG dated May 30, 2018 (incorporated herein by reference to Exhibit 4.2. to the Company's Registration Statement on Form 20-F (File No. 001-38763) filed with the SEC on December 13, 2018)
<a href="#"><u>4.3</u></a>	Multicurrency revolving facility agreement for Millicom International Cellular S.A. arranged by The Bank Of Nova Scotia, BNP Paribas, Citigroup Global Markets Limited and DNB Markets, a part of DNB Bank ASA, Sweden Branch dated January 27, 2017 (incorporated herein by reference to Exhibit 4.2. to the Company's Registration Statement on Form 20-F (File No. 001-38763) filed with the SEC on December 13, 2018)
<a href="#"><u>4.4</u></a>	Amended and restated stock purchase agreement for the acquisition of interests in Cable Onda S.A. among Millicom International Cellular S.A., Millicom LIH S.A., Medios de Comunicacion LTD, Telecarrier International Limited, IGP Trading Corp. and Tenedora Activa, S.A. dated December 12, 2018 (incorporated herein by reference to Exhibit 4.5. to the Company's Registration Statement on Form 20-F (File No. 001-38763) filed with the SEC on December 13, 2018)
<a href="#"><u>4.5</u></a>	Indenture for the \$500,000,000 6.625% Senior Notes due 2026 between Millicom International Cellular S.A., Citibank, N.A., London Branch and Citigroup Global Markets Europe AG dated October 16, 2018 (incorporated herein by reference to Exhibit 4.6. to the Company's Registration Statement on Form 20-F (File No. 001-38763) filed with the SEC on December 13, 2018)
<a href="#"><u>4.6</u></a> *	Indenture for the \$750,000,000 6.25% Senior Notes due 2029 between Millicom International Cellular S.A., Citibank, N.A., London Branch and Citigroup Global Markets Europe AG dated March 25, 2019
<a href="#"><u>4.7</u></a> *	First Supplemental Indenture to the Amended and Restated Indenture for the \$500,000,000 6.0% Senior Notes due 2025 between Millicom International Cellular S.A., Citibank, N.A., London Branch and Citigroup Global Markets Deutschland AG, dated as of May 30, 2018
<a href="#"><u>4.8</u></a> *	Term facility agreement for Millicom International Cellular S.A. arranged by DNB Bank ASA, Sweden Branch and Nordea Bank Abp, Filial i Sverige dated April 24, 2019
<a href="#"><u>4.9</u></a> *	Terms and Conditions for Millicom International Cellular S.A.'s SEK 2 Billion Floating-Rate Senior Unsecured Sustainability Bond due 2024
<a href="#"><u>8.1</u></a> *	List of significant subsidiaries
<a href="#"><u>12.1</u></a> *	Certification pursuant to section 302 of the Sarbanes-Oxley Act of 2002
<a href="#"><u>12.2</u></a> *	Certification pursuant to section 302 of the Sarbanes-Oxley Act of 2002
<a href="#"><u>13.1</u></a> **	Certification pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002
<a href="#"><u>13.2</u></a> **	Certification pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002
<a href="#"><u>15.1</u></a> *	Consent of Ernst & Young S.A.



101.INS*	XBRL Instance Document
101.SC*	XBRL Taxonomy Extension Schema Document
101.CA*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DE*	XBRL Taxonomy Extension Definition Linkbase Document
101.LA*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

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\* Filed herewith  
\*\* Furnished herewith

## SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

### MILlicom INTERNATIONAL CELLULAR S.A.

Date: February 28, 2020

By: /s/ Tim Pennington

Name: Tim Pennington

Title: Senior Executive Vice President, Chief Financial Officer

By: /s/ Mauricio Ramos

Name: Mauricio Ramos

Title: President and Chief Executive Officer

## INDEX TO FINANCIAL STATEMENTS

### **Audited Consolidated Financial Statements of Millicom International Cellular S.A. at December 31, 2019 and 2018 and for the Years Ended December 31, 2019, 2018 and 2017**

Report of independent registered public accounting firm	<a href="#">F-2</a>
Consolidated statement of income for the years ended December 31, 2019, 2018 and 2017	<a href="#">F-7</a>
Consolidated statement of comprehensive income for the years ended December 31, 2019, 2018 and 2017	<a href="#">F-8</a>
Consolidated statement of financial position at December 31, 2019 and 2018	<a href="#">F-9</a>
Consolidated statement of cash flows for the years ended December 31, 2019, 2018 and 2017	<a href="#">F-11</a>
Consolidated statement of changes in equity for the years ended December 31, 2019, 2018 and 2017	<a href="#">F-13</a>
Notes to the audited consolidated financial statements	<a href="#">F-14</a>

## Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Millicom International Cellular S.A.

### Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Millicom International Cellular S.A. (the “Group”) as of December 31, 2019 and 2018, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows, for each of the three years in the period ended December 31, 2019, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group at December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standard Board (“IASB”).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Group's internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 28, 2020 expressed an unqualified opinion thereon.

### Adoption of IFRS 16 “Leases”

As discussed in the Introduction to the consolidated financial statements, the Group changed its method of accounting for leases, including for their classification and measurement, effective January 1, 2019 due to the adoption of IFRS 16 “Leases”. See below for discussion of our related critical audit matter.

### Adoption of IFRS 15 “Revenue from Contracts with Customers” and IFRS 9 “Financial Instruments”

As disclosed in the Introduction to the consolidated financial statements, the Group changed its method of accounting for revenue from contracts with customers and for the classification, measurement, recognition and impairments of financial assets and financial liabilities as well as hedge accounting effective January 1, 2018 due to the adoption of IFRS 15 “Revenue from Contracts with Customers” and IFRS 9 “Financial Instruments”, respectively.

### Basis for Opinion

These consolidated financial statements are the responsibility of the Group’s management. Our responsibility is to express an opinion on the Group’s consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

## **Revenue recognition**

<i>Description of the Matter</i>	<p>As described in Note B.1.1 of the consolidated financial statements, the Group's revenue, amongst others, includes bundled offers (e.g., sales of telecom services and sale of handsets) and principal vs. agent considerations (i.e., some arrangements involve two or more unrelated parties that contribute to providing a specified good or service to a customer). Auditing bundled offers was especially challenging and involved complex auditor judgment because these arrangements involve multiple deliverables and elements which require the identification of separate performance obligations and allocation of the transaction price to those obligations, which is recognized in accordance with the transfer of goods or services to customers in an amount that reflects their relative stand-alone selling prices (e.g. the revenue from the sale of telecom services is recognized over time and the revenue from the sale of handsets is recognized at a point in time). In addition, auditing Principal vs. Agent considerations was especially challenging and involved auditor judgment to determine whether the Group has promised to provide the specified good or service itself (as a principal) or to arrange for those specified goods or services to be provided by another party (as an agent). In addition, auditing the information technology infrastructure used by the Group to capture complete and accurate information (e.g. the set-up of customer accounts, pricing data, segregation of duties, reconciliation from billing system to the general ledger) to recognize revenues was especially challenging. There were challenges in obtaining an understanding of the structure of the complex systems and processes used to capture the large volumes of customer data. Furthermore, judgment was required to evaluate the relevant data that was captured and aggregated, and to assess the sufficiency of the audit evidence obtained.</p>
<i>How We Addressed the Matter in Our Audit</i>	<p>Our audit procedures included, among others, obtaining an understanding of and evaluating the design and testing the operating effectiveness of controls over the accounting for bundled offers (including identification of separate performance obligations and allocation of the transaction price to those obligations) and Principal vs. Agent considerations. Our audit procedures also included assessing the overall IT control environment and the IT controls in place, assisted by our information technology professionals. We also evaluated the design and tested the operating effectiveness of controls around access rights, system development, program changes and IT dependent business controls to establish that changes to the system were appropriately authorized, developed, and implemented including those over: set-up of customer accounts, pricing data, segregation of duties and the linkage to usage data that drives revenue recognition. In addition, we tested the end-to-end reconciliation from the billing systems to the general ledger. We also tested journal entries processed between the billing systems and general ledger. We assessed the accounting for credits and discounts and tested the accuracy of customer invoices. We assessed the assumptions used by management to determine the allocation of the transaction price, after consideration of these credits and discounts, to telecom services and handsets and tested the stand-alone selling prices. We obtained a sample of customer contracts, including modifications to the contracts, and compared customer contract terms to the revenue systems. We evaluated management's Principal vs. Agent considerations and conclusions. We assessed the adequacy of the Group's disclosures in respect to the accounting policies on revenue recognition.</p>

## **Adoption of IFRS 16, leases**

<i>Description of the Matter</i>	<p>As discussed above and in the Introduction and Note C.4 to the consolidated financial statements, the Group adopted IFRS 16, Leases, using the modified retrospective approach. At the transition date, the Group recognized lease liabilities measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019. The right-of-use asset was measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Upon adoption, the Group recognized lease liabilities of USD 898 million and right-of-use assets of USD 856 million, including reclassification of liabilities and assets previously recorded under capital leases.</p> <p>The application of IFRS 16 effective from January 1, 2019 was especially challenging and involved complex auditor judgment particularly regarding assessing management's determination of a complete population of the Group's leases, estimation and evaluation of the incremental borrowing rates for each of the leases (including consideration of industry, country and credit risks) and estimation of the useful lives, including consideration of renewal options. These assumptions have a significant effect on the right-of-use asset, on the lease liability and the depreciation and financing costs.</p>
<i>How We Addressed the Matter in Our Audit</i>	<p>Our audit procedures included, among others, obtaining an understanding of and evaluating the design and testing the operating effectiveness of controls over the completeness and accuracy of the Group's lease population, valuation and recognition of the right-of-use asset and the lease liability and the Group's determination of their underlying assumptions (including renewal assumptions and estimation of the incremental borrowing rate). In addition, we inspected a sample of the lease agreements, including modifications, and we assessed management's assumptions regarding lease renewal periods including its determination that it was highly probable that the leases would be renewed. Regarding the incremental borrowing rates, we involved our valuation specialists to assist with our audit procedures to test management's assumptions and risk considerations as described above used in the measurement process. We also assessed the adequacy of the Group's disclosures in respect of the adoption of IFRS 16.</p>

## **Accounting for Business Combinations**

<i>Description of the Matter</i>	<p>As described in Note A.1.2 of the consolidated financial statements, the Group acquired control over, and therefore consolidated Cable Onda S.A. (“Cable Onda”) in Panama for net consideration of USD 956 million, Telefonica Celular de Nicaragua S.A. in Nicaragua (“Telefonica Nicaragua”) for net consideration of USD 430 million, as adjusted, and Telefonica Moviles Panama S.A. in Panama (“Telefonica Panama”) for net consideration of USD 594 million as of December 13, 2018, May 16, 2019 and August 29, 2019, respectively. These transactions were accounted for as business combinations. The purchase accounting of Cable Onda was provisional as of December 31, 2018 and had been finalized as of December 31, 2019. Management has determined the purchase accounting for Telefonica Nicaragua and Telefonica Panama on a provisional basis as of December 31, 2019.</p> <p>Auditing the business combinations was especially challenging and involved complex auditor judgment due to the significant estimation required to determine the fair value of the acquired identifiable assets. For example, the fair value estimates associated with the customer lists, determined using estimated cash flows, were sensitive to significant assumptions, such as the discount rate, churn rate and EBITDA margin, which are affected by expectations about future market or economic conditions, particularly those in the emerging markets of Latin America. In addition, auditing the purchase accounting of the acquisitions required the involvement of valuation specialists to assist with our procedures of auditing the fair value of the acquired identifiable assets and the related assumptions.</p>
<i>How We Addressed the Matter in Our Audit</i>	<p>Our audit procedures included, among others, obtaining an understanding of and evaluating the design and testing the operating effectiveness of the Group’s controls over its accounting for business combinations. For example, we tested controls over management’s evaluation of the purchase contracts for terms and conditions that would impact the accounting and the identification, recognition and measurement of the intangible assets, including the controls over the determination of the underlying models and the significant assumptions used to develop estimates of value. Our audit procedures included, among others, inspecting the purchase agreements and evaluating the terms and conditions and management’s accounting for such terms and conditions in its purchase price allocation. We involved our valuation specialists to assist with our audit procedures to test the estimated cash flows and management’s valuation methodologies and assumptions discussed above which were used to determine the fair value of the acquired identifiable assets and assumed liabilities. In addition, our valuation specialists assisted us in assessing whether the underlying assumptions used by management were consistent with publicly available information and external market data. We also assessed the completeness and accuracy of the underlying data through our inspection of and comparison to historical information. We evaluated the adequacy of the related disclosures.</p>

## ***Uncertain tax positions***

***Description of the Matter*** As described in Note G.3.2 of the consolidated financial statements, the Group operates in developing countries where the tax systems, regulations and enforcement processes have varying stages of development creating uncertainty regarding the application of the tax law and interpretation of tax treatments. The Group is also subject to regular tax audits in the countries where it operates. When there is uncertainty over whether the taxation authority will accept a specific tax treatment under the local tax law, that tax treatment is therefore uncertain. The resolution of tax positions taken by the Group, through negotiations with relevant tax authorities or through litigation, can take several years to complete and, in some cases, it is difficult to predict the outcome. At December 31, 2019, the tax risks exposure of the Group's subsidiaries is estimated at USD 300 million, for which provisions of USD 50 million have been recorded in tax liabilities. The Group's share of tax exposure and provisions in its joint ventures amounts to USD 49 million and USD 4 million, respectively.

Auditing management's analysis of the Group's uncertain tax positions and the related uncertain tax positions was especially challenging because the analysis is complex and involves significant management and auditor judgment and estimation. Each tax position involves unique facts and circumstances that must be evaluated, and there may be many uncertainties around initial recognition and de-recognition of tax positions, including regulatory changes, litigation and examination

***How We Addressed the Matter in Our Audit*** Our audit procedures included, among others, obtaining an understanding of and evaluating the design and testing the operating effectiveness of the Group's controls relating to uncertain tax positions. For example, we tested controls over management's identification of uncertain tax positions and its application of the recognition and measurement principles, including management's review of the inputs and calculations of uncertain tax positions. Our audit procedures included, among others, evaluating the assumptions the Group used to develop its uncertain tax positions and related unrecognized tax positions by jurisdiction. For example, we compared the estimated liabilities for unrecognized tax positions to similar positions in prior periods and assessed management's consideration of current tax treatments and litigation and trends in similar positions challenged by tax authorities. We also assessed the historical accuracy of management's estimates of its unrecognized tax positions by comparing the estimates with the resolution of those positions. In addition, we involved our tax professionals to assist us in evaluating the application of relevant tax laws and the Group's interpretation of such laws in its recognition determination. We also tested the completeness and accuracy of the underlying data used by the Group to calculate its uncertain tax positions. We also evaluated the adequacy of the Group's disclosures.

/s/ Ernst & Young  
Société anonyme  
Cabinet de révision agréé  
We have served as the Group's auditor since 2012.

Luxembourg, Grand Duchy of Luxembourg  
February 28, 2020



## Consolidated statement of income for the years ended December 31, 2019, 2018 and 2017

	Notes	2019	2018 (i) (US\$ millions)	2017 (i)
Revenue	B.1.	4,336	3,946	3,936
Cost of sales	B.2.	(1,201)	(1,117)	(1,169)
<b>Gross profit</b>		<b>3,135</b>	<b>2,829</b>	<b>2,767</b>
Operating expenses	B.2.	(1,604)	(1,616)	(1,531)
Depreciation	E.2.2., E.3.	(825)	(662)	(670)
Amortization	E.1.3.	(275)	(140)	(142)
Share of profit in the joint ventures in Guatemala and Honduras	A.2.	179	154	140
Other operating income (expenses), net	B.2.	(34)	75	69
<b>Operating profit</b>	<b>B.3.</b>	<b>575</b>	<b>640</b>	<b>632</b>
Interest and other financial expenses	C.3.3., E.3.	(564)	(367)	(389)
Interest and other financial income		20	21	16
Other non-operating (expenses) income, net	B.5., C.7.3.	227	(39)	(2)
Profit (loss) from other joint ventures and associates, net	A.3.	(40)	(136)	(85)
<b>Profit (loss) before taxes from continuing operations</b>		<b>218</b>	<b>119</b>	<b>172</b>
Charge for taxes, net	B.6.	(120)	(112)	(162)
<b>Profit (loss) for the year from continuing operations</b>		<b>97</b>	<b>7</b>	<b>10</b>
Profit (loss) from discontinued operations, net of tax	E.4.2.	57	(33)	60
<b>Net profit (loss) for the year</b>		<b>154</b>	<b>(26)</b>	<b>69</b>
<b>Attributable to:</b>				
The owners of Millicom		149	(10)	87
Non-controlling interests	A.1.4.	5	(16)	(17)
<b>Earnings (loss) per common share for profit (loss) attributable to the owners of the Company:</b>				
<b>Basic (US\$ per common share):</b>				
— from continuing operations		0.92	0.23	0.27
— from discontinued operations		0.56	(0.33)	0.59
<b>— total</b>	<b>B.7.</b>	<b>1.48</b>	<b>(0.10)</b>	<b>0.86</b>
<b>Diluted (US\$ per common share):</b>				
— from continuing operations		0.92	0.23	0.27
— from discontinued operations		0.56	(0.33)	0.59
<b>Total</b>	<b>B.7.</b>	<b>1.48</b>	<b>(0.10)</b>	<b>0.86</b>

(i) Re-presented for discontinued operations (shown in note A.4.) 2018 and 2017 were not restated for the application of IFRS 16, and, additionally, 2017 was not restated for the application of IFRS 15 and IFRS 9, as the Group elected the modified retrospective approach.

The accompanying notes are an integral part of these consolidated financial statements.

## Consolidated statement of comprehensive income for the years ended December 31, 2019, 2018 and 2017

	2019	2018 (i) (US\$ millions)	2017 (i)
Net profit (loss) for the year	154	(26)	69
<b>Other comprehensive income (to be reclassified to statement of income in subsequent periods), net of tax:</b>			
Exchange differences on translating foreign operations	(4)	(81)	85
Change in value of cash flow hedges, net of tax effects	(16)	(1)	4
<b>Other comprehensive income (not to be reclassified to the statement of income in subsequent periods), net of tax:</b>			
Remeasurements of post-employment benefit obligations, net of tax effects	—	—	(2)
<b>Total comprehensive income (loss) for the year</b>	<b>133</b>	<b>(108)</b>	<b>158</b>
<b>Attributable to</b>			
Owners of the Company	131	(78)	173
Non-controlling interests	3	(30)	(15)
<b>Total comprehensive income for the period arises from:</b>			
Continuing operations	76	(102)	105
Discontinued operations	57	(7)	52

(i) Re-presented for discontinued operations (shown in note A.4.). 2018 and 2017 were not restated for the application of IFRS 16, and , additionally, 2017 was not restated for the application of IFRS 15 and IFRS 9, as the Group elected the modified retrospective approach.

The accompanying notes are an integral part of these consolidated financial statements.

## Consolidated statement of financial position at December 31, 2019 and 2018

	Notes	December 31 2019	December 31 2018 (i) (ii)
(US\$ millions)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets, net	E.1.	3,219	2,346
Property, plant and equipment, net	E.2.	2,883	3,071
Right of use assets	E.3.	977	—
Investments in joint ventures	A.2.	2,797	2,867
Investments in associates	A.3.	25	169
Contract costs, net	F.5.	5	4
Deferred tax assets	B.6.	200	202
Other non-current assets	G.5.	104	126
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,210</b>	<b>8,785</b>
<b>CURRENT ASSETS</b>			
Inventories	F.2.	32	39
Trade receivables, net	F.1.	371	343
Contract assets, net	F.5.	41	37
Amounts due from non-controlling interests, associates and joint ventures	G.5.	29	34
Prepayments and accrued income		156	129
Current income tax assets		119	108
Supplier advances for capital expenditure		22	25
Equity investments		371	—
Other current assets		181	124
Restricted cash	C.5.	155	158
Cash and cash equivalents	C.5.	1,164	528
<b>TOTAL CURRENT ASSETS</b>		<b>2,641</b>	<b>1,525</b>
Assets held for sale	E.4.2.	5	3
<b>TOTAL ASSETS</b>		<b>12,856</b>	<b>10,313</b>

(i) Not restated for the application of IFRS 16 as the Group elected the modified retrospective approach.

(ii) The consolidated statement of financial position at December 31, 2018 has been restated after finalization of the Cable Onda purchase accounting (note A.1.2.).

The accompanying notes are an integral part of these consolidated financial statements.

	Notes	December 31 2019	December 31 2018 (i) (ii)
		(US\$ millions)	
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital and premium	C.1.	633	635
Treasury shares		(51)	(81)
Other reserves	C.1.	(544)	(538)
Retained profits		2,222	2,535
Profit (loss) for the year attributable to equity holders		149	(10)
<b>Equity attributable to owners of the Company</b>		<b>2,410</b>	<b>2,542</b>
Non-controlling interests	A.1.4.	271	251
<b>TOTAL EQUITY</b>		<b>2,680</b>	<b>2,792</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Debt and financing	C.3.	5,786	4,123
Lease liabilities	C.4.	967	—
Derivative financial instruments	D.1.2.	17	—
Amounts due to non-controlling interests, associates and joint ventures	G.5.	337	135
Provisions and other non-current liabilities	F.4.2.	383	351
Deferred tax liabilities	B.6.	279	236
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>7,770</b>	<b>4,845</b>
<b>CURRENT LIABILITIES</b>			
Debt and financing	C.3.	186	458
Lease liabilities	C.4.	97	—
Put option liability	C.7.4.	264	239
Derivative financial instruments	D.1.2.	—	—
Payables and accruals for capital expenditure		348	335
Other trade payables		289	282
Amounts due to non-controlling interests, associates and joint ventures	G.5.	161	348
Accrued interest and other expenses		432	381
Current income tax liabilities		75	55
Contract liabilities	F.5.	82	87
Provisions and other current liabilities	F.4.1.	474	492
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,406</b>	<b>2,676</b>
Liabilities directly associated with assets held for sale	E.4.2.	—	—
<b>TOTAL LIABILITIES</b>		<b>10,176</b>	<b>7,521</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,856</b>	<b>10,313</b>

(i) Not restated for the application of IFRS 16 as the Group elected the modified retrospective approach.

(ii) The consolidated statement of financial position at December 31, 2018 has been restated after finalization of the Cable Onda purchase accounting (note A.1.2.).

The accompanying notes are an integral part of these consolidated financial statements.

## Consolidated statement of cash flows for the years ended December 31, 2019, 2018 and 2017

	Notes	2019	2018(i) (US\$ millions)	2017(i)
<b>Cash flows from operating activities (including discontinued operations)</b>				
Profit before taxes from continuing operations		218	119	172
Profit (loss) before taxes from discontinued operations	E.4.2.	59	(29)	55
<b>Profit before taxes</b>		<b>276</b>	<b>91</b>	<b>227</b>
<b>Adjustments to reconcile to net cash:</b>				
(Finance) Lease interest expense		157	91	64
Financial interest expense		408	282	352
Interest and other financial income		(20)	(21)	(16)
<b>Adjustments for non-cash items:</b>				
Depreciation and amortization		1,111	830	879
Share of profit in Guatemala and Honduras joint ventures	A.2.	(179)	(154)	(140)
(Gain) on disposal and impairment of assets, net	B.2., E.4.2.	(40)	(37)	(99)
Share based compensation	C.1.	30	22	22
Transaction costs assumed by Cable Onda	A.1.2.	—	30	—
Loss from other joint ventures and associates, net	A.3.	40	136	85
Other non-cash non-operating (income) expenses, net	B.5.	(227)	40	(2)
<b>Changes in working capital:</b>				
Decrease (increase) in trade receivables, prepayments and other current assets, net		(119)	(128)	5
Decrease in inventories		11	2	16
Increase (decrease) in trade and other payables, net		(61)	69	(82)
Changes in contract assets, liabilities and costs, net		(2)	(9)	—
<b>Total changes in working capital</b>		<b>(172)</b>	<b>(66)</b>	<b>(61)</b>
Interest paid on (finance) leases		(141)	(89)	(84)
Interest paid on debt and other financing		(344)	(229)	(288)
Interest received		15	20	16
Taxes (paid)		(114)	(153)	(132)
<b>Net cash provided by operating activities</b>		<b>801</b>	<b>792</b>	<b>820</b>
<b>Cash flows from (used in) investing activities (including discontinued operations):</b>				
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired	A.1.	(1,014)	(953)	(22)
Proceeds from disposal of subsidiaries and associates, net of cash disposed	E.4.2., A.3.2.	111	176	22
Purchase of intangible assets and licenses	E.1.4.	(171)	(148)	(133)
Proceeds from sale of intangible assets		—	—	4
Purchase of property, plant and equipment	E.2.3.	(736)	(632)	(650)
Proceeds from sale of property, plant and equipment	C.3.4.	24	154	179
Proceeds from disposal of equity investment, net of costs		25	—	—
Dividends received from joint ventures	A.2.2.	237	243	203
Settlement of financial derivative instruments		—	(63)	—
Cash (used in) provided by other investing activities, net	D.1.2.	20	24	31
<b>Net cash used in investing activities</b>		<b>(1,502)</b>	<b>(1,199)</b>	<b>(367)</b>

	Notes	2019	2018(i)	2017(i)
<b>Cash flows from financing activities (including discontinued operations):</b>				
Proceeds from debt and other financing	C.3.	2,900	1,155	996
Repayment of debt and other financing	C.3.	(1,157)	(530)	(1,176)
(Finance) Lease capital repayment		(107)	(17)	(19)
Advances for, and dividends paid to non-controlling interests	A.1./A.2.	(13)	(2)	—
Dividends paid to owners of the Company	C.2.	(268)	(266)	(265)
<b>Net cash provided by (used in) financing activities</b>		<b>1,355</b>	<b>341</b>	<b>(464)</b>
Exchange impact on cash and cash equivalents, net		(8)	(33)	4
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>645</b>	<b>(98)</b>	<b>(8)</b>
Cash and cash equivalents at the beginning of the year		528	619	646
Effect of cash in disposal group held for sale	E.4.2.	(9)	6	(19)
<b>Cash and cash equivalents at the end of the year</b>		<b>1,164</b>	<b>528</b>	<b>619</b>

(i) Re-presented for discontinued operations (shown in note A.4. and E.4.2.). 2018 and 2017 were not restated for the application of IFRS 16, and , additionally, 2017 was not restated for the application of IFRS 15 and IFRS 9, as the Group elected the modified retrospective approach.

The accompanying notes are an integral part of these consolidated financial statements.

## Consolidated statement of changes in equity for the years ended December 31, 2019, 2018 and 2017

	Number of shares (000's)	Number of shares held by the Group (000's)	Share capital(i)	Share premium	Treasury shares	Retained profits(ii)	Other reserves (iii)	Total	Non- controlling interests	Total equity
	(US\$ millions)									
<b>Balance on January 1, 2017</b>	<b>101,739</b>	<b>(1,395)</b>	<b>153</b>	<b>485</b>	<b>(123)</b>	<b>3,215</b>	<b>(562)</b>	<b>3,167</b>	<b>201</b>	<b>3,368</b>
Total comprehensive income for the year	—	—	—	—	—	86	87	173	(15)	158
Dividends (iv)	—	—	—	—	—	(265)	—	(265)	—	(265)
Purchase of treasury shares	—	(32)	—	—	(3)	—	—	(3)	—	(3)
Share based compensation (v)	—	—	—	—	—	—	22	22	—	22
Issuance of shares under share-based payment schemes	—	233	—	(1)	21	1	(18)	1	—	1
<b>Balance on December 31, 2017</b>	<b>101,739</b>	<b>(1,195)</b>	<b>153</b>	<b>484</b>	<b>(106)</b>	<b>3,035</b>	<b>(472)</b>	<b>3,096</b>	<b>185</b>	<b>3,281</b>
Adjustment on adoption of IFRS 15 and IFRS 9 (net of tax) (viii)	—	—	—	—	—	10	—	10	(4)	6
Total comprehensive income for the year	—	—	—	—	—	(10)	(68)	(78)	(30)	(108)
Dividends (iv)	—	—	—	—	—	(266)	—	(266)	—	(266)
Dividends to non controlling interest	—	—	—	—	—	—	—	—	(13)	(13)
Purchase of treasury shares	—	(70)	—	—	(6)	—	—	(6)	—	(6)
Share based compensation (v)	—	—	—	—	—	—	22	22	—	22
Issuance of shares under share-based payment schemes	—	351	—	(2)	31	(5)	(22)	2	—	2
Effect of acquisition of Cable Onda (vii)	—	—	—	—	—	—	—	—	113	113
Put option reserve(vii)	—	—	—	—	—	(239)	—	(239)	—	(239)
<b>Balance on December 31, 2018</b>	<b>101,739</b>	<b>(914)</b>	<b>153</b>	<b>482</b>	<b>(81)</b>	<b>2,525</b>	<b>(538)</b>	<b>2,542</b>	<b>251</b>	<b>2,792</b>
Total comprehensive income for the year	—	—	—	—	—	149	(19)	131	3	133
Dividends (iv)	—	—	—	—	—	(267)	—	(267)	—	(267)
Dividends to non controlling interest	—	—	—	—	—	—	—	—	(1)	(1)
Purchase of treasury shares	—	(132)	—	—	(12)	4	—	(8)	—	(8)
Share based compensation (v)	—	—	—	—	—	—	29	29	1	30
Issuance of shares under share-based payment schemes	—	465	—	(2)	41	(12)	(25)	1	—	1
Effect of restructuring in Tanzania(vi)	—	—	—	—	—	(27)	9	(18)	18	—
<b>Balance on December 31, 2019</b>	<b>101,739</b>	<b>(581)</b>	<b>153</b>	<b>480</b>	<b>(51)</b>	<b>2,372</b>	<b>(544)</b>	<b>2,409</b>	<b>271</b>	<b>2,680</b>

(i) Share capital and share premium – see note C.1.

(ii) Retained profits – includes profit for the year attributable to equity holders, of which \$306 million (2018: \$324 million; 2017: \$345 million) are not distributable to equity holders.

(iii) Other reserves – see note C.1.

(iv) Dividends – see note C.2.

(v) Share-based compensation – see note C.1.

(vi) Effect of the restructuring in Tanzania A.1.2.

(vii) Effect of the acquisition of Cable Onda S.A. See notes A.1.2. and C.7.4. for further details. The consolidated statement of changes in equity at December 31, 2018 has been restated after finalization of the Cable Onda purchase accounting (note A.1.2.).

(viii) "IFRS 15, "Revenue from contracts with customers" and IFRS 9, "Financial Instruments" were adopted effective January 1, 2018 using the modified retrospective method. The impact of adoption was recorded as an adjustment to retained profits.

The accompanying notes are an integral part of these consolidated financial statements.

## Introduction

### *Corporate Information*

Millicom International Cellular S.A. (the “Company” or “MIC S.A.”), a Luxembourg Société Anonyme, and its subsidiaries, joint ventures and associates (the “Group” or “Millicom”) is an international telecommunications and media group providing digital lifestyle services in emerging markets, through mobile and fixed telephony, cable, broadband, Pay-TV in Latin America (Latam) and Africa.

The Company’s shares are traded as Swedish Depositary Receipts on the Stockholm stock exchange under the symbol TIGO SDB (formerly MIC SDB) and, since January 9, 2019, on the Nasdaq Stock Market in the U.S. under the ticker symbol TIGO. The Company has its registered office at 2, Rue du Fort Bourbon, L-1249 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Register of Commerce under the number RCS B 40 630.

On November 14, 2019, Millicom's historical principal shareholder, Kinnevik AB, distributed its entire (approximately 37% of Millicom's outstanding shares) shareholding in Millicom to its own shareholders through a share redemption plan. Since that date, Kinnevik is no longer a related party or shareholder in Millicom.

On February 24, 2020, the Board of Directors authorized these consolidated financial statements for issuance.

### *Business activities*

Millicom operates its mobile businesses in Latin America (Bolivia, Colombia, El Salvador, Guatemala, Honduras, Nicaragua, Panama and Paraguay), and in Africa (Ghana and Tanzania).

Millicom operates various cable and fixed line businesses in Latin America (Bolivia, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama and Paraguay). Millicom also provides direct to home satellite service in most of its Latam countries.

On December 31, 2015, Millicom deconsolidated its operations in Guatemala and Honduras which are, since that date and for accounting purposes, under joint control.

Millicom holds investments in online/e-commerce businesses in several countries in Africa (Jumia), in a tower infrastructure company in Africa (Helios Towers), as well as other small minority investments in other businesses such as micro-insurance (Milvik).

## IFRS Consolidated Financial Statements

### *Basis of preparation*

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the IASB (IFRS). They are also compliant with International Financial Reporting Standards as adopted by the European Union. This is in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002, on the application of international accounting standards for listed companies domiciled in the European Union.

The financial statements have been prepared on an historical cost basis, except for certain items including derivative financial instruments (measured at fair value), financial instruments that contain obligations to purchase own equity instruments (measured at the present value of the redemption price), and, up to December 31, 2018 prior to the adoption of IFRS 16 'Leases', property, plant and equipment under finance leases (initially measured at the lower of fair value and present value of the future minimum lease payments).

This section contains the Group’s significant accounting policies that relate to the financial statements as a whole. Significant accounting policies specific to one note are included within that note. Accounting policies relating to non-material items are not included in these financial statements.

### *Consolidation*

The consolidated financial statements of the Group comprise the financial statements of the Company and its subsidiaries as of December 31 of each year. The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

All intra-group balances, transactions, income and expenses, and profits and losses resulting from intra-group transactions are eliminated.

### *Foreign currency*

Financial information in these financial statements are shown in the US dollar presentation currency of the Group and rounded to the nearest million (US\$ million) except where otherwise indicated. The financial statements of each of the Group’s entities are



measured using the currency of the primary economic environment in which each entity operates (the functional currency). The functional currency of each subsidiary, joint venture and associate reflects the economic substance of the underlying events and circumstances of these entities. Except for El Salvador where the functional currency is US dollar, the functional currency in other countries is the local currency.

The results and financial position of all Group entities (none of which operate in an economy with a hyperinflationary environment) with functional currency other than the US dollar presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing rate on the date of the statement of financial position;
- (ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) All resulting exchange differences are recognized as a separate component of equity (currency translation reserve), in the caption "Other reserves".

On consolidation, exchange differences arising from the translation of net investments in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are recorded in equity. When the Group disposes of or loses control or significant influence over a foreign operation, exchange differences that were recorded in equity are recognized in the consolidated statement of income as part of gain or loss on sale or loss of control and/or significant influence.

Goodwill and fair value adjustments arising on acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The following table presents functional currency translation rates for the Group's locations to the US dollar on December 31, 2019, 2018 and 2017 and the average rates for the years ended December 31, 2019, 2018 and 2017.

Exchange Rates to the US Dollar	Functional Currency	2019 Year-end Rate	2018 Year-end Rate	Change %	2019 Average Rate	2018 Average Rate	Change %	2017 Average Rate
Bolivia	Boliviano (BOB)	6.91	6.91	— %	6.91	6.91	—%	6.91
Chad	CFA Franc (XAF)	n/a	580	n/a	n/a	571	n/a	588
Colombia	Peso (COP)	3,277	3,250	0.8 %	3,296	2,973	10.9%	2,961
Costa Rica	Costa Rican Colon (CRC)	576	608	(5.2)%	588	578	1.8%	571
El Salvador	US dollar	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ghana	Cedi (GHS)	5.73	4.82	18.9 %	5.33	4.63	15.0%	4.36
Guatemala	Quetzal (GTQ)	7.70	7.74	(0.5)%	7.71	7.52	2.5%	7.36
Honduras	Lempira (HNL)	24.72	24.42	1.2 %	24.59	23.99	2.5%	23.58
Luxembourg	Euro (EUR)	0.89	0.87	2.5 %	0.89	0.85	5.1%	0.89
Nicaragua	Cordoba (NIO)	33.84	32.33	4.7 %	33.12	31.55	5.0%	30.05
Panama	Balboa (B./.) (i)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Paraguay	Guarani (PYG)	6,453	5,961	8.3 %	6,232	5,743	8.5%	5,626
Sweden	Krona (SEK)	9.365	8.85	5.8 %	9.43	8.71	8.3%	8.53
Tanzania	Shilling (TZS)	2,299	2,299	— %	2,304	2,274	1.3%	2,233
United Kingdom	Pound (GBP)	0.75	0.78	(3.3)%	0.78	0.75	4.3%	0.77

(i) the balboa is tied to the United States dollar at an exchange rate of 1:1.

### *New and amended IFRS accounting standards*

*The following changes to standards effective for annual periods starting on January 1, 2018 have been adopted by the Group:*

IFRS 15 “Contracts with customers” establishes a five-step model related to revenue recognition from contracts with customers. Under IFRS 15, revenue is recognized at amounts that reflect the consideration that an entity expects to be entitled to in exchange for transferring goods or services to a customer. The Group adopted the accounting standard on January 1, 2018 using the modified retrospective method which had an immaterial impact on its Group financial statements. IFRS 15 mainly affects the timing of recognition of revenue as it introduces more differences between the billing and the recognition of the revenue and, in some cases, the recognition of the revenue as a principal (gross) or as an agent (net). However, it does not affect the cash flows generated by the Group.

As a consequence of adopting this Standard:

- 1) some revenue is recognized earlier, as a larger portion of the total consideration received in a bundled contract is attributable to the component delivered at contract inception (i.e. typically a subsidized handset). Therefore, this produces a shift from service revenue (which decreases) to the benefit of Telephone and Equipment revenue. This results in the recognition of a Contract Asset on the statement of financial position, as more revenue is recognized upfront, while the cash will be received throughout the subscription period (which is usually between 12 to 36 months). Contract Assets (and liabilities) are reported on a separate line in current assets / liabilities even if their realization period is longer than 12 months. This is because they are realized / settled as part of the normal operating cycle of our core business.
- 2) the cost incurred to obtain a contract (mainly commissions) is now capitalized in the statement of financial position and amortized over the average contract term. This results in the recognition of Contract Costs being capitalized under non-current assets on the statement of financial position.
- 3) the Group recognizes revenue from its wholesale carrier business on a net basis as an agent rather than as a principal under the modified retrospective IFRS 15 transition. Except for this effect, there were no other material changes for the purpose of determining whether the Group acts as principal or an agent in the sale of products.
- 4) the presentation of certain material amounts in the consolidated statement of financial position has been changed to reflect the terminology of IFRS 15:
  - a. Contract assets recognized in relation to service contracts.
  - b. Contract costs in relation to capitalized cost incurred to obtain a contract (mainly commissions).
  - c. Contract liabilities in relation to service contracts were previously included in trade and other payables.

The Group has adopted the standard using the modified retrospective method. Hence, the cumulative effect of initially applying the Standard has been recognized as an adjustment to the opening balance of retained earnings as at January 1, 2018 and comparative financial statements have not been restated in accordance with the transitional provisions in IFRS 15. The impact on the opening balance of retained profits as at January 1, 2018 is summarized in the table set out at the end of this section.

Additionally, the Group has decided to take some of the practical expedients foreseen in the Standard, such as:

- No adjustment to the transaction price for the means of a financing component whenever the period between the transfer of a promised good or service to a customer and the associated payment is one year or less; when the period is more than one year the financing component is adjusted, if material.
- Disclosure in the Group Financial Statements the transaction price allocated to unsatisfied performance obligations only for contracts that have an original expected duration of more than one year (e.g. unsatisfied performance obligations for contracts that have an original duration of one year or less are not disclosed).
- Application of the practical expedient not to disclose the price allocated to unsatisfied performance obligations, if the consideration from a customer corresponds to the value of the entity’s performance obligation to the customer (i.e. if billing corresponds to accounting revenue).
- Application of the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that otherwise would have been recognized is one year or less.
- Revenue recognition accounting principles are further described in Note B.1.1.
- IFRS 9 “Financial Instruments” addresses the classification, measurement and recognition and impairments of financial assets and financial liabilities as well as hedge accounting. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortized cost. The determination is made at initial recognition. The

classification depends on the Group's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. A final standard on hedging (excluding macro-hedging) was issued in November 2013 which aligns hedge accounting more closely with risk management and allows to continue hedge accounting under IAS 39. IFRS 9 also clarifies the accounting for certain modifications and exchanges of financial liabilities measured at amortized cost.

The application of IFRS 9 did not have an impact for the Group on classification, measurement and recognition of financial assets and financial liabilities compared to IAS 39, but it has an impact on impairment of trade receivables and contracts assets (IFRS 15) as well as on amounts due from joint ventures and related parties - with the application of the expected credit loss model instead of the current incurred loss model. As permitted under IFRS 9, the Group adopted the standard without restating comparatives for classification, measurement and impairment. Hence, the cumulative effect of initially applying the Standard has been recognized as an adjustment to the opening balance of retained profits at January 1, 2018. The impact on the opening balance of retained profits at January 1, 2018 is summarized in the table set out at the end of this section. Additionally, the Group continues applying IAS 39 rules with respect to hedge accounting. Finally, the clarification introduced by IFRS 9 on the accounting for certain modifications and exchanges of financial liabilities measured at amortized cost did not have an impact for the Group.

Financial instruments accounting principles are further described in Note C.7.

The application of IFRS 15 and IFRS 9 had the following impact on the Group financial statements at January 1, 2018:

<b>FINANCIAL POSITION</b> <b>\$ millions</b>	<b>As at January 1, 2018 before application</b>	<b>Effect of adoption of IFRS 15</b>	<b>Effect of adoption of IFRS 9</b>	<b>As at January 1, 2018 after application</b>	<b>Reason for the change</b>
<b>ASSETS</b>					
Investment in joint ventures (non-current)	2,966	27	(4)	2,989	(i)
Contract costs, net (non-current) NEW	—	4	—	4	(ii)
Deferred tax asset	180	—	10	191	(viii)
Other non-current assets	113	—	(1)	113	(iii)
Trade receivables, net (current)	386	—	(47)	339	(iv)
Contract assets, net (current) NEW	—	29	(1)	28	(v)
<b>LIABILITIES</b>					
Contract liabilities (current) NEW	—	51	—	51	(vi)
Provisions and other current liabilities	425	(46)	—	379	(vii)
Deferred tax liability (non-current)	56	7	(1)	62	(viii)
<b>EQUITY</b>					
Retained profits and loss for the year	3,035	48	(38)	3,045	(ix)
Non-controlling interests	185	—	(5)	181	(ix)

(i) Impact of application of IFRS 15 and IFRS 9 for our joint ventures in Guatemala, Honduras and Ghana.

(ii) This mainly represents commissions capitalized and amortized over the average contract term.

(iii) Effect of the application of the expected credit losses required by IFRS 9 on amounts due from joint ventures.

(iv) Effect of the application of the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

(v) Contract assets mainly represents subsidized handsets as more revenue is recognized upfront while the cash will be received throughout the subscription period (which is usually between 12 to 36 months).

(vi) This mainly represents deferred revenue for goods and services not yet delivered to customers that will be recognized when the goods are delivered and the services are provided to customers. The balance also comprises revenue from the billing of subscription fees or 'one-time' fees at the inception of a contract that are deferred and will be recognized over the average customer retention period or the contract term.

(vii) Reclassification of deferred revenue to contract liabilities - see previous paragraph.

(viii) Tax effects of the above adjustments.

(ix) Cumulative catch-up effect.

As of January 1, 2018, IFRS 9 and IFRS 15 implementations had no impact on the statement of cash flows or on EPS.

The following summarizes the amount by which each financial statement line item is affected in the current reporting year by the application of IFRS 15 as compared to previous standard and interpretations:

INCOME STATEMENT \$ millions	2018			
	As reported	Without adoption of IFRS 15	Effect of Change Higher/(Lower)	Reason for the change
Total revenue	3,946	4,023	(77)	(i)
Cost of sales	(1,117)	(1,165)	48	(ii)
Operating expenses	(1,616)	(1,656)	40	(ii)
Share of profit in the joint ventures in Guatemala and Honduras	154	152	2	(iii)
Tax impact	(112)	(111)	(1)	(iv)

(i) Mainly for adjustments for "principal vs agent" considerations under IFRS 15 for wholesale carrier business, as well as for the shift in the timing of revenue recognition due to the reallocation of revenue from service (over time) to telephone and equipment revenue (point in time).

(ii) Mainly for the reallocation of cost for selling devices due to shift from service revenue to telephone and equipment revenue, for the capitalization and amortization of contract costs and for adjustments for "principal vs agent" under IFRS 15 for wholesale carrier business.

(iii) Impact of IFRS 15 related to our share of profit in our joint ventures in Guatemala and Honduras.

(iv) Tax effects of the above adjustments.

FINANCIAL POSITION \$ millions	2018			
	As reported	Without adoption of IFRS 15	Effect of Change Higher/(Lower)	Reason for the change
<b>ASSETS</b>				
Investment in joint ventures (non-current)	2,867	2,839	28	(i)
Contract costs, net (non-current)	4	—	4	(ii)
Deferred tax assets	202	200	2	(vi)
Contract assets, net (current)	37	—	37	(iii)
<b>LIABILITIES</b>				
Contract liabilities (current)	87	—	87	(iv)
Provisions and other current liabilities	492	574	(82)	(v)
Current income tax liabilities	55	52	3	(vi)
Deferred tax liabilities (non-current)	236	229	7	(vi)
<b>EQUITY</b>				
Retained profits and loss for the year	2,525	2,468	57	(vii)
Non-controlling interests	251	248	3	(vii)

(i) Impact of application of IFRS 15 for our joint ventures in Guatemala, Honduras and Ghana.

(ii) This mainly represents commissions capitalized and amortized over the average contract term.

(iii) Contract assets mainly represents subsidized handsets as more revenue is recognized upfront while the cash will be received throughout the subscription period (which are usually between 12 to 36 months). Throughout the year ended December 31, 2018 no material impairment loss has been recognized.

(iv) This mainly represents deferred revenue for goods and services not yet delivered to customers that will be recognized when the goods are delivered and the services are provided to customers. The balance also comprises the revenue from the billing of subscription fees or 'one-time' fees at the inception of a contract that are deferred and will be recognized over the average customer retention period or the contract term.

(v) Reclassification of deferred revenue to contract liabilities - see previous paragraph.

(vi) Tax effects of the above adjustments.

(vii) Cumulative catch-up effect and IFRS 15 effect in the current year.

The following changes to standards effective for annual periods starting on January 1, 2019 have been adopted by the Group:

IFRS 16 "Leases" primarily affects the accounting for the Group's operating leases. The commitments for operating leases are now recognized as right of use assets and lease liabilities for future payments. As a result, on adoption, on January 1, 2019, an additional lease liability of \$545 million has been recognized (see note C.4.). The application of the new standard decreased operating expenses by \$149 million, respectively, as compared to what our results would have been if we had continued to follow IAS 17 for year ended December 31, 2019. The impact of the adoption of the leasing standard and the new accounting policies are further explained below. The application of this standard also affects the Group's depreciation, operating and financial expenses, debt and other financing, and leverage ratios see note C.3.. The change in presentation of operating lease expenses has resulted in a corresponding increase in cash flows derived from operating activities and a decline in cash flows from financing activities.

Below you will find further details describing the impact of the adoption of IFRS 16 "Leases" on the Group's financial statements. The amended accounting policies applied from January 1, 2019 are further disclosed in note E.3..

#### Explanation and effect of adoption of IFRS 16

The Group adopted the standard using the modified retrospective approach with the cumulative effect of applying the new Standard recognized in retained profits as of January 1, 2019. Its application had no significant impact on the Group's retained profits. Comparatives for the 2018 and 2017 financial statements were not restated.

On adoption of IFRS 16, the Group recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019.

The right-of-use asset was measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the leases recognized in the statement of financial position immediately before the date of initial application.

The weighted average incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 12.3%. Each lease commitment was individually discounted using a specific incremental borrowing rate, following a build-up approach including: risk-free rates, industry risk, country risk, credit risk at cash generating unit level, currency risk and commitment's maturity.

For leases previously classified as finance leases Millicom recognized the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date.

<b>\$ millions</b>	<b>2019</b>
<b>Operating lease commitments disclosed as at December 31, 2018</b>	<b>801</b>
(Plus): Non lease components obligations	57
(Less): Short term leases recognized on a straight line basis as an expense	(3)
(Less): Low value leases recognized on a straight line basis as an expense	(2)
(Less): Contract included in the lease commitments but with starting date in 2019 and not part of the IFRS 16 opening balances	(17)
(Plus/Less): Other	(9)
<b>Gross lease liabilities</b>	<b>828</b>
Discounted using the lessee's incremental borrowing rate at the date of the initial application	(283)
<b>Incremental lease liabilities recognized at January 1, 2019</b>	<b>545</b>
(Plus): Finance lease liabilities recognized at December 31, 2018	353
<b>Lease liabilities recognized at January 1, 2019</b>	<b>898</b>
Of which are:	
Current lease liabilities	86
Non-current lease liabilities	812

The application of IFRS 16 affected the following items in the statement of financial position on January 1, 2019:

<b>FINANCIAL POSITION</b> <b>\$ millions</b>	<b>As at January 1, 2019</b> <b>before application</b>	<b>Effect of adoption</b> <b>of IFRS 16</b>	<b>As at January 1, 2019</b> <b>after application</b>	<b>Reason for</b> <b>the change</b>
<b>ASSETS</b>				
Property, plant and equipment, net	3,071	(307)	2,764	(i)
Right-of-use asset (non-current) NEW	—	856	856	(ii)
Prepayments	129	(6)	123	(iii)
<b>LIABILITIES</b>				
Lease liabilities (non-current) NEW	—	812	812	(iv)
Debt and other financing (non-current)	4,123	(337)	3,786	(v)
Lease liabilities (current) NEW	—	86	86	(iv)
Debt and other financing (current)	458	(16)	442	(v)
Other current liabilities	492	(2)	490	(vi)

- (i) Transfer of previously capitalized assets under finance leases to Right-of-Use assets.  
(ii) Initial recognition of Right-of-Use assets, transfer of previously recognized finance leases and of lease prepayments to the Right-of-Use asset cost at transition.  
(iii) Transfer of lease prepayments to the Right-of-Use asset cost at transition.  
(iv) Initial recognition of lease liabilities and transfer of previously recognized finance lease liabilities.  
(v) Transfer of previously recognized finance lease liabilities to new Lease liabilities accounts.  
(vi) Reclassification of provisions for onerous contracts to Right-of-Use assets.

The application of IFRS 16 has also impacted classifications within the statement of income, statement of cash flows, segment information and EPS for the period starting from January 1, 2019.

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made when applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

*The following new or amended standards became applicable for the current reporting period and did not have any significant impact on the Group's accounting policies or disclosures and did not require retrospective adjustments.*

- Amendments to IFRS 9 "Financial instruments" on prepayment features with negative compensation.
- IFRIC 23 "Uncertainty over Income Tax Treatments" clarifies how the recognition and measurement requirements of IAS 12 Income taxes, are applied where there is uncertainty over income tax treatments.
- Amendments to IAS 19 "Employee benefits" on plan amendment, curtailment or settlement.
- Amendments to IAS 28 "Investments in associates" on long term interests in associates and joint ventures.
- Annual improvements 2015-2017.

*The following changes to standards, which are not expected to materially affect the Group, will be effective from January 1, 2020:*

Amendments to the conceptual framework	The IASB has revised its conceptual framework. The Framework is not an IFRS standard and does not override any standard, so nothing will change in the short term. The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRS. Preparers might also use the Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS.	January 1, 2020
	The Group does not expect these amendments to have a material impact on the consolidated financial statements as such.	
Amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors'	These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information.	January 1, 2020
	The Group does not expect this amendment to have a material impact on the consolidated financial statements.	
Amendments to IFRS 3 - 'Business Combinations' - definition of a business	This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.	January 1, 2020
	The Group does not expect this amendment to have a material impact on the consolidated financial statements. These amendments have not yet been endorsed by the EU.	
Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform.	The IASB has embarked on a two-phase project to consider what, if any, reliefs to give from the effects of IBOR reform. For Phase 1, the IASB has issued amendments to IFRS 9, IAS 39 and IFRS 7 that provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by IBOR reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR based contracts, the reliefs will affect companies in all industries.	January 1, 2020
	The Group is currently assessing the impact of these amendments on the consolidated financial statements but do not expect it will have a material effect.	
IFRS 17, 'Insurance contracts'	This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.	January 1, 2021
	IFRS 17 will not have an impact on the consolidated financial statements. IFRS 17 has not been yet endorsed by the EU.	

## Judgments and critical estimates

The preparation of IFRS financial statements requires management to use judgment in applying accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates are based on management's best knowledge of current events, actions and best estimates as of a specified date, and actual results may ultimately differ from these estimates. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in each note and are summarized below:

## Judgments

Management apply judgment in accounting treatment and accounting policies in preparation of these financial statements. In particular, a significant level of judgment is applied regarding the following items:

- **Acquisitions** – measurement at fair value of existing and newly identified assets, including the measurement of property, plant and equipment and intangible assets (e.g. particularly the customer lists being sensitive to significant assumptions as disclosed in note A.1.2.), liabilities, contingent liabilities and remaining goodwill; the assessment of useful lives; as well as the accounting treatment for transaction costs (see notes A.1.2., E.1.1., E.1.5., E.2.1.);
- **Impairment testing** – key assumptions related to future business performance, perpetual growth rates and discount rates (see notes E.1.2., E.1.6., E.2.2.);
- **Revenue recognition** – whether or not the Group acts as principal or as an agent, when there is one or several performance obligations and the determination of stand alone selling prices (see note B.1.1.);
- **Contingent liabilities** – whether or not a provision should be recorded for any potential liabilities (see note G.3.);
- **Leases** – In determining the lease term, including the assessment of whether the exercise of extension or termination options is reasonably certain and the corresponding impact on the selected lease term (see note E.3.);
- **Control** – whether Millicom, through voting rights and potential voting rights attached to shares held, or by way of shareholders' agreements or other factors, has the ability to direct the relevant activities of the subsidiaries it consolidates, or jointly direct the relevant activities of its joint ventures (see notes A.1., A.2.);
- **Discontinued operations and assets held for sale** – definition, classification and presentation (see notes A.4., E.4.1.) as well as measurement of potential provisions related to indemnities;
- **Deferred tax assets** – recognition based on likely timing and level of future taxable profits together with future tax planning strategies (see notes B.6.3. and G.3.2.);
- **Defined benefit obligations** – key assumptions related to life expectancies, salary increases and leaving rates, mainly related to UNE Colombia (see note B.4.3.).

## Estimates

Estimates are based on historical experience and other factors, including reasonable expectations of future events. These factors are reviewed in preparation of the financial statements although, due to inherent uncertainties in the evaluation process, actual results may differ from original estimates. Estimates are subject to change as new information becomes available and may significantly affect future operating results. Significant estimates have been applied in respect of the following items:

- Accounting for property, plant and equipment, and intangible assets in determining fair values at acquisition dates, particularly for assets acquired in business combinations and sale and leaseback transactions (see notes A.1. and E.2.1.);
- Useful lives of property, plant and equipment and intangible assets (see notes E.1.1., E.2.1.);
- Provisions, in particular provisions for asset retirement obligations, legal and tax risks (see note F.4.);
- Revenue recognition (see note B.1.1.);
- Impairment testing including weighted average cost of capital (WACC), EBITDA margins, Capex intensity and long term growth rates (see note E.1.6.);
- For leases, estimates in determining the incremental borrowing rate for discounting the lease payments in case interest rate implicit in the lease cannot be determined (see note E.3. );
- Estimates for defined benefit obligations (see note B.4.3.);
- Accounting for share-based compensation in particular estimates of forfeitures and future performance criteria (see notes B.4.1., B.4.2.).



## A. The Millicom Group

The Group comprises a number of holding companies, operating subsidiaries and joint ventures with various combinations of mobile, fixed-line telephony, cable and wireless Pay TV, Internet and Mobile Financial Services (MFS) businesses. The Group also holds other small minority investments in other businesses such as micro-insurance (Milvik).

### A.1. Subsidiaries

Subsidiaries are all entities which Millicom controls. Millicom controls an entity when it is exposed to, or has rights to variable returns from its investment in the entity, and has the ability to affect those returns through its power over the subsidiary. Millicom has power over an entity when it has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the entity's returns. Generally, control accompanies a shareholding of more than half of the voting rights although certain other factors (including contractual arrangements with other shareholders, voting and potential voting rights) are considered when assessing whether Millicom controls an entity. For example, although Millicom holds less than 50 % of the shares in its Colombian businesses, it holds more than 50 % of shares with voting rights. The contrary may also be true (e.g. Guatemala and Honduras). In respect of the joint ventures in Guatemala and Honduras, shareholders' agreements require unanimous consents for decisions over the relevant activities of these entities (see also note A.2.2.). Therefore, the Group has joint control over these entities and accounts for them under the equity method.

Our main subsidiaries are as follows:

Entity	Country	Activity	December 31, 2019	December 31, 2018	December 31, 2017
Latin America			In %	In %	In %
Telemovil El Salvador S.A. de C.V.	El Salvador	Mobile, MFS, Cable, DTH	100	100	100
Millicom Cable Costa Rica S.A.	Costa Rica	Cable, DTH	100	100	100
Telefonica Celular de Bolivia S.A.	Bolivia	Mobile, DTH, MFS, Cable	100	100	100
Telefonica Celular del Paraguay S.A.	Paraguay	Mobile, MFS, Cable, PayTV	100	100	100
Cable Onda S.A. (i).	Panama	Cable, PayTV, Internet, DTH, Fixed-line	80	80	—
Telefonica Moviles Panama (ii)	Panama	Mobile	80	—	—
Telefonia Cellular de Nicaragua sa (ii)	Nicaragua	Mobile	100	—	—
Colombia Móvil S.A. E.S.P. (iii)	Colombia	Mobile	50-1 share	50-1 share	50-1 share
UNE EPM Telecomunicaciones S.A.(iii)	Colombia	Fixed-line, Internet, PayTV, Mobile	50-1 share	50-1 share	50-1 share
Edatel S.A. E.S.P. (iii)	Colombia	Fixed-line, Internet, PayTV, Cable	50-1 share	50-1 share	50-1 share
Africa					
Sentel GSM S.A.(v)	Senegal	Mobile, MFS	—	—	100
MIC Tanzania Public Limited Company (vi)	Tanzania	Mobile, MFS	98.5	100	100
Millicom Tchad S.A. (v)	Chad	Mobile, MFS	—	100	100
Millicom Rwanda Limited (v)	Rwanda	Mobile, MFS	—	—	100
Zanzibar Telecom Limited (vi)	Tanzania	Mobile, MFS	98.5	85	85
Unallocated					
Millicom International Operations S.A.	Luxembourg	Holding Company	100	100	100
Millicom International Operations B.V.	Netherlands	Holding Company	100	100	100
Millicom LIH S.A.	Luxembourg	Holding Company	100	100	100
MIC Latin America B.V.	Netherlands	Holding Company	100	100	100
Millicom Africa B.V.	Netherlands	Holding Company	100	100	100
Millicom Holding B.V.	Netherlands	Holding Company	100	100	100
Millicom International Services LLC	USA	Services Company	100	100	100
Millicom Services UK Ltd (vii)	UK	Services Company	100	100	100
Millicom Spain S.L.	Spain	Holding Company	100	100	100

- (i) Acquisition completed on December 13, 2018. Cable Onda S.A. is fully consolidated as Millicom has the majority of voting shares to direct the relevant activities. See note A.1.2..
- (ii) Companies acquired during the year. See note A.1.2.
- (iii) Fully consolidated as Millicom has the majority of voting shares to direct the relevant activities.
- (iv) Merged with Airtel Ghana in October 2017 and classified as discontinued operations for the year then ended (see note E.4.2.). Merged entity is accounted for as a joint venture as from merger date (see note A.2.2.).
- (v) Companies disposed of in 2018 or 2019. See note A.1.3.
- (vi) Change in ownership percentages as a result of the in-country restructuring. See note A.1.2.
- (vii) Millicom Services UK Ltd with registered number 08330497 will take advantage of an audit exemption to prepare stand alone financial statements for the year ended December 31, 2019 as set out within section 479A of the Companies Act 2006.

### **A.1.1. Accounting for subsidiaries and non-controlling interests**

Subsidiaries are fully consolidated from the date on which control is transferred to Millicom. If facts and circumstances indicate that there are changes to one or more of the elements of control, a reassessment is performed to determine if control still exists. Subsidiaries are de-consolidated from the date that control ceases. Transactions with non-controlling interests are accounted for as transactions with equity owners of the Group. Gains or losses on disposals of non-controlling interests are recorded in equity. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is also recorded in equity.

### **A.1.2. Acquisition of subsidiaries and changes in non-controlling interests in subsidiaries**

#### **Scope changes 2019**

##### **1. Telefonica CAM Acquisitions**

On February 20, 2019, MIC S.A., Telefonica Centroamerica and Telefonica S.A. entered into 3 separate share purchase agreements (the “Telefonica CAM Acquisitions”) pursuant to which, subject to the terms and conditions contained therein, Millicom agreed to purchase 100% of the shares of Telefonica Moviles Panama, S.A., a company incorporated under the laws of Panama, from Telefonica Centroamerica (the “Panama Acquisition”), 100% of the shares of Telefonica de Costa Rica TC, S.A., a company incorporated under the laws of Costa Rica, from Telefonica (the “Costa Rica Acquisition”) and 100% of the shares of Telefonica Celular de Nicaragua, S.A., a company incorporated under the laws of Nicaragua, from Telefonica Centroamerica (the “Nicaragua Acquisition”). The Telefonica CAM Acquisitions Share Purchase Agreements contain customary representations and warranties and termination provisions. The consummation of the Costa Rica Acquisition is still subject to regulatory approvals and is expected to close in H1 2020.

Acquisition related costs for Nicaragua and Panama acquisitions included in the statement of income under operating expenses were approximately \$16 million for the year.

The aggregate purchase price for the Telefonica CAM Acquisitions is \$1.65 billion, subject to potential purchase price adjustments.

##### **a) Nicaragua Acquisition**

This transaction closed on May 16, 2019 after receipt of the necessary approvals and, since that date, Millicom holds all voting rights into Telefonica Celular de Nicaragua (“Nicaragua”) and controls it. On the same day, Millicom paid an original cash consideration of \$437 million, provisionally adjusted to \$430 million as of December 31, 2019 and still subject to final price adjustment expected in Q1 2020. The purchase consideration also includes potential indemnifications from the sellers (including potential tax contingencies and litigations). For the purchase accounting, Millicom determined the provisional fair values of Nicaragua's identifiable assets and liabilities based on transaction and relative fair values. The purchase accounting is still provisional at December 31, 2019, particularly in respect of the final price adjustment and the evaluation of the right-of-use assets and lease liabilities. Management expects to finalize the purchase accounting in Q1 2020.

The provisional purchase accounting as at December 31, 2019 is as follows

	<b>Provisional Fair values (100%) (US\$ millions)</b>
Intangible assets (excluding goodwill) (i)	131
Property, plant and equipment (ii)	149
Right of use assets (iii)	131
Other non-current assets	2
Current assets (excluding cash) (iv)	23
Trade receivables (v)	17
Cash and cash equivalents	7
<b>Total assets acquired</b>	<b>459</b>
Lease liabilities (iii)	131
Other liabilities (vi)	118
<b>Total liabilities assumed</b>	<b>249</b>
<b>Fair value of assets acquired and liabilities assumed, net</b>	<b>210</b>
Acquisition price	430
<b>Provisional Goodwill</b>	<b>220</b>

- (i) Intangible assets not previously recognized at the date of acquisition, are mainly customer lists for an amount of \$81 million, with estimated useful lives ranging from 4 to 10 years. In addition, a fair value step-up of \$39 million on the spectrum held by Nicaragua has been recognized, with a remaining useful life of 14 years.
- (ii) A fair value step-up of \$39 million has been recognized on property, plant and equipment, mainly on the core network (\$25 million) and owned land and buildings (\$8 million). The expected remaining useful lives were estimated at 6-7 years on average.
- (iii) The Group measured the lease liability at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired lease were a new lease at the acquisition date. The right-of-use assets have been adjusted by \$7 million to be measured at the same amount as the lease liabilities.
- (iv) Current assets include indemnification assets for tax contingencies at fair value for an amount of \$11 million - see (v) below.
- (v) The fair value of trade receivables acquired was \$17 million.
- (vi) Other liabilities include the fair value of certain possible tax contingent liabilities for \$1 million and a deferred tax liability of \$50 million resulting from the above adjustments

The goodwill is currently not expected to be tax deductible, and is attributable to expected synergies and convergence with our legacy fixed business in the country, as well as to the fair value of the assembled work force. For convenience purposes, the acquisition date was set on May 1, 2019 as there were no material transactions from this date to May 16, 2019. From May 1, 2019 to December 31, 2019, Nicaragua contributed \$144 million of revenue and a net profit of \$5 million to the Group. If the acquisition had occurred on January 1, 2019 incremental revenue for the year ended December 31, 2019 for the Group would have been \$219 million and incremental net loss for that period would have been \$16 million, including amortization of assets not previously recognized of \$12 million (net of tax).

#### **Key assumptions used in fixed assets valuation**

The following valuation methods and key estimates were used for the valuation of the main classes of fixed assets:

Major class of assets	Valuation method	Key assumption 1	Key assumption 2	Key assumption 3
Spectrum	Market approach - Market comparable transactions	Discount rate : 14%	Terminal growth rate: 2.5%	Estimated duration: 14 years
Customer lists	Income approach - Multi-Period Excess Earnings Method	Discount rate: 14-15%	Monthly Churn rate: From 1.2% for B2B to 2.9% for B2C	EBITDA margin: ~ 36% to 41%
Land and buildings	Market approach	Economic useful life (range): 10-30 years	Price per square meter: from \$2 to \$57	N/A
Core network	Cost approach	Economic useful life (range): 5-27 years	Remaining useful life (minimum) : 1.7 years	N/A

**b) Panama Acquisition**

This transaction closed on August 29, 2019 after receipt of the necessary approvals and, since that date, Cable Onda, which is 80% owned by Millicom, holds all voting rights in Telefonica Moviles Panama, S.A. ("Panama") and controls it. On the same day, Cable Onda paid an original cash consideration of \$594 million to acquire 100% of the shares of Panama, subject to a final price adjustment expected in Q1 2020. The purchase consideration also includes potential indemnifications from the sellers (including potential tax contingencies and litigations). For the purchase accounting, Millicom determined the fair value of Panama's identifiable assets and liabilities based on transaction and relative fair values. The purchase accounting is still provisional at December 31, 2019, particularly in respect of the evaluation of property, plant and equipment, right-of-use assets and lease liabilities, final price adjustment and their resulting impact on the current valuation of intangible assets. Management expects to finalize the purchase accounting during the first half of 2020. No non-controlling interests are recognized at acquisition date as Cable Onda acquired 100% of the shares of Panama. Though, non-controlling interests are recognized in Panama's results from the date of acquisition.

The provisional purchase accounting as at December 31, 2019 is as follows:

	Provisional Fair values (100%) (US\$ millions)
Intangible assets (excluding goodwill) (i)	169
Property, plant and equipment	110
Right of use assets	57
Other non-current assets	3
Current assets (excluding cash)	23
Trade receivables (ii)	21
Cash and cash equivalents	10
<b>Total assets acquired</b>	<b>391</b>
Lease liabilities	48
Other debt and financing	74
Other liabilities (iii)	101
<b>Total liabilities assumed</b>	<b>224</b>
<b>Fair value of assets acquired and liabilities assumed, net</b>	<b>167</b>
Acquisition price	594
<b>Provisional Goodwill</b>	<b>426</b>

(i) Intangible assets not previously recognized at the date of acquisition, are mainly customer lists for an amount of \$58 million, with estimated useful lives ranging from 3 to 17 years. In addition, a fair value step-up of \$3 million on the spectrum held by Panama has been recognized, with a remaining useful life of 17 years.

(ii) The fair value of trade receivables acquired was \$21 million.

(iii) Other liabilities include a deferred tax liability of \$15 million resulting from the above adjustments

The goodwill is currently not expected to be tax deductible and is attributable to expected synergies and convergence with Cable Onda, as well as to the fair value of the assembled work force. For convenience purposes, the acquisition date was set on September 1, 2019. From September 1, 2019 to December 31, 2019, Panama contributed \$80 million of revenue and a net profit of \$6 million to the Group. If Panama had been acquired on January 1, 2019 incremental revenue for the twelve-month period ended December 31, 2019 for the Group would have been \$158 million and incremental net profit for that period would have been \$1 million, including amortization of assets not previously recognized of \$3 million (net of tax).

#### Key assumptions used in fixed assets valuation

The following valuation methods and key estimates were used for the valuation of the main classes of fixed assets:

Major class of assets	Valuation method	Key assumption 1	Key assumption 2	Key assumption 3
Spectrum	Market approach - Market comparable transactions	Discount rate: 9.8%	Terminal growth rate: 2.9%	Estimated duration: 17 years
Customer lists	Income approach - Multi-Period Excess Earnings Method	Discount rate: 9.8-11%	Monthly Churn rate: From 0.4% for B2C postpaid to 3.9% for B2C prepaid	EBITDA margin: ~ 35% to 39%

#### 2. Tanzania restructuring

In October 2019, with the view of listing the shares of MIC Tanzania Public Limited Company ('MIC Tanzania') on the local stock exchange (see note H), Millicom completed the restructuring of its investments in different operations in the country. Mainly, MIC Tanzania acquired all the shares of Zantel, which was partially held by the Government of Zanzibar (15%). In exchange of the contribution of its 15% shares in Zantel to MIC Tanzania, the Government of Zanzibar received 1.5% of newly issued shares in MIC Tanzania. This restructuring did not result in the Group losing control in Zantel nor MIC Tanzania, and has therefore been recognized as an equity transaction. As a consequence, the Group owners' equity decreased by a net amount of \$18 million as a result of the derecognition of the 15% non-controlling interests in Zantel and the recognition of 1.5% non-controlling interests in MIC Tanzania.

### 3. Others

During the year ended December 31, 2019, the Group also completed minor additional acquisitions.

#### Scope changes 2018

##### 1. Cable Onda acquisition

On October 7, 2018, the Company signed an agreement to acquire a controlling 80% stake in Cable Onda, the largest cable and fixed telecommunications services provider in Panama. The selling shareholders retained a 20% equity stake in the company. The transaction closed on December 13, 2018 after receipt of necessary approvals, for final cash consideration of \$956 million. Millicom concluded that it controls Cable Onda since closing date and therefore fully consolidates it in its financial statements with a 20% non-controlling interest. The deal also includes certain liquidity rights such as call and put options that have been amended as a result of the acquisition of Telefonica Moviles Panama, S.A.. See note C.7.4. for further details on the accounting treatment of these options.

For the purchase accounting, Millicom determined the fair value of Cable Onda identifiable assets and liabilities based on transaction and relative values. The non-controlling interest was measured based on the proportionate share of the fair value of the net assets of Cable Onda. The exercise has been finalized in December 2019. The main adjustments compared to the provisional fair values relate to the final valuation of the property, plant and equipment for a net increase of \$30 million, as well as its related impact on the customer list fair value (a decrease of \$20 million) and deferred tax liabilities (net increase of \$3 million). The remaining adjustments are linked to reassessment of contingent liabilities and corresponding indemnification assets. As a result, goodwill decreased by \$8 million as follows:

..

	Provisional Fair values (100%) (US\$ millions)	Final Fair values (100%) (US\$ millions)	Changes (US\$ millions)
Intangible assets (excluding goodwill) (i)	673	653	(20)
Property, plant and equipment (ii)	348	378	30
Current assets (excluding cash)(iii)	54	50	(4)
Cash and cash equivalents	12	12	—
<b>Total assets acquired</b>	<b>1,088</b>	<b>1,094</b>	<b>6</b>
Non-current liabilities(iv)	422	425	3
Current liabilities	141	134	(7)
<b>Total liabilities assumed</b>	<b>563</b>	<b>559</b>	<b>(4)</b>
<b>Fair value of assets acquired and liabilities assumed, net</b>	<b>525</b>	<b>535</b>	<b>10</b>
Transaction costs assumed by Cable Onda (v)	30	30	—
Fair value of non-controlling interest in Cable Onda (20%)	111	113	2
Millicom's interest in the fair value of Cable Onda (80%)	444	452	8
Acquisition price	956	956	0
<b>Final Goodwill</b>	<b>512</b>	<b>504</b>	<b>(8)</b>

- (i) Intangible assets not previously recognized (or partially recognized as a result of previous acquisitions) are trademarks for an amount of \$280 million, with estimated useful lives of 3 years, a customer list for an amount of \$350 million, with estimated useful life of 20 years and favorable content contracts for \$19 million, with a useful life of 10 years.
- (ii) A net fair value step-up of \$30 million has been recognized on property, plant and equipment, mainly on the core network (\$11 million). The expected remaining useful lives were estimated at 5 years on average.
- (iii) Current assets include trade receivables amounting to a fair value of \$34 million.
- (iv) Non-current liabilities include the deferred tax liability of \$161 million resulting from the above adjustments.
- (v) Transaction costs of \$30 million have been assumed and paid by Cable Onda before the acquisition or by Millicom on the closing date. Because of their relationship with the acquisition, these costs have been accounted for as post-acquisition costs in the Millicom Group statement of income. These, together with acquisition-related costs of \$11 million, have been recorded under operating expenses in the statement of income of the year.

The completion of the purchase price allocation did not result in any material impact on the statement of income for the years ended December 31, 2018 and December 31, 2019, respectively, in respect of values previously recorded in the provisional purchase accounting.

The goodwill, which is not expected to be tax deductible, is attributable to Cable Onda's strong market position and profitability, as well as to the fair value of the assembled work force. From December 13, 2018 to December 31, 2018, Cable Onda contributed \$17 million of revenue and a net loss of \$7 million to the Group. If Cable Onda had been acquired on 1 January 2018 incremental revenue for the 2018 year would have been \$403 million and incremental net loss for that period of \$59 million, including amortization of assets not previously recognized of \$85 million (net of tax).

**Key assumptions used in fixed assets valuation**

The following valuation methods and key estimates were used for the valuation of the main classes of fixed assets:

Major class of assets	Valuation method	Key assumption 1	Key assumption 2	Key assumption 3
Brands	Income approach - Relief-from-Royalty approach	Discount rate: 10%	Royalty rate: 4.5%	Tax rate: 25%
Customer lists	Income approach - Multi-Period Excess Earnings Method	Discount rate: 10%	Yearly Churn rate: 5.8% in average	EBITDA margin: ~ 48%
Property, plant & equipment	Cost approach	Economic useful life (range): 5-15 years	Remaining useful life (minimum): 2-8 years	N/A

### ***A.1.3. Disposal of subsidiaries and decreases in non-controlling interests of subsidiaries***

#### ***Chad***

On June 26, 2019, the Group completed the disposal of its operations in Chad for a final cash consideration of \$110 million. In accordance with Group practices, the Chad operation has been classified as assets held for sale and discontinued operations as from June 5, 2019 and prior periods restated. On June 26, 2019, Chad was deconsolidated and a gain on disposal of \$77 million was recognized (see also note E.4.).

#### ***Rwanda***

On December 19, 2017, Millicom announced that it has signed an agreement for the sale of its Rwanda operations to subsidiaries of Bharti Airtel Limited for a final cash consideration of \$51 million, including a deferred cash payment due in January 2020 for an amount of \$18 million. The transaction also included earn-outs for \$7 million that were not recognized by the Group as management does not believe these will be triggered. The sale was completed on January 31, 2018. In accordance with Group practices, Rwanda operations' assets and liabilities were classified as held for sale on January 23, 2018. Rwanda's operations also represented a separate geographical area and did qualify for discontinued operations presentation; results were therefore shown on a single line in the statements of income under 'Profit (loss) for the year from discontinued operations, net of tax' (see also note E.4.).

#### ***Senegal***

On July 28, 2017, Millicom announced that it had agreed to sell its Senegal business to a consortium consisting of NJJ, Sofima (managed by the Axian Group) and Teylium Group. In accordance with Group practices, Senegal operations' assets and liabilities were classified as held for sale on February 2, 2017. Senegal's operations also represented a separate geographical area and did qualify for discontinued operations. The sale was completed on April 27, 2018 in exchange of a cash consideration of \$151 million. (see also note E.4.)

#### ***Ghana merger***

On March 3, 2017, Millicom and Bharti Airtel Limited (Airtel) announced that they had entered into an agreement for Tigo Ghana Limited and Airtel Ghana Limited to combine their operations in Ghana. In accordance with Group practices, Ghana operations' assets and liabilities were classified as held for sale on September 30, 2017. Ghana's operations also represented a separate geographical area and did qualify for discontinued operations. The transaction was completed on October 12, 2017 (see also note E.4.).

#### ***Other disposals***

For the years ended December 31, 2019, 2018 and 2017, Millicom did not dispose of any other significant investments.

### ***A.1.4. Summarized financial information relating to significant subsidiaries with non-controlling interests***

At December 31, 2019 and 2018, Millicom's subsidiaries with material non-controlling interests were the Group's operations in Colombia and Panama.

#### **Balance sheet – non-controlling interests**

	<b>December 31,</b>	
	<b>2019</b>	<b>2018(i)</b>
	<b>(US\$ millions)</b>	
Colombia	170	161
Panama	99	105
Others	2	(16)
<b>Total</b>	<b>271</b>	<b>251</b>

(i) Restated as a result of the finalization of Cable Onda purchase accounting, see note A.1.2.



## Profit (loss) attributable to non-controlling interests

	2019	2018	2017
		(US\$ millions)	
Colombia	11	(5)	(13)
Panama	(6)	(8)	—
Others	—	(3)	(4)
<b>Total</b>	<b>5</b>	<b>(16)</b>	<b>(17)</b>

The summarized financial information for material non-controlling interests in our operations in Colombia and Panama is provided below. This information is based on amounts before inter-company eliminations.

## Colombia

	2019	2018	2017
		(US\$ millions)	
<b>Revenue</b>	<b>1,532</b>	<b>1,661</b>	<b>1,739</b>
Total operating expenses	(543)	(667)	(647)
<b>Operating profit</b>	<b>164</b>	<b>147</b>	<b>106</b>
Net (loss) for the year	23	(10)	(25)
<b>50% non-controlling interest in net (loss)</b>	<b>11</b>	<b>(5)</b>	<b>(13)</b>
Total assets (excluding goodwill)	2,256	1,966	2,193
Total liabilities	1,891	1,620	1,771
<b>Net assets</b>	<b>365</b>	<b>346</b>	<b>422</b>
50% non-controlling interest in net assets	183	173	211
Consolidation adjustments	(13)	(12)	(15)
<b>Total non-controlling interest</b>	<b>170</b>	<b>161</b>	<b>197</b>
Dividends and advances paid to non-controlling interest	(12)	(2)	0
Net cash from operating activities	363	348	331
Net cash from (used in) investing activities	(260)	(270)	(209)
Net cash from (used in) financing activities	(67)	(75)	(46)
Exchange impact on cash and cash equivalents, net	—	(18)	3
<b>Net increase in cash and cash equivalents</b>	<b>36</b>	<b>(15)</b>	<b>80</b>

## Panama

	2019 (ii)	2018 (i)
	(US\$ millions)	
<b>Revenue</b>	<b>475</b>	<b>17</b>
Total operating expenses	(148)	(8)
<b>Operating profit</b>	<b>(15)</b>	<b>(39)</b>
Net (loss) for the year	(31)	(39)
<b>20% non-controlling interest in net (loss)</b>	<b>(6)</b>	<b>(8)</b>
Total assets (excluding Millicom's goodwill in Cable Onda)	1,866	1,082
Total liabilities	1,372	556
<b>Net assets</b>	<b>494</b>	<b>526</b>
20% non-controlling interest in net assets	99	105
Consolidation adjustments	—	—
<b>Total non-controlling interest</b>	<b>99</b>	<b>105</b>
Dividends and advances paid to non-controlling interest	—	—
Net cash from operating activities	167	(2)
Net cash from (used in) investing activities (iii)	(693)	12
Net cash from (used in) financing activities (iii)	580	(3)
Exchange impact on cash and cash equivalents, net	—	—
<b>Net increase in cash and cash equivalents</b>	<b>54</b>	<b>7</b>

(i) Cable Onda was acquired on December 13, 2018 and 2018 figures therefore only include results and cash flows from the date of acquisition.

(ii) 2019 figures include the full year results and cash flows of Cable Onda, as well as 4 months of Telefonica Panama which was consolidated from September 1, 2019.

(iii) In 2019, Cable Onda acquired Telefonica Panama for \$594 million (note A.1.2.), financed by issuing a \$600 million Senior Notes due 2030 (note C.3.1.)

## A.2. Joint ventures

Joint ventures are businesses over which Millicom exercises joint control as decisions over the relevant activities of each require unanimous consent of shareholders. Millicom determines the existence of joint control by reference to joint venture agreements, articles of association, structures and voting protocols of the board of directors of those ventures.

At December 31, 2019, the equity accounted net assets of our joint ventures in Guatemala, Honduras and Ghana totaled \$3,346 million (December 31, 2018: \$3,405 million for Guatemala and Honduras only). These net assets do not necessarily represent statutory reserves available for distribution as these include consolidation adjustments (such as goodwill and identified assets and assumed liabilities recognized as part of the purchase accounting). Out of these reserves, \$142 million (December 31, 2018: \$133 million) represent statutory reserves that are unavailable to be distributed to the Group. During the year ended December 31, 2019, Millicom's joint ventures paid \$237 million (December 31, 2018: \$243 million) as dividends or dividend advances to the Company.

Our main joint ventures are as follows:

Entity	Country	Activity	December 31, 2019 % holding	December 31, 2018 % holding
Comunicaciones Celulares S.A.(i).	Guatemala	Mobile, MFS	55	55
Navega.com S.A.(i)	Guatemala	Cable, DTH	55	55
Telefonica Celular S.A.(i).	Honduras	Mobile, MFS	66.7	66.7
Navega S.A. de CV(i)	Honduras	Cable	66.7	66.7
Bharti Airtel Ghana Holdings B.V.	Ghana	Mobile, MFS	50	50

(i) Millicom owns more than 50% of the shares in these entities and has the right to nominate a majority of the directors of each of these entities. However, key decisions over the relevant activities must be taken by a supermajority vote. This effectively gives either shareholder the ability to veto any decision and therefore neither shareholder has sole control over the entity. Therefore, the operations of these joint ventures are accounted for under the equity method.

The carrying values of Millicom's investments in joint ventures were as follows:

### Carrying value of investments in joint ventures at December 31

	%	2019	2018
		(US\$ millions)	
Honduras operations(i)	66.7	708	730
Guatemala operations(i)	55	2,089	2,104
AirtelTigo Ghana operations	50	—	32
<b>Total</b>		<b>2,797</b>	<b>2,867</b>

(i) Includes all the companies under the Honduras and Guatemala groups.

The table below summarizes the movements for the year in respect of the Group's joint ventures carrying values:

	Guatemala(i)	Honduras (i) (US\$ millions)	Ghana(ii)
<b>Opening balance at January 1, 2018</b>	<b>2,145</b>	<b>726</b>	<b>96</b>
Adjustments on adoption of IFRS 15 and IFRS 9 (net of tax)	18	5	0
Change in scope	—	—	0
Results for the year	131	23	(68)
Capital increase	—	3	—
Dividends declared during the year	(177)	—	—
Currency exchange differences	(14)	(26)	3
<b>Closing balance at December 31, 2018</b>	<b>2,104</b>	<b>730</b>	<b>32</b>
Accounting policy changes	—	—	—
Capital increase	—	—	5
Results for the year	152	27	(40)
Utilization of past recognized losses	—	—	(5)
Dividends declared during the year	(170)	(37)	—
Currency exchange differences	2	(12)	8
<b>Closing balance at December 31, 2019</b>	<b>2,089</b>	<b>708</b>	<b>—</b>

(i) Share of profit (loss) is recognized under 'Share of profit in the joint ventures in Guatemala and Honduras' in the statement of income.

(ii) Share of profit (loss) is recognized under 'Income (loss) from other joint ventures and associates, net' in the statement of income.

At December 31, 2019 and 2018 the Group had not incurred obligations, nor made payments on behalf of the Guatemala, Honduras or Ghana operations.

#### **A.2.1. Accounting for joint ventures**

Joint ventures are accounted for using the equity method of accounting and are initially recognized at cost (calculated at fair value if it was a subsidiary of the Group before becoming a joint venture). The Group's investments in joint ventures include goodwill (net of any accumulated impairment loss) on acquisition.

The Group's share of post-acquisition profits or losses of joint ventures is recognized in the consolidated statement of income and its share of post-acquisition movements in reserves is recognized in reserves. Cumulative post-acquisition movements are adjusted against the carrying amount of the investments. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognize further losses, unless the Group has incurred obligations or made payments on behalf of the joint ventures.

Gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in joint ventures are recognized in the statement of income.

After application of the equity method, including recognizing the joint ventures' losses, the Group applies IFRS 9 to determine whether it is necessary to recognize any additional impairment loss with respect to its net investment in the joint venture.

#### **A.2.2. Material joint ventures – Guatemala, Honduras and Ghana operations**

Summarized financial information for the years ended December 31, 2019, 2018 and 2017 of the Guatemala and Honduras operations is as follows. This information is based on amounts before inter-company eliminations.

## Guatemala

	2019	2018	2017
	(US\$ millions)		
<b>Revenue</b>	<b>1,434</b>	<b>1,373</b>	<b>1,328</b>
Depreciation and amortization	(313)	(283)	(295)
<b>Operating profit(i)</b>	<b>429</b>	<b>387</b>	<b>352</b>
Financial income (expenses), net	(66)	(56)	(60)
<b>Profit before taxes</b>	<b>356</b>	<b>309</b>	<b>305</b>
Charge for taxes, net	(79)	(69)	(74)
<b>Profit for the year</b>	<b>277</b>	<b>240</b>	<b>230</b>
<b>Net profit for the year attributable to Millicom</b>	<b>152</b>	<b>131</b>	<b>126</b>
Dividends and advances paid to Millicom	209	211	162
Total non-current assets (excluding goodwill)	2,517	2,280	2,406
Total non-current liabilities	1,216	981	1,052
Total current assets	717	718	756
Total current liabilities	251	221	220
Total net assets	1,767	1,796	1,890
Group's share in %	55%	55%	55%
Group's share in USD millions	972	988	1,040
Goodwill and consolidation adjustments	1,117	1,116	1,106
Carrying value of investment in joint venture	2,089	2,104	2,145
Cash and cash equivalents	189	217	303
Debt and financing – non-current	1,152	928	995
Debt and financing – current	21	—	—
Net cash from operating activities	588	545	498
Net cash from (used in) investing activities	(205)	(173)	(171)
Net cash from (used in) financing activities	(412)	(455)	(315)
Exchange impact on cash and cash equivalents, net	1	(3)	2
<b>Net increase in cash and cash equivalents</b>	<b>(28)</b>	<b>(86)</b>	<b>14</b>

(i) In 2017, operating profit included a provision for impairment of \$10 million on the fixed assets related to video surveillance contracts with the Civil National Police.

### Guatemala financing

In 2014, Intertrust SPV (Cayman) Limited, acting as trustee of the Comcel Trust, a trust established and consolidated by Comcel for the purposes of the transaction, issued \$800 million 6.875% Senior Notes to refinance existing local and MIC S.A. corporate debt. The bond was issued at 98.233% of the principal and has an effective interest rate of 7.168%. The bond is guaranteed by Comcel and listed on the Luxembourg Stock Exchange.

## Honduras

	2019	2018 (US\$ millions)	2017
<b>Revenue</b>	<b>594</b>	<b>586</b>	<b>585</b>
Depreciation and amortization	(132)	(133)	(156)
<b>Operating profit</b>	<b>102</b>	<b>91</b>	<b>70</b>
Financial income (expenses), net	(37)	(29)	(27)
<b>Profit before taxes</b>	<b>60</b>	<b>52</b>	<b>41</b>
Charge for taxes, net	(21)	(18)	(18)
<b>Profit for the year</b>	<b>39</b>	<b>34</b>	<b>23</b>
<b>Net profit for the year attributable to Millicom</b>	<b>27</b>	<b>23</b>	<b>15</b>
Dividends and advances paid to Millicom	28	32	40
Total non-current assets (excluding goodwill)	516	506	576
Total non-current liabilities	469	386	407
Total current assets	312	304	208
Total current liabilities	183	226	282
Total net assets	176	198	95
Group's share in %	66.7%	66.7%	66.7%
Group's share in USD millions	117	132	63
Goodwill and consolidation adjustments	591	598	663
Carrying value of investment in joint venture	708	730	726
Cash and cash equivalents	40	25	16
Debt and financing – non-current	384	298	308
Debt and financing – current	39	85	80
Net cash from operating activities	169	147	152
Net cash from (used in) investing activities	(77)	(87)	(74)
Net cash from (used in) financing activities	(77)	(50)	(74)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>15</b>	<b>9</b>	<b>3</b>

## Honduras financing

On September 19, 2019, Telefónica Celular, S.A. de C.V. entered into a new credit agreement with Banco Industrial S.A. and Banco Pais S.A for an amount up to \$185 million, in tranches of \$100 million, \$60 million and \$25 million. The Loan Agreement has a 10-year maturity and an interest rate of LIBOR plus 3.80% per annum, subject to a floor of minimum 5.25%. The new credit agreement has been used to consolidate the portion of a syndicated \$250 million facility with Scotiabank dated March 27, 2015, and \$90 million credit agreement with Banco Industrial S.A. dated March 20, 2018.

On September 19, 2019, Navega S.A. de C.V., entered into new facility agreement with Banco Industrial S.A. for an amount of \$20 million and a duration of 10 years. The new agreement bears an annual interest of LIBOR plus 3.80% , subject to a floor of 5.25%. and will be used to refinance the portion corresponding to it as borrower under the \$250 million facility with Scotiabank dated March 27, 2015.

## Ghana

As mentioned in note A.1.3., in 2017 Millicom and Airtel signed a Combination Agreement, whereby both investors decided to combine their respective subsidiaries in Ghana, namely Tigo Ghana Limited and Airtel Ghana Limited under an existing company – Bharti Airtel Ghana Holdings B.V. (the ‘JV’ or ‘AirtelTigo Ghana’) both Millicom and Airtel each owning 50%. As part of the transaction, the government of Ghana retained an option to acquire a 25% stake in the newly combined entity for a period of two years. This option has never been material and expired unexercised in September 2019.

On October 12, 2017, both parties announced the completion of the transaction. As consideration received, each party owns 50% of the equity capital and voting rights of the JV, and Millicom holds a \$40 million loan against Tigo Ghana (the “Millicom

Note”), which shall rank in priority to all other obligations of the joint venture owed to its shareholders. The Millicom Note bears interest and is classified under ‘other non-current assets’ in the statement of financial position.

Decisions about the relevant activities require the unanimous consent of the parties sharing control. Therefore, based on IFRS 11, this agreement results in Millicom and Airtel having joint control over the combined entity, which is a joint venture. Millicom therefore uses the equity method to account for its investment in the combined entity since October 12, 2017.

As a consequence, on October 12, 2017, Millicom deconsolidated its investments in Ghana operations and accounted for its investment in the combined entity under the equity method, initially at fair value of \$102 million, resulting in a net gain on the deconsolidation of these operations amounting to \$36 million, including recycling of foreign currency exchange losses accumulated in equity of \$79 million. The net gain has been recognized under ‘Profit (loss) for the year from discontinued operations, net of tax’.

### AirtelTigo Ghana

	2019 (US\$ millions)	2018 (US\$ millions)	2017 (US\$ millions)
<b>Revenue</b>	<b>142</b>	<b>187</b>	<b>58</b>
Depreciation and amortization	(69)	(110)	(11)
<b>Operating loss</b>	<b>(72)</b>	<b>(100)</b>	<b>(1)</b>
Financial income (expenses), net	(77)	(42)	(10)
<b>Loss before taxes</b>	<b>(123)</b>	<b>(135)</b>	<b>(12)</b>
Charge for taxes, net	—	—	—
<b>Loss for the period</b>	<b>(123)</b>	<b>(135)</b>	<b>(12)</b>
<b>Net loss for the period attributable to Millicom</b>	<b>(40)</b>	<b>(68)</b>	<b>(6)</b>
Dividends and advances paid to Millicom	—	—	—
Total non-current assets (excluding goodwill)	168	277	184
Total non-current liabilities	245	277	214
Total current assets	42	71	60
Total current liabilities	187	134	106
Total net assets	(223)	(63)	(76)
Group's share in %	50%	50%	50%
Group's share in USD millions	(111)	(31)	(38)
Goodwill and consolidation adjustments	90	63	134
Unrecognised losses	(22)	0	0
Carrying value of investment in joint venture	—	32	96
Cash and cash equivalents	5	19	15
Debt and financing – non-current	245	276	145
Debt and financing – current	27	17	—
Net cash from operating activities	(5)	(19)	13
Net cash from (used in) investing activities	—	(8)	—
Net cash from (used in) financing activities	(6)	42	(3)
<b>Net increase in cash and cash equivalents</b>	<b>(11)</b>	<b>15</b>	<b>10</b>

### A.2.3. Impairment of investment in joint ventures

While no impairment triggers were identified for the Group’s investments in joint ventures in 2019, according to its policy, management have completed an impairment test for its joint ventures in Guatemala, Honduras and Ghana (up to 2018 for Ghana as investment is nil as of December 31, 2019).

The Group’s investments in Guatemala and Honduras operations were tested for impairment by assessing their recoverable amount (using a value in use model based on discounted cash flows) against their carrying amounts. The cash flow projections

used were extracted from financial budgets approved by management and the Board covering a period of five years. In respect of Guatemala and Honduras, cash flows beyond this period have been extrapolated using a perpetual growth rate of 1.1%–1.2% (2018: 3.2%–3.0%). Discount rates used in determining recoverable amounts were 9.5% and 9.7%, respectively (2018: 11.0% and 10.3%). For Ghana, in 2018, management used a perpetual growth rate of 3.8% and a discount rate of 14.4%.

For the year ended December 31, 2019 and 2018, and as a result of the impairment testing described above, management concluded that none of the Group's investments in joint ventures should be impaired.

Sensitivity analysis was performed on key assumptions within the impairment tests. The sensitivity analysis determined that sufficient headroom exists from realistic changes to the assumptions that would not impact the overall results of the testing.



### A.3. Investments in associates

Millicom's investments in Helios Towers Africa Ltd (HTA) and in the African online business (AIH) became listed companies during 2019, and Millicom resigned from its board of directors' positions in both companies, having as an effect the loss of its significant influence. Both investments are now accounted for as equity instruments (see note C.7.3.). Millicom has significant influence over other immaterial associates as shown below.

The Group's associates are as follows:

Entity	Country	Activity(ies)	December 31, 2019 % holding	December 31, 2018 % holding
<b>Africa</b>				
Helios Towers Africa Ltd (HTA)(i)	Mauritius	Holding of Tower infrastructure company	—	22.83
Africa Internet Holding GmbH (AIH)(i)	Germany	Online marketplace, retail and services	—	10.15
West Indian Ocean Cable Company Limited (WIOCC)	Republic of Mauritius	Telecommunication carriers' carrier	9.1	9.1
<b>Latin America</b>				
MKC Brilliant Holding GmbH (LIH)	Germany	Online marketplace, retail and services	35.0	35.0
<b>Unallocated</b>				
Milvik AB	Sweden	Other	11.4	12.3

(i) See note C.7.3..

At December 31, 2019 and 2018, the carrying value of Millicom's main associates was as follows:

#### Carrying value of investments in associates at December 31

	2019	2018
	(US\$ millions)	
African Internet Holding GmbH (AIH)	—	38
Helios Tower Africa Ltd (HTA)	—	105
Milvik AB	11	13
West Indian Ocean Cable Company Limited (WIOCC)	14	14
<b>Total</b>	<b>25</b>	<b>169</b>

The summarized financial information for the Group's main material associates is provided below.

#### Summary of statement of financial position of associates at December 31,

	2018 (i)
Total current assets	473
Total non-current assets	717
<b>Total assets</b>	<b>1,190</b>
Total current liabilities	343
Total non-current liabilities	627
<b>Total liabilities</b>	<b>969</b>
<b>Total net assets</b>	<b>221</b>
Millicom's carrying value of its investment in HTA and AIH	142
Millicom's carrying value of its investment in other associates	27
Millicom's carrying value of its investment in associates	169

(i) The summarized financial information in 2018 includes HTA and AIH. For 2019, Millicom does not disclose such information as its remaining associates are immaterial to the Group.

## Profit (loss) from other joint ventures and associates

In 2019, the loss shown under this caption in the statement of income mainly relates to the net losses recognised by our joint venture in Ghana. For further details refer to note A.2..

	2018 (i)	2017 (i)
Revenue	511	449
Operating expenses	(459)	(321)
Operating profit (loss)	(214)	(148)
Net loss for the year	(327)	(220)
Millicom's share of results from HTA and AIH	(66)	(34)
Millicom's share of results from other associates	(2)	(45)
Millicom's share of results from other joint ventures (Ghana)	(68)	(6)
<b>Millicom's share of results from other joint ventures and associates</b>	<b>(136)</b>	<b>(85)</b>

(i) The summarized financial information in 2018 and 2017 includes HTA and AIH. For 2019, Millicom does not disclose such information as its remaining associates are immaterial to the Group.

### A.3.1. Accounting for investments in associates

The Group accounts for associates in the same way as it accounts for joint ventures.

### A.3.2. Acquisitions and disposals of interests in associates

#### Milvik AB (BIMA)

On December 19, 2017, Millicom announced that it had sold a portion of its ownership stake in BIMA - a leading emerging market insurance player - (from 20.4% to 12.0% – on a fully diluted basis) to Kinnevik and a new investor, with the latter contributing \$97 million in the micro-insurance business. As a result of the transaction, Millicom received \$24 million in cash and recognized a gain on disposal of \$21 million. In addition, and as a consequence of the subsequent capital increase made by the new investor, the Group recognized a gain on dilution of \$11 million. Both gains have been recorded under the caption "Income (loss) from other joint ventures and associates, net", in the statement of income for the year ended December 31, 2017. Both transactions were carried out at the same fair value on an arm's length basis.

#### MKC Brilliant Holding GmbH (LIH)

Millicom's 35.0% investment in LIH has been fully impaired in two stages (by \$40 million in 2016 and \$48 million in 2017) mainly as a result of the decrease in fair value of LIH's investment in the Global Fashion Group and the results the annual impairment test conducted in 2017. The impairment test performed in 2019 confirms this conclusion. These losses were recorded under the caption 'Income (loss) from other joint ventures and associates, net' in the year ended December 31, 2017.

## A.4. Discontinued operations

### A.4.1. Classification of discontinued operations

Discontinued operations are those which have identifiable operations and cash flows (for both operating and management purposes) and represent a major line of business or geographic area which has been disposed of, or are held for sale. Revenue and expenses associated with discontinued operations are presented retrospectively in a separate line in the consolidated statement of income. Millicom determined that the loss of path to control of operations by the termination of a contractual arrangement (e.g. termination without exercise of an unconditional call option agreement giving path to control, as occurred with the Guatemala and Honduras operations) does not require presentation as a discontinued operation.

### A.4.2. Millicom's discontinued operations

In accordance with IFRS 5, the Group's businesses in Chad, Senegal, Tigo Ghana and Tigo Rwanda have been classified as assets held for sale (respectively on June 5, 2019, February 2, 2017, September 28, 2017 and January 23, 2018) and their results were

showed as discontinued operations for all years presented in these financial statements. The statement of income comparative figures presented in the notes to these consolidated financial statements have therefore been restated accordingly and when necessary. For further details, refer to note E.4.

## B. Performance

### B.1. Revenue

Millicom's revenue comprises sale of services from its mobile business (including Mobile Financial Services - MFS) and its cable and other fixed services, as well as related devices and equipment. Recurring revenue consists of monthly subscription fees, airtime and data usage fees, interconnection fees, roaming fees, TV services, B2B contracts, MFS commissions and fees from other telecommunications services such as data services, short message services and other value added services.

#### Revenue from continuing operations by category

	2019	2018 (US\$ millions)	2017
Mobile	2,150	2,126	2,147
Cable and other fixed services	1,928	1,565	1,551
Other	52	43	38
<b>Service revenue</b>	<b>4,130</b>	<b>3,734</b>	<b>3,737</b>
Telephone and equipment and other	206	212	199
<b>Total revenue</b>	<b>4,336</b>	<b>3,946</b>	<b>3,936</b>

#### Revenue from continuing operations by country or operation (i)

	2019	2018 (US\$ millions)	2017
Colombia	1,532	1,661	1,739
Paraguay	609	679	662
Bolivia	639	614	555
El Salvador	386	405	422
Tanzania	382	399	384
Nicaragua	157	13	13
Costa Rica	153	155	153
Panama	475	17	—
Other operations	2	5	7
<b>Total</b>	<b>4,336</b>	<b>3,946</b>	<b>3,936</b>

(i) The revenue figures above are shown after intercompany eliminations.

#### B.1.1. Accounting for revenue

##### Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer.

The Group applies the following practical expedients foreseen in IFRS 15:

- No adjustment to the transaction price for the means of a financing component whenever the period between the transfer of a promised good or service to a customer and the associated payment is one year or less; when the period is more than one year the financing component is adjusted, if material.

- Disclosure in the Group Financial Statements the transaction price allocated to unsatisfied performance obligations only for contracts that have an original expected duration of more than one year (e.g. unsatisfied performance obligations for contracts that have an original duration of one year or less are not disclosed).
- Application of the practical expedient not to disclose the price allocated to unsatisfied performance obligations, if the consideration from a customer corresponds to the value of the entity's performance obligation to the customer (i.e, if billing corresponds to accounting revenue).
- Application of the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that otherwise would have been recognized is one year or less.

Post-paid connection fees are derived from the payment of a non-refundable / one-time fee charged to customer to connect to the network (e.g. connection / installation fee). Usually, it does not represent a distinct good or service, and therefore does not give rise to a separate performance obligation and revenue is recognized over the minimum contract duration. However, if the fee is paid by a customer to get the right to receive goods or services without having to pay this fee again over his tenure with the Group (e.g. the customer can readily extend his contract without having to pay the same fee again), it is accounted for as a material right and revenue should be recognized over the customer retention period.

Post-paid mobile / cable subscription fees are recognized over the relevant enforceable/subscribed service period (recurring monthly access fees that do not vary based on usage). The service provision is usually considered as a series of distinct services that have the same pattern of transfer to the customer. Remaining unrecognized subscription fees, which are not refunded to the customers, are fully recognized once the customer has been disconnected.

Prepaid scratch / SIM cards are services where customers purchase a specified amount of airtime or other credit in advance. Revenue is recognized as the credit is used. Unused credit is carried in the statement of financial position as a contract liability. Upon expiration of the validity period, the portion of the contract liability relating to the expiring credit is recognized as revenue, since there is no longer an obligation to provide those services.

Telephone and equipment sales are recognized as revenue once the customer obtains control of the good. That criteria is fulfilled when the customer has the ability to direct the use and obtain substantially all of the remaining benefits from that good.

Revenue from provision of Mobile Financial Services (MFS) is recognized once the primary service has been provided to the customer.

Customer premise equipment (CPE) are provided to customers as a prerequisite to receive the subscribed Home services and shall be returned at the end of the contract duration. Since CPEs provided over the contract term do not provide benefit to the customer on their own, they do not give rise to separate performance obligations and therefore are accounted for as part of the service provided to the customers.

Bundled offers are considered arrangements with multiple deliverables or elements, which can lead to the identification of separate performance obligations. Revenue is recognized in accordance with the transfer of goods or services to customers in an amount that reflects the relative standalone selling price of the performance obligation (e.g. sale of telecom services, revenue over time + sale of handset, revenue at a point in time).

Principal-Agent, some arrangements involve two or more unrelated parties that contribute to providing a specified good or service to a customer. In these instances, the Group determines whether it has promised to provide the specified good or service itself (as a principal) or to arrange for those specified goods or services to be provided by another party (as an agent). For example, performance obligations relating to services provided by third-party content providers (i.e., mobile Value Added Services or "VAS") or service providers (i.e., wholesale international traffic) where the Group neither controls a right to the provider's service nor controls the underlying service itself are presented net because the Group is acting as an agent. The Group generally acts as a principal for other types of services where the Group is the primary obligor of the arrangement. In cases the Group determines that it acts as a principal, revenue is recognized in the gross amount, whereas in cases the Group acts as an agent revenue is recognized in the net amount.

Revenue from the sale of cables, fiber, wavelength or capacity contracts, when part of the ordinary activities of the operation, is recognized as recurring revenue. Revenue is recognized when the cable, fiber, wavelength or capacity has been delivered to the customer, based on the amount expected to be received from the customer.

Revenue from operating lease of tower space is recognized over the period of the underlying lease contracts. Finance leases revenue is apportioned between lease of tower space and interest income.

### ***Significant judgments***

The determination of the standalone selling price for contracts that involve more than one performance obligation may require significant judgment, such as when the selling price of a good or service is not readily observable.

The Group determines the standalone selling price of each performance obligation in the contract in accordance to the prices that the Group would apply when selling the same services and/or telephone and equipment included in the obligation to a similar customer on a standalone basis. When standalone selling price of services and/or telephone and equipment are not directly observable, the Group maximizes the use of external input and uses the expected cost plus margin approach to estimate the standalone selling price.

## B.2. Expenses

The cost of sales and operating expenses incurred by the Group can be summarized as follows:

### Cost of sales

	2019	2018	2017
	(US\$ millions)		
Direct costs of services sold	(878)	(799)	(881)
Cost of telephone, equipment and other accessories	(230)	(229)	(217)
Bad debt and obsolescence costs	(93)	(90)	(71)
<b>Cost of sales</b>	<b>(1,201)</b>	<b>(1,117)</b>	<b>(1,169)</b>

### Operating expenses, net

	2019	2018	2017
	(US\$ millions)		
Marketing expenses	(402)	(391)	(448)
Site and network maintenance costs	(245)	(192)	(178)
Employee related costs (B.4.)	(496)	(500)	(434)
External and other services	(204)	(181)	(163)
Rentals and (operating) leases (i)	(1)	(152)	(151)
Other operating expenses	(257)	(201)	(156)
<b>Operating expenses, net</b>	<b>(1,604)</b>	<b>(1,616)</b>	<b>(1,531)</b>

(i) Decrease is due to IFRS 16 application - see further explanations above in "New and amended IFRS accounting standards" section

The other operating income and expenses incurred by the Group can be summarized as follows:

### Other operating income (expenses), net

	Notes	2019	2018	2017
		(US\$ millions)		
Income from tower deal transactions	C.3.4.	5	61	63
Impairment of intangible assets and property, plant and equipment	E.1., E.2.	(8)	(6)	(12)
Gain (loss) on disposals of intangible assets and property, plant and equipment		—	7	1
Loss on disposal of equity investments	C.7.3.	(32)	—	—
Other income (expenses)		1	13	17
<b>Other operating income (expenses), net</b>		<b>(34)</b>	<b>75</b>	<b>69</b>

#### B.2.1. Accounting for cost of sales and operating expenses

##### Cost of sales

Cost of sales is recorded on an accrual basis.

*Incremental costs of obtaining a contract*

Incremental costs of obtaining a contract, including dealer commissions, are capitalized as Contract Costs in the statement of financial position and amortized in operating expenses over the expected benefit period, which is based on the average duration of contracts with customer (see practical expedient in note B.1.1.).

*Operating leases - until 2018 year-end*

Operating leases were all leases that did not qualify as finance leases. Operating lease payments were recognized as expenses in the consolidated statement of income on a straight-line basis over the lease term.

**B.3. Segmental information**

Management determines operating and reportable segments based on information used by the chief operating decision maker (CODM) to make strategic and operational decisions from both a business and geographic perspective. The Group's risks and rates of return are predominantly affected by operating in different geographical regions. The Group has businesses in two main regions: Latin America ("Latam") and Africa. The Latam figures below include Honduras and Guatemala as if they are fully consolidated by the Group, as this reflects the way management reviews and uses internally reported information to make decisions. Honduras and Guatemala are shown under the Latam segment. The joint venture in Ghana is not reported as if fully consolidated. Revenue, operating profit (loss), EBITDA and other segment information for the years ended December 31, 2019, 2018 and 2017, were as follows:

	Latin America	Africa	Unallocated	Guatemala and Honduras(vii)	Eliminations and Transfers	Total
	(US\$ millions)					
<b>Year ended December 31, 2019</b>						
Mobile revenue	3,258	372	—	(1,480)	—	2,150
Cable and other fixed services revenue	2,197	9	—	(277)	—	1,928
Other revenue	60	1	—	(8)	—	52
Service revenue (i)	5,514	382	—	(1,766)	—	4,130
Telephone and equipment and other revenue (i)	449	—	—	(243)	—	206
<b>Revenue</b>	<b>5,964</b>	<b>382</b>	<b>—</b>	<b>(2,009)</b>	<b>—</b>	<b>4,336</b>
<b>Operating profit (loss)</b>	<b>1,006</b>	<b>24</b>	<b>(94)</b>	<b>(540)</b>	<b>179</b>	<b>575</b>
<b>Add back:</b>						
Depreciation and amortization	1,435	99	9	(444)	—	1,100
Share of profit in joint ventures in Guatemala and Honduras	—	—	—	—	(179)	(179)
Other operating income (expenses), net	2	(2)	42	(8)	—	34
<b>EBITDA (ii)</b>	<b>2,443</b>	<b>122</b>	<b>(43)</b>	<b>(992)</b>	<b>—</b>	<b>1,530</b>
EBITDA from discontinued operations	—	(3)	—	—	—	(3)
<b>EBITDA incl discontinued operations</b>	<b>2,443</b>	<b>119</b>	<b>(43)</b>	<b>(992)</b>	<b>—</b>	<b>1,527</b>
Capital expenditure (iii)	(1,040)	(58)	(9)	261	—	(846)
Changes in working capital and others (iv)	(86)	14	(52)	(18)	—	(143)
Taxes paid	(225)	(10)	(8)	129	—	(114)
<b>Operating free cash flow (v)</b>	<b>1,093</b>	<b>64</b>	<b>(112)</b>	<b>(619)</b>	<b>—</b>	<b>425</b>
<b>Total Assets (vi)</b>	<b>13,821</b>	<b>936</b>	<b>3,715</b>	<b>(5,465)</b>	<b>(151)</b>	<b>12,856</b>
<b>Total Liabilities</b>	<b>8,374</b>	<b>909</b>	<b>3,977</b>	<b>(2,119)</b>	<b>(965)</b>	<b>10,176</b>

	Latin America	Africa	Unallocated	Guatemala and Honduras(vii)	Eliminations and Transfers	Total
	(US\$ millions)					
<b>Year ended December 31, 2018 (viii)</b>						
Mobile revenue	3,214	388	—	(1,475)	—	2,126
Cable and other fixed services revenue	1,808	10	—	(253)	—	1,565
Other revenue	48	1	—	(6)	—	43
Service revenue (i)	5,069	398	—	(1,734)	—	3,734
Telephone and equipment revenue (i)	415	—	—	(203)	—	212
<b>Revenue</b>	<b>5,485</b>	<b>399</b>	<b>—</b>	<b>(1,937)</b>	<b>—</b>	<b>3,946</b>
<b>Operating profit (loss)</b>	<b>995</b>	<b>25</b>	<b>(47)</b>	<b>(488)</b>	<b>154</b>	<b>640</b>
<b>Add back:</b>						
Depreciation and amortization	1,133	80	5	(416)	—	803
Share of profit in joint ventures in Guatemala and Honduras	—	—	—	—	(154)	(154)
Other operating income (expenses), net	(51)	(3)	(2)	(19)	—	(75)
<b>EBITDA (ii)</b>	<b>2,077</b>	<b>102</b>	<b>(44)</b>	<b>(922)</b>	<b>—</b>	<b>1,213</b>
EBITDA from discontinued operations	—	44	—	—	—	44
<b>EBITDA incl discontinued operations</b>	<b>2,077</b>	<b>146</b>	<b>(44)</b>	<b>(922)</b>	<b>—</b>	<b>1,257</b>
Capital expenditure (iii)	(872)	(59)	(2)	225	—	(708)
Changes in working capital and others (iv)	(42)	28	13	(12)	—	(13)
Taxes paid	(264)	(24)	(6)	142	—	(153)
<b>Operating free cash flow (v)</b>	<b>899</b>	<b>91</b>	<b>(39)</b>	<b>(568)</b>	<b>—</b>	<b>383</b>
<b>Total Assets (vi)</b>	<b>11,751</b>	<b>839</b>	<b>2,752</b>	<b>(5,219)</b>	<b>190</b>	<b>10,313</b>
<b>Total Liabilities</b>	<b>6,127</b>	<b>905</b>	<b>2,953</b>	<b>(1,814)</b>	<b>(650)</b>	<b>7,521</b>

	Latin America	Africa	Unallocated	Guatemala and Honduras(vii)	Eliminations and Transfers	Total
	(US\$ millions)					
<b>Year ended December 31, 2017 (viii)</b>						
Mobile revenue	3,283	374	—	(1,510)	—	2,147
Cable and other fixed services revenue	1,755	9	—	(213)	—	1,551
Other revenue	40	2	—	(4)	—	38
Service revenue (i)	5,078	385	—	(1,727)	—	3,737
Telephone and equipment revenue (i)	363	1	—	(165)	—	199
<b>Total Revenue</b>	<b>5,441</b>	<b>386</b>	<b>—</b>	<b>(1,892)</b>	<b>—</b>	<b>3,936</b>
<b>Operating profit (loss)</b>	<b>899</b>	<b>28</b>	<b>(5)</b>	<b>(431)</b>	<b>140</b>	<b>632</b>
<b>Add back:</b>						
Depreciation and amortization	1,174	81	6	(450)	—	812
Share of profit in joint ventures in Guatemala and Honduras	—	—	—	—	(140)	(140)
Other operating income (expenses), net	(49)	(11)	10	(18)	—	(69)
<b>EBITDA (ii)</b>	<b>2,024</b>	<b>97</b>	<b>12</b>	<b>(898)</b>	<b>—</b>	<b>1,236</b>
EBITDA from discontinued operations	—	115	—	—	—	115
<b>EBITDA incl discontinued operations</b>	<b>2,024</b>	<b>212</b>	<b>12</b>	<b>(898)</b>	<b>—</b>	<b>1,351</b>
Capital expenditure (iii)	(855)	(99)	(1)	237	—	(718)
Changes in working capital and others (iv)	(53)	(6)	(10)	27	—	(43)
Taxes paid	(239)	(18)	1	124	—	(132)
<b>Operating free cash flow (v)</b>	<b>877</b>	<b>89</b>	<b>2</b>	<b>(511)</b>	<b>1</b>	<b>459</b>
<b>Total Assets (vi)</b>	<b>10,411</b>	<b>1,482</b>	<b>598</b>	<b>(5,420)</b>	<b>2,393</b>	<b>9,464</b>
<b>Total Liabilities</b>	<b>5,484</b>	<b>1,673</b>	<b>1,465</b>	<b>(1,961)</b>	<b>(478)</b>	<b>6,183</b>

- (i) Service revenue is Group revenue related to the provision of ongoing services such as monthly subscription fees, airtime and data usage fees, interconnection fees, roaming fees, mobile finance service commissions and fees from other telecommunications services such as data services, SMS and other value-added services excluding telephone and equipment sales. Revenues from other sources comprises rental, sub-lease rental income and other non recurring revenues. The Group derives revenue from the transfer of goods and services over time and at a point in time. Refer to the table below.
- (ii) EBITDA is operating profit excluding impairment losses, depreciation and amortization and gains/losses on the disposal of fixed assets. EBITDA is used by the management to monitor the segmental performance and for capital management. For the year ended December 31, 2019, the application of IFRS 16 had a positive impact on EBITDA as compared to what our results would have been if we had continued to follow the IAS 17 standard.
- (iii) Cash spent for capex excluding spectrum and licenses of \$59 million (2018: \$61 million; 2017: \$53 million) and cash received on tower deals of \$22 million (2018: \$141 million; 2017: \$161 million).
- (iv) Changes in working capital and others include changes in working capital as stated in the cash flow statement, as well as share-based payments expense and non-cash bonuses.
- (v) Operating Free Cash Flow is EBITDA less cash capex (excluding spectrum and license costs) less change in working capital, other non-cash items (share-based payment expense and non-cash bonuses) and taxes paid.
- (vi) Segment assets include goodwill and other intangible assets.
- (vii) Including eliminations for Guatemala and Honduras as reported in the Latam segment.
- (viii) Restated as a result of classification of certain of our African operations as discontinued operations (see notes A.4. and E.4.).



Revenue from contracts with customers from continuing operations:

\$ millions	Timing of revenue recognition	Twelve months ended December 31, 2019			Twelve months ended December 31, 2018		
		Latin America	Africa	Total Group	Latin America	Africa	Total Group
Mobile	Over time	1,747	261	2,007	1,701	280	1,981
Mobile Financial Services	Point in time	31	112	143	37	108	145
Cable and other fixed services	Over time	1,919	9	1,928	1,556	10	1,565
Other	Over time	51	1	52	42	1	43
<b>Service Revenue</b>		<b>3,748</b>	<b>382</b>	<b>4,130</b>	<b>3,336</b>	<b>398</b>	<b>3,734</b>
Telephone and equipment	Point in time	206	—	206	212	—	212
<b>Revenue from contracts with customers</b>		<b>3,954</b>	<b>382</b>	<b>4,336</b>	<b>3,548</b>	<b>399</b>	<b>3,946</b>

## B.4. People

### Number of permanent employees

	2019	2018	2017
Continuing operations(i)	17,687	16,725	14,134
Joint ventures (Guatemala, Honduras and Ghana)	4,688	4,416	4,326
Discontinued operations	—	262	667
<b>Total</b>	<b>22,375</b>	<b>21,403</b>	<b>19,127</b>

(i) Emtelco headcount are excluded from this disclosure and any internal reporting because their costs are classified as direct costs and not employee related costs.

	Notes	2019	2018	2017
		(US\$ millions)		
Wages and salaries		(358)	(346)	(308)
Social security		(68)	(60)	(56)
Share based compensation	B.4.1.	(27)	(21)	(22)
Pension and other long-term benefit costs	B.4.2.	(4)	(7)	(8)
Other employees related costs		(39)	(67)	(41)
<b>Total</b>		<b>(496)</b>	<b>(500)</b>	<b>(434)</b>

#### B.4.1. Share-based compensation

Millicom shares granted to management and key employees includes share-based compensation in the form of long-term share incentive plans. Since 2016, Millicom has two types of annual plans, a performance share plan and a deferred share plan. The different plans are further detailed below.

## Cost of share based compensation

	2019	2018	2017
	(US\$ millions)		
2016 incentive plans	—	(4)	(6)
2017 incentive plans	(7)	(8)	(12)
2018 incentive plans	(8)	(11)	—
2019 incentive plans	(14)	—	—
<b>Total share based compensation</b>	<b>(27)</b>	<b>(21)</b>	<b>(22)</b>

### *Deferred share plan (unchanged since 2014, except for vesting schedule)*

Until 2018 deferred awards plan, participants were granted shares based on past performance, with 16.5% of the shares vesting on January 1 of each of year one and two, and the remaining 67% on 1 January of year three. Beginning with the 2019 plan, while all other guidelines remain the same, shares vest with 30% on January 1 of each of year one and two, and the remaining 40% on 1 January of year three. Vesting is conditional upon the participant remaining employed with Millicom at each vesting date. The cost of this long-term incentive plan, which is not conditional on performance conditions, is calculated as follows:

*Fair value (share price) of Millicom's shares at grant date x number of shares expected to vest.*

### *Performance share plan (issued in 2015)*

Under this plan, shares granted did vest in full in 2019, subject to performance conditions, 62.5% based on Absolute Total Shareholder Return (TSR) and 37.5% based on actual vs budgeted EBITDA minus CAPEX minus Change in Working Capital (Free Cash Flow). As the TSR measure is a market condition, the fair value of the shares in the performance share plan requires consideration of potential adjustments for future market-based conditions at grant date.

For this, a specific valuation had been performed at grant date based on the probability of the TSR conditions being met (and to which extent) and the expected payout based upon leaving conditions.

The Free Cash Flows (FCF) condition is a non-market measure which had been considered together with the leaving estimate and based initially on a 100% fulfillment expectation. The reference share price for 2015 performance share plan is the same share price as the share price for the deferred share plan.

### *Performance share plan (for plans issued in 2016 and 2017)*

Shares granted under this performance share plan vest at the end of the three-year period, subject to performance conditions, 25% based on Positive Absolute Total Shareholder Return (Absolute TSR), 25% based on Relative Total Shareholder Return (Relative TSR) and 50% based on budgeted Earnings Before Interest Tax Depreciation and Amortization (EBITDA) minus Capital Expenditure (Capex) minus Change in Working Capital (CWC) (Free Cash Flow).

As the TSRs measures are market conditions, the fair value of the shares in the performance share plan requires consideration of potential adjustments for future market-based conditions at grant date.

For this, a specific valuation had been performed at grant date based on the probability of the TSR conditions being met (and to which extent) and the expected payout based upon leaving conditions.

The Free Cash Flows (FCF) condition is a non-market measure which had been considered together with the leaving estimate and based initially on a 100% fulfillment expectation. The reference share price for this condition is the same share price as the share price for the deferred share plan above.

### *Performance share plan (for plans issued from 2018)*

Shares granted under this performance share plan vest at the end of the three-year period, subject to performance conditions, 25% based on Relative Total Shareholder Return ("Relative TSR"), 25% based on the achievement of the Service Revenue target measured on a 3-year CAGRs from year one to year three of the plan ("Service Revenue") and 50% based on the achievement of the Operating Free Cash Flow ("Operating Free Cash Flow") target measured on a 3-year CAGRs from year one to year three of the plan.

For the performance share plans, and in order to calculate the fair value of the TSR portion of those plans, it is necessary to make a number of assumptions which are set out below. The assumptions have been set based on an analysis of historical data as at grant date.

## Assumptions and fair value of the shares under the TSR portion(s)

	Risk-free rate %	Dividend yield %	Share price volatility(i) %	Award term (years)	Share fair value (in US\$)
Performance share plan 2019 (Relative TSR)	(0.24)	3.01	26.58	2.93	49.79
Performance share plan 2018 (Relative TSR)	(0.39)	3.21	30.27	2.93	57.70
Performance share plan 2017 (Relative TSR)	(0.40)	3.80	22.50	2.92	27.06
Performance share plan 2017 (Absolute TSR)	(0.40)	3.80	22.50	2.92	29.16
Performance share plan 2016 (Relative TSR)	(0.65)	3.49	30.00	2.61	43.35
Performance share plan 2016 (Absolute TSR)	(0.65)	3.49	30.00	2.61	45.94
Performance share plan 2015 (Absolute TSR)	(0.32)	2.78	23.00	2.57	32.87
Executive share plan 2015 – Component A	(0.32)	N/A	23.00	2.57	53.74
Executive share plan 2015 – Component B	(0.32)	N/A	23.00	2.57	29.53

(i) Historical volatility retained was determined on the basis of a three-year historic average.

The cost of the long-term incentive plans which are conditional on market conditions is calculated as follows:

**Fair value (market value) of shares at grant date (as calculated above) x number of shares expected to vest.**

The cost of these plans is recognized, together with a corresponding increase in equity (share compensation reserve), over the period in which the performance and/or employment conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award. Adjustments are made to the expense recorded for forfeitures, mainly due to management and employees leaving Millicom. Non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. These are treated as vested, regardless of whether or not the market conditions are satisfied, provided that all other performance conditions are satisfied. Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

## Plan awards and shares expected to vest

	2019 plans		2018 plans		2017 plans		2016 plans	
	Performance plan	Deferred plan	Performance plan	Deferred plan	Performance plan	Deferred plan	Performance plan	Deferred plan
	(number of shares)							
Initial shares granted	257,601	320,840	237,196	262,317	279,807	438,505	200,617	287,316
Additional shares granted(i)	—	20,131	—	3,290	2,868	29,406	—	—
Revision for forfeitures	(17,182)	(9,198)	(27,494)	(26,860)	(40,946)	(88,437)	(49,164)	(78,253)
Revision for cancellations	—	—	(4,728)	—	—	—	—	—
Total before issuances	240,419	331,773	204,974	238,747	241,729	379,474	151,453	209,063
Shares issued in 2017	—	—	—	—	—	(2,686)	(1,214)	(1,733)
Shares issued in 2018	—	—	(97)	(18,747)	(2,724)	(99,399)	(752)	(43,579)
Shares issued in 2019	(150)	(24,294)	(3,109)	(54,971)	(19,143)	(82,486)	(149,487)	(163,751)
Shares still expected to vest	240,269	307,479	201,768	165,029	219,862	194,903	—	—
Estimated cost over the vesting period (US\$ millions)	11	18	12	14	10	20	8	12

(i) Additional shares granted represent grants made for new joiners and/or as per CEO contractual arrangements.

#### **B.4.2. Pension and other long-term employee benefit plans**

##### **Pension plans**

The pension plans apply to employees who meet certain criteria (including years of service, age and participation in collective agreements).

Pension and other similar employee related obligations can result from either defined contribution plans or defined benefit plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. No further payment obligations exist once the contributions have been paid. The contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as assets to the extent that a cash refund or a reduction in future payments is available.

Defined benefit pension plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognized in the statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using an appropriate discount rate based on maturities of the related pension liability.

Re-measurement of net defined benefit liabilities are recognized in other comprehensive income and not reclassified to the statement of income in subsequent years.

Past service costs are recognized in the statement of income on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit asset/liability.

##### **Long-service plans**

Long-service plans apply for Colombian subsidiary UNE employees with more than five years of service whereby additional bonuses are paid to employees that reach each incremental length of service milestone (from five to 40 years).

##### **Termination plans**

In addition, UNE has a number of employee defined benefit plans. The level of benefits provided under the plans depends on collective employment agreements and Colombian labor regulations. There are no defined assets related to the plans, and UNE make payments to settle obligations under the plans out of available cash balances.

At December 31, 2019, the defined benefit obligation liability amounted to \$59 million (2018: \$60 million) and payments expected in the plans in future years totals \$106 million (2018: \$111 million). The average duration of the defined benefit obligation at December 31, 2019 is 6 years (2018: 7 years). The termination plans apply to employees that joined UNE prior to December 30, 1996. The level of payments depends on the number of years in which the employee has worked before retirement or termination of their contract with UNE.

Except for the UNE pension plan described above, there are no other significant defined benefits plans in the Group.

#### **B.4.3. Directors and executive management**

The remuneration of the members of the Board of Directors comprises an annual fee and shares. Director remuneration is proposed by the Nomination Committee and approved by the shareholders at their Annual General Meeting (AGM).

##### **Remuneration charge for the Board (gross of withholding tax)**

	2019	2018 (US\$ '000)	2017
Chairperson	366	169	233
Other members of the Board	1,557	774	889
<b>Total (i)</b>	<b>1,923</b>	<b>943</b>	<b>1,122</b>

(i) Cash compensation converted from SEK to USD at exchange rates on payment dates for 2017 and 2018, in 2019 cash compensation was denominated in USD. Share based compensation based on the market value of Millicom shares on the corresponding AGM date (2019: in total 19,483 shares; 2018: in total 6,591 shares; 2017: in total 8,731 shares). Net remuneration comprised 73% in shares and 27% in cash (SEK) (2018: 51% in shares and 49% in cash; 2017: 52% in shares and 48% in cash).

## Shares beneficially owned by the Directors

	2019	2018
	(number of shares)	
Chairperson	5,814	8,554
Other members of the Board	32,279	15,333
<b>Total (i)</b>	<b>38,093</b>	<b>23,887</b>

The remuneration of executive management of 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.) are based on actual and future performance. Share based compensation is granted once a year by the Compensation Committee of the Board.

If the employment of Millicom's senior executives is terminated, severance of up to 12 months' salary is potentially payable.

The annual base salary and other benefits of the Chief Executive Officer (CEO) and the Executive Vice Presidents (Executive team) are proposed by the Compensation Committee and approved by the Board.

## Remuneration charge for the Executive Team

	CEO	CFO	Executive Team (8 members)(iii)
		(US\$ '000)	
<b>2019</b>			
Base salary	1,167	654	3,498
Bonus	1,428	626	2,098
Pension	279	98	798
Other benefits	50	260	1,521
Termination benefits	—	—	863
<b>Total before share based compensation</b>	<b>2,924</b>	<b>1,639</b>	<b>8,779</b>
Share based compensation(i)(ii) in respect of 2019 LTIP	5,625	1,576	5,965
<b>Total</b>	<b>8,549</b>	<b>3,215</b>	<b>14,743</b>

## Remuneration charge for the Executive Team

	CEO	CFO	Executive Team (9 members)
		(US\$ '000)	
<b>2018</b>			
Base salary	1,112	673	3,930
Bonus	1,492	557	2,445
Pension	247	101	962
Other benefits	66	63	805
Termination benefits	—	—	301
<b>Total before share based compensation</b>	<b>2,918</b>	<b>1,393</b>	<b>8,444</b>
Share based compensation(i)(ii) in respect of 2018 LTIP	5,027	1,567	4,957
<b>Total</b>	<b>7,945</b>	<b>2,960</b>	<b>13,401</b>

## Remuneration charge for the Executive team

	CEO	CFO (US\$ '000)	Executive team (9 members)
<b>2017</b>			
Base salary	1,000	648	3,822
Bonus	707	455	1,590
Pension	150	97	628.5
Other benefits	64	15	1,192.5
<b>Total before share based compensation</b>	<b>1,921</b>	<b>1,215</b>	<b>7,233</b>
Share based compensation(i)(ii) in respect of 2017 LTIP	2,783	1,492	5,202
<b>Total</b>	<b>4,704</b>	<b>2,707</b>	<b>12,435</b>

(i) See note B.4.1.

(ii) Share awards of 102,122 and 135,480 were granted in 2019 under the 2019 LTIPs to the CEO, and Executive Team (2018: 80,264 and 112,472, respectively; 2017: 61,724 and 167,371, respectively).

(iii) Other Executives' compensation includes Daniel Loria, former CHRO and Rodrigo Diehl, EVP Strategy.

## Share ownership and unvested share awards granted from Company equity plans to the Executive team

	CEO	Executive team (number of shares)	Total
<b>2019</b>			
Share ownership (vested from equity plans and otherwise acquired)	190,577	136,306	326,883
Share awards not vested	236,211	334,193	570,404
<b>2018</b>			
Share ownership (vested from equity plans and otherwise acquired)	122,310	84,782	207,092
Share awards not vested	172,485	339,726	512,211

## B.5. Other non-operating (expenses) income, net

Non-operating items mainly comprise changes in fair value of derivatives and the impact of foreign exchange fluctuations on the results of the Group.

	Year ended December 31,		
	2019	2018	2017
	(US\$ millions)		
Change in fair value of derivatives (see note C.7.2.)	—	(1)	(22)
Change in fair value in investment in Jumia (C.7.3.)	(38)	—	—
Change in fair value in investment in HT (C.7.3.)	312	—	—
Change in value of put option liability (C.7.4.)	(25)	—	—
Exchange gains (losses), net	(32)	(40)	21
Other non-operating income (expenses), net	10	2	—
<b>Total</b>	<b>227</b>	<b>(39)</b>	<b>(2)</b>

### Foreign exchange gains and losses

Transactions denominated in a currency other than the functional currency are translated into the functional currency using exchange rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions, and on translation of monetary assets and liabilities denominated in currencies other than the functional currency at

year-end exchange rates, are recognized in the consolidated statement of income, except when deferred in equity as qualifying cash flow hedges.

## B.6. Taxation

### B.6.1. Income tax expense

Tax mainly comprises income taxes of subsidiaries and withholding taxes on intragroup dividends and royalties for use of Millicom trademarks and brands. Millicom operations are in jurisdictions with income tax rates of 10% to 35% levied on either revenue or profit before income tax (2018: 10% to 37%; 2017: 10% to 40%). Income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of income.

#### Income tax charge

	2019	2018	2017
	(US\$ millions)		
<b>Income tax (charge) credit</b>			
Withholding tax	(56)	(64)	(74)
Other income tax relating to the current year	(88)	(82)	(81)
Adjustments in respect of prior years	(7)	1	(21)
<b>Total</b>	<b>(151)</b>	<b>(145)</b>	<b>(176)</b>
<b>Deferred tax (charge) credit</b>			
Origination and reversal of temporary differences	58	32	15
Effect of change in tax rates	(8)	(10)	19
Tax income (expense) before valuation allowances	50	22	34
Effect of valuation allowances	(9)	(8)	(28)
<b>Total</b>	<b>41</b>	<b>14</b>	<b>6</b>
Adjustments in respect of prior years	(10)	19	8
	<b>31</b>	<b>33</b>	<b>14</b>
Tax (charge) credit on continuing operations	(120)	(112)	(162)
Tax (charge) credit on discontinuing operations	(2)	(4)	4
<b>Total tax (charge) credit</b>	<b>(122)</b>	<b>(116)</b>	<b>(158)</b>

Reconciliation between the tax expense and tax at the weighted average statutory tax rate is as follows:

*Income tax calculation*

	2019			2018			2017		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	(US\$ millions)								
Profit before tax	218	59	277	119	(29)	90	171	56	227
Tax at the weighted average statutory rate	(37)	(11)	(48)	(1)	—	(1)	(10)	(12)	(22)
<b>Effect of:</b>									
Items taxed at a different rate	(1)	—	(1)	7	—	7	(11)	—	(11)
Change in tax rates on deferred tax balances	(8)	—	(8)	(10)	—	(10)	19	—	19
Expenditure not deductible and income not taxable	(37)	9	(28)	(59)	(2)	(61)	(64)	5	(59)
Unrelieved withholding tax	(56)	—	(56)	(64)	—	(64)	(73)	—	(73)
Accounting for associates and joint ventures	36	—	36	5	—	5	17	—	17
Movement in deferred tax on unremitted earnings	9	—	9	(2)	—	(2)	1	—	1
Unrecognized deferred tax assets	(20)	—	(20)	(8)	(2)	(10)	(29)	(12)	(41)
Recognition of previously unrecognized deferred tax assets	11	—	11	—	—	—	1	13	14
Adjustments in respect of prior years	(17)	—	(17)	20	—	20	(13)	10	(3)
<b>Total tax (charge) credit</b>	<b>(120)</b>	<b>(2)</b>	<b>(122)</b>	<b>(112)</b>	<b>(4)</b>	<b>(116)</b>	<b>(162)</b>	<b>4</b>	<b>(158)</b>
Weighted average statutory tax rate	17.0%		17.3%	0.8%		1.1%	5.8%		9.7%
Effective tax rate	55.0%		44.0%	94.1%		128.9%	94.7%		69.6%

**B.6.2. Current tax assets and liabilities**

Current tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those enacted or substantively enacted by the statement of financial position date.

**B.6.3. Deferred tax**

Deferred tax is calculated using the liability method on temporary differences at the statement of financial position date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting, nor taxable profit or loss.

Deferred tax assets are recognized for all temporary differences including unused tax credits and tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, except where the deferred tax assets relate to deductible temporary differences from initial recognition of an asset or liability in a transaction that



is not a business combination, and, at the time of the transaction, affects neither accounting, nor taxable profit or loss. It is probable that taxable profit will be available when there are sufficient taxable temporary differences relating to the same tax authority and the same taxable entity which are expected to reverse in the same period as the expected reversal of the deductible temporary difference.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilize them. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent it is probable that future taxable profit will enable the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate expected to apply in the year when the assets are realized or liabilities settled, based on tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Deferred tax assets and deferred tax liabilities are offset where legally enforceable set off rights exist and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### Deferred tax

	Fixed assets	Unused tax losses	Unremitted earnings	Other	Offset	Total
	(US\$ millions)					
<b>Balance at December 31, 2017</b>	<b>32</b>	<b>52</b>	<b>(32)</b>	<b>72</b>	<b>—</b>	<b>124</b>
(Charge)/credit to income statement	(18)	(3)	(2)	56	—	33
Change in scope	(192)	—	—	8	—	(184)
Accounting policy changes	—	—	—	4	—	4
Exchange differences	—	(5)	—	(6)	—	(11)
<b>Balance at December 31, 2018</b>	<b>(178)</b>	<b>44</b>	<b>(34)</b>	<b>134</b>	<b>—</b>	<b>(34)</b>
Deferred tax assets	76	44	—	134	(52)	202
Deferred tax liabilities	(254)	—	(34)	—	52	(236)
<b>Balance at December 31, 2018</b>	<b>(178)</b>	<b>44</b>	<b>(34)</b>	<b>134</b>	<b>—</b>	<b>(34)</b>
(Charge)/credit to income statement	41	(15)	8	(3)	—	31
Change in scope	(82)	5	—	4	—	(73)
Transfers to assets held for sale	—	—	—	(3)	—	(3)
Exchange differences	2	—	—	(2)	—	—
<b>Balance at December 31, 2019</b>	<b>(217)</b>	<b>34</b>	<b>(26)</b>	<b>130</b>	<b>—</b>	<b>(79)</b>
Deferred tax assets	84	34	—	134	(52)	200
Deferred tax liabilities	(301)	—	(26)	(4)	52	(279)
<b>Balance at December 31, 2019</b>	<b>(217)</b>	<b>34</b>	<b>(26)</b>	<b>130</b>	<b>—</b>	<b>(79)</b>

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	Fixed assets	Unused tax losses	Other	Total
	(US\$ millions)			
At December 31, 2019	92	4,705	126	<b>4,923</b>
At December 31, 2018	92	4,886	134	<b>5,112</b>

Unrecognized tax losses carryforward related to continuing operations expire as follows:

	2019	2018 (US\$ millions)	2017
<b>Expiry:</b>			
Within one year	1	0	39
Within one to five years	2	3	494
After five years	493	493	—
No expiry	4,209	4,390	4,311
<b>Total</b>	<b>4,705</b>	<b>4,886</b>	<b>4,844</b>

With effect from 2017, Luxembourg tax losses incurred may be carried forward for a maximum of 17 years. Losses incurred before 2017 may be carried forward without limitation of time.

At December 31, 2019, Millicom had \$697 million of unremitted earnings of Millicom operating subsidiaries for which no deferred tax liabilities were recognized (2018: \$584 million; 2017: \$842 million). Except for intragroup dividends to be paid out of 2019 profits in 2020 for which deferred tax of \$26 million (2018: \$34 million; 2017 \$32 million) has been provided, it is anticipated that intragroup dividends paid in future periods will be made out of profits of future periods.

## B.7. Earnings per share

Basic earnings (loss) per share are calculated by dividing net profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings (loss) per share are calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of dilutive potential shares.

### *Net profit/(loss) used in the earnings (loss) per share computation*

	2019	2018 (US\$ millions)	2017
<b>Basic and Diluted</b>			
Net profit (loss) attributable to equity holders from continuing operations	93	23	28
Net profit (loss) attributable to equity holders from discontinuing operations	57	(33)	59
<b>Net profit attributable to all equity holders to determine the basic earnings (loss) per share</b>	<b>149</b>	<b>(10)</b>	<b>87</b>

### *Weighted average number of shares in the earnings (loss) per share computation*

	2019	2018 (thousands of shares)	2017
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings (loss) per share	101,144	100,793	100,384
Potential incremental shares as a result of share options	—	—	—
<b>Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution</b>	<b>101,144</b>	<b>100,793</b>	<b>100,384</b>

## C. Capital structure and financing

### C.1. Share capital, share premium and reserves

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Where any Group company purchases the Company's share capital, the consideration paid, including any directly attributable incremental costs, is shown under Treasury shares and deducted from equity attributable to the Company's equity holders until

the shares are canceled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental costs and the related income tax effects is included in equity attributable to the Company's equity holders.

*Share capital, share premium*

	2019	2018
Authorized and registered share capital (number of shares)	133,333,200	133,333,200
Subscribed and fully paid up share capital (number of shares)	101,739,217	101,739,217
Par value per share	1.50	1.50
Share capital (US\$ millions)	153	153
Share premium (US\$ millions)	480	482
<b>Total (US\$ millions)</b>	<b>633</b>	<b>635</b>

*Other equity reserves*

	Legal reserve	Equity settled transaction reserve	Hedge reserve	Currency translation reserve	Pension obligation reserve	Total
	(US\$ millions)					
<b>As of January 1, 2017</b>	<b>16</b>	<b>43</b>	<b>(4)</b>	<b>(616)</b>	<b>(1)</b>	<b>(562)</b>
Share based compensation	—	22	—	—	—	22
Issuance of shares – 2014, 2015, 2016 LTIPs	—	(18)	—	—	—	(18)
Remeasurements of post-employment benefit obligations	—	—	—	—	(2)	(2)
Cash flow hedge reserve movement	—	—	4	—	—	4
Currency translation movement	—	—	—	85	—	85
<b>As of December 31, 2017</b>	<b>16</b>	<b>46</b>	<b>—</b>	<b>(531)</b>	<b>(3)</b>	<b>(472)</b>
Share based compensation	—	22	—	—	—	22
Issuance of shares –2015, 2016, 2017 LTIPs	—	(22)	—	—	—	(22)
Cash flow hedge reserve movement	—	—	(1)	—	—	1
Currency translation reserved recycled to statement of income	—	—	—	—	—	—
Currency translation movement	—	—	—	(68)	—	(67)
<b>As of December 31, 2018</b>	<b>16</b>	<b>47</b>	<b>(1)</b>	<b>(599)</b>	<b>(3)</b>	<b>(538)</b>
Share based compensation	—	29	—	—	—	29
Issuance of shares –2016, 2017, 2018, 2019 LTIPs	—	(25)	—	—	—	(25)
Cash flow hedge reserve movement	—	—	(16)	—	—	(16)
Currency translation movement	—	—	—	(2)	—	(2)
Effect of restructuring in Tanzania	—	—	—	9	—	9
<b>As of December 31, 2019</b>	<b>16</b>	<b>52</b>	<b>(18)</b>	<b>(593)</b>	<b>(2)</b>	<b>(544)</b>

### ***C.1.1. Legal reserve***

If Millicom International Cellular S.A. reports an annual net profit on a non-consolidated basis, Luxembourg law requires appropriation of an amount equal to at least 5% of the annual net profit to a legal reserve until such reserve equals 10% of the issued share capital. This reserve is not available for dividend distribution. No appropriation was required in 2018 or 2019 as the 10% minimum level was reached in 2011 and maintained each subsequent year.

### ***C.1.2. Equity settled transaction reserve***

The cost of LTIPs is recognized as an increase in the equity-settled transaction reserve over the period in which the performance and/or service conditions are rendered. When shares under the LTIPs vest and are issued the corresponding reserve is transferred to share premium.

### ***C.1.3. Hedge reserve***

The effective portions of changes in value of cash flow hedges are recorded in the hedge reserve (see note C.1. ).

### ***C.1.4. Currency translation reserve***

In the financial statements, the relevant captions in the statements of financial position of subsidiaries without US dollar functional currencies are translated to US dollars using the closing exchange rate. Statements of income or statement of income captions (including those of joint ventures and associates) are translated to US dollars at monthly average exchange rates during the year. The currency translation reserve includes foreign exchange gains and losses arising from these translations. When the Group disposes of or loses control or significant influence over a foreign operation, exchange differences that were recorded in equity are recognized in the consolidated statement of income as part of gain or loss on sale or loss of control and/or significant influence.

## **C.2. Dividend distributions**

On May 2, 2019, a dividend distribution of \$2.64 per share from Millicom's retained profits at December 31, 2018, was approved by the shareholders at the AGM and paid in equal portions in May and November 2019.

On May 4, 2018, a dividend distribution of \$2.64 per share from Millicom's retained profits at December 31, 2017, was approved by the shareholders at the AGM and paid in equal portions in May and November 2018.

On May 4, 2017, a dividend distribution of \$2.64 per share from Millicom's retained profits at December 31, 2016, was approved by the shareholders at the AGM and distributed in May 2017.

The ability of the Company to make dividend payments is subject to, among other things, the terms of indebtedness, legal restrictions and the ability to repatriate funds from Millicom's various operations. At December 31, 2019, \$306 million (December 31, 2018: \$324 million; December 31, 2017: \$345 million) of Millicom's retained profits represent statutory reserves that are unavailable to be distributed to owners of the Company.

### C.3. Debt and financing

#### Debt and financing by type (i)

	Note	2019	2018
		(US\$ millions)	
<b>Debt and financing due after more than one year</b>			
Bonds	C.3.1.	4,067	2,501
Banks	C.3.2.	1,805	1,324
Finance leases (ii)	C.3.4.	—	353
Other financing (iii)		43	113
Total non-current financing		5,915	4,291
Less: portion payable within one year		(129)	(168)
<b>Total non-current financing due after more than one year</b>		<b>5,786</b>	<b>4,123</b>
<b>Debt and financing due within one year</b>			
Bonds	C.3.1.	46	—
Banks	C.3.2.	11	289
<b>Total current debt and financing</b>		<b>57</b>	<b>289</b>
Add: portion of non-current debt payable within one year		129	168
<b>Total</b>		<b>186</b>	<b>458</b>
<b>Total debt and financing</b>		<b>5,972</b>	<b>4,580</b>

(i) See note D.1.1 for further details on maturity profile of the Group debt and financing.

(ii) Finance lease liabilities were included in Debt and Financing until 31 December 2018, but were reclassified to lease liabilities on January 1, 2019 when adopting the new leasing standard. See above in the "New and amended IFRS accounting standards" and below in notes C.4. and E.4. for further information about the change in accounting policy for leases.

(iii) In July 2018, the Company issued a COP144,054.5 million /\$50 million bilateral facility with IIC (Inter-American Development Bank) for a USD indexed to COP Note. The note bears interest at 9.450% p.a.. This COP Note is used as net investment hedge of the net assets of our operations in Colombia.

#### Debt and financing by location

	2019	2018
	(US\$ millions)	
Millicom International Cellular S.A. (Luxembourg)	2,773	1,770
Colombia	827	1,016
Paraguay	502	504
Bolivia	350	317
Panama	918	261
Tanzania	186	201
Chad	—	64
Costa Rica	148	148
El Salvador	268	299
<b>Total debt and financing</b>	<b>5,972</b>	<b>4,580</b>

Debt and financings are initially recognized at fair value, net of directly attributable transaction costs. They are subsequently measured at amortized cost using the effective interest rate method or at fair value. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the effective interest rate. Any difference between the initial amount and the maturity amount is recognized in the consolidated statement of income over the period of the borrowing. Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months from the statement of financial position date.

### C.3.1. Bond financing

#### Bond financing

	Note	Country	Maturity	Interest Rate %	2019	2018
					(US\$ millions)	
SEK Variable Rate Notes	1	Luxembourg	2024	STIBOR (i) + 2.350%	211	—
USD 6.625% Senior Notes	2	Luxembourg	2026	6.625%	495	495
USD 6.000% Senior Notes	3	Luxembourg	2025	6.000%	492	491
USD 6.250% Senior Notes	4	Luxembourg	2029	6.250%	742	—
USD 5.125% Senior Notes	5	Luxembourg	2028	5.125%	492	493
USD 6.750% Senior Notes	6	Paraguay	2022	6.750%	—	297
USD 5.875% Senior Notes	6	Paraguay	2027	5.875%	296	—
PYG 9.250% Notes	6	Paraguay	2026	9.250%	2	—
PYG 8.750% Notes (tranche A)	6	Paraguay	2024	8.750%	18	—
PYG 9.250% Notes (tranche B)	6	Paraguay	2026	9.250%	8	—
PYG 10.000% Notes (tranche C)	6	Paraguay	2029	10.000%	10	—
PYG 10.000% Notes	6	Paraguay	2029	10.000%	4	—
BOB 4.750% Notes	7	Bolivia	2020	4.750%	30	59
BOB 4.050% Notes	7	Bolivia	2020	4.050%	4	7
BOB 4.850% Notes	7	Bolivia	2023	4.850%	57	71
BOB 3.950% Notes	7	Bolivia	2024	3.950%	36	43
BOB 4.300% Notes	7	Bolivia	2029	4.300%	21	23
BOB 4.300% Notes	7	Bolivia	2022	4.300%	26	30
BOB 4.700% Notes	7	Bolivia	2024	4.700%	32	35
BOB 5.300% Notes	7	Bolivia	2026	5.300%	13	13
BOB 5.000% Notes	7	Bolivia	2026	5.000%	61	0
BOB 4.600% Notes	7	Bolivia	2024	4.600%	40	0
UNE Bond 1 (tranches A and B)	8	Colombia	2020	CPI + 5.10%	46	46
UNE Bond 2 (tranches A and B)	8	Colombia	2023	CPI + 4.76%	46	46
UNE Bond 3 (tranche A)	8	Colombia	2024	9.350%	49	49
UNE Bond 3 (tranche B)	8	Colombia	2026	CPI+4.15%	78	78
UNE Bond 3 (tranche C)	8	Colombia	2036	CPI+4.89%	38	39
USD 4.500% Senior Notes	9	Panama	2030	4.500%	584	—
Cable Onda Bonds 5.750%	9	Panama	2025	5.750%	184	184
<b>Total bond financing</b>					<b>4,113</b>	<b>2,501</b>

(i) STIBOR – Swedish Interbank Offered Rate.

#### (1) SEK Notes

On May 15, 2019, MIC S.A. completed its offering of a SEK 2 billion floating rate senior unsecured sustainability bond due 2024. The bond carries a floating coupon of 3-month Stibor+235bps which we swapped with various banks to hedge its interest rate exposure, pursuant to which it will effectively pay fixed-rate coupons in US dollars between 4.990% and 4.880% (see D.1.2.). The bond has been listed and commenced trading on the Nasdaq Stockholm sustainable bond list on June 12, 2019. Millicom is using the net proceeds of the bond in accordance with the Sustainability Bond Framework which includes both environmental and social investments such as in energy efficiencies, and the expansion of its fixed and mobile networks. Cost of issuance of \$2.4 million is amortized over the five year life of the bond (the effective interest rate is 0.200%)

#### (2) USD 6.625% Senior Notes

On October 16, 2018, the MIC S.A. issued \$500 million aggregate principal amount of 6.625% Senior Notes due 2026. The Notes bear interest at 6.625% p.a., payable semiannually in arrears on each interest payment date. Proceeds were used to finance Cable

Onda's acquisition (Note A.1.2.). Costs of issuance of \$6 million is amortized over the eight-year life of the notes (the effective interest rate is 6.750%).

**(3) USD 6.000% Senior Notes**

On March 17, 2015, MIC S.A. issued a \$500 million 6.000% fixed interest rate notes repayable in ten years, to repay the El Salvador 8.000% senior notes and for general corporate purposes. The notes have an effective interest rate of 6.132%. A total amount of \$8.6 million of withheld and upfront costs are being amortized over the ten-year life of the bond. On April 8, 2019, the Group obtained consents from the holders of its \$500 million 6.000% notes to amend certain provisions of the indenture governing the notes. MIC S.A. paid a cash payment of \$1 million (equal to \$2.50 per \$1,000 principal amount of Notes to holders of the Notes).

**(4) USD 6.250% Senior Notes**

On March 25, 2019, MIC S.A. issued \$750 million of 6.250% notes due 2029. The notes bear interest at 6.250% p.a., payable semi-annually in arrears on March 25 and September 25 of each year, starting on September 25, 2019. The net proceeds were used to finance, in part, the completed Telefonica CAM Acquisitions (see note A.1.2.). Costs of issuance of \$8.2 million are amortized over the ten-year life of the notes (the effective interest rate is 6.360%).

**(5) USD 5.125% Senior Notes**

On September 20, 2017, MIC S.A. issued a \$500 million, ten-year bond due January 2028, with an interest rate of 5.125%. Costs of issuance of \$7 million are amortized over the ten year life of the notes (effective interest rate is 5.240%).

**(6) PYG Notes**

In April 2019, Telefónica Celular del Paragua S.A.E. issued \$300 million 5.875% senior notes due 2027. The notes bear interest at 5.875% p.a., payable semi-annually in arrears on April 15 and October 15 of each year, starting on October 15, 2019. The net proceeds were used to finance the purchase of the Telecel 6.750% 2022 notes. Costs of issuance of \$4 million are amortized over the eight-year life of the notes (the effective interest rate is 6.000%).

In June, 2019, Telefónica Celular del Paraguay S.A.E. issued notes in three series under its PYG 300 billion program as follows: Series A for PYG 115 billion (approximately \$18 million), with a fixed annual interest rate of 8.750%, maturing in June 2024, series B for PYG 50 billion (approximately \$8 million) with a fixed annual interest rate of 9.250%, maturing in May 2026 and series C for PYG 65 billion (approximately \$10 million) with a fixed annual interest rate of 10.000%, maturing in May 2029. On December 27, 2019, under the same program, they issued PYG. 35 billion (Approximately \$5.4 million) in two tranches: (i) PYG 10 billion (approximately \$1.5 million) which bears a fixed annual interest rate of 9.250% and matures on December 30, 2026; and (ii) PYG 25 billion (approximately \$3.9 million) which bears a fixed annual interest rate of 10.000% and matures on December 24, 2029.

**(7) BOB Notes**

In May 2012, Telefónica Celular de Bolivia S.A. issued BOB 1.36 billion of notes repayable in installments until April 2, 2020. Distribution and other transaction fees of BOB5 million reduced the total proceeds from issuance to BOB 1.32 billion (\$191 million). The bond has a 4.750% per annum coupon with interest payable semi-annually in arrears in May and November each year. The effective interest rate is 4.790%. These bonds are listed on the Bolivia Stock Exchange.

In November 2015, they issued BOB696 million (approximately \$100 million) of notes in two series, series A for BOB104.4 million (approximately \$15 million), with a fixed annual interest rate of 4.050%, maturing in August 2020 and series B for BOB591.6 million (approximately \$85 million) with a fixed annual interest rate of 4.850%, maturing in August 2023. The bond has coupon with interest payable semi-annually in arrears in March and September during the first two years, thereafter each February and August. The effective interest rate is 4.840%. These bonds are listed on the Bolivia Stock Exchange.

On August 11, 2016, Telefónica Celular de Bolivia S.A. issued a new bond for a total amount of BOB522 million consisting of two tranches (approximately \$50 million and \$25 million, respectively). Tranche A and B bear fixed interest at 3.950% and 4.300%, and will mature in June 2024 and June 2029, respectively. These bonds are listed on the Bolivia Stock Exchange.

On October 12, 2017, they placed approximately \$80 million of local currency bonds in three tranches, which will mature in 2022, 2024 and 2026 with a 4.300% , 4.700% and 5.300% respectively. These bonds are listed on the Bolivia Stock Exchange.

On July 3, 2019 they issued two bonds one for BOB 420 million (approximately \$61 million) with a 5.000% coupon maturing on August 2026 and another one for BOB 280 million (approximately \$40 million) with a 4.600% coupon maturing on August 2024. Interest payments is semiannual and both bonds are listed on the Bolivia Stock Exchange.

**(8) UNE Bonds**

In March 2010, UNE issued a COP300 billion (approximately \$126 million) bond consisting of two tranches with five and ten-year maturities. Interest rates are either fixed or variable depending on the tranche. Tranche A bears variable interest, based on CPI, in Colombian peso and paid in Colombian peso. Tranche B bears variable interest, based on fixed term deposits, in Colombian peso

and paid in Colombian peso. UNE applied the proceeds to finance its investment plan. Tranche A matured in March 2015 and tranche B will mature in March 2020.

In May 2011, UNE issued a COP300 billion (approximately \$126 million) bond consisting of two equal tranches with five and twelve-year maturities. Interest rates are variable and depend on the tranche. Tranche A had variable interest, based on CPI, in Colombian peso and paid in Colombian peso. Tranche B bears variable interest, based on CPI, in Colombian peso and paid in Colombian peso. UNE applied the proceeds to finance its investment plan. Tranche A matured in October 2016 and tranche B will mature in October 2023.

In May 2016, UNE issued a COP540 billion bond (approximately \$176 million) consisting of three tranches (approximately \$52 million, \$83 million and \$41 million respectively). Interest rates are either fixed or variable depending on the tranche. Tranche A bears fixed interest at 9.350%, while tranche B and C bear variable interest, based on CPI, (respective margins of CPI + 4.150% and CPI + 4.890%), in Colombian peso. UNE applied the proceeds to finance its investment plan and repay one bond (COP150 billion tranche). Tranches A, B and C will mature in May 2024, May 2026 and May 2036, respectively.

#### (9) Cable Onda Bonds

On August 4, 2015, Cable Onda issued local bonds in Panama for a total amount of \$185 million. These bonds are listed on the Panama Stock Exchange and bear a fixed annual interest of 5.750% and are due on August 4, 2025. The bonds were assumed by Millicom as part of the acquisition of Cable Onda. See note A.1.2. for further details on the acquisition.

On November 1, 2019, Cable Onda issued \$600 million aggregate principal amount of 4.500% senior notes due 2030 payable in U.S. dollars, registered with the Superintendencia del Mercado de Valores de Panamá and listed on the Luxembourg Stock Exchange and on the Panamá Stock Exchange. The Notes bear interest from November 1, 2019 at a rate of 4.500% per annum, payable on January 30, 2020 for the first payment and thereafter semiannually in arrears on each interest payment date. The proceeds were used to fund the Panama Acquisition and to refinance certain local financing. Costs of issuance of \$16 million, which include an original issue discount (OID) is amortized over the ten-year life of the notes (the effective interest rate is 4.690%).

#### C.3.2. Bank and Development Financial Institution financing

	Note	Country	Maturity range	Interest rate	2019 (US\$ millions)	2018
<b>Fixed rate loans</b>						
PYG Long-term loans	1	Paraguay	2020-2026	Fixed	166	180
USD - Long-term loans	2	Panama	2024	Fixed	150	24
BOB Long-term loans	3	Bolivia	2023-2025	Fixed	31	20
<b>Variable rate loans</b>						
USD Long-term loans	4	Costa Rica	2023	Variable	148	148
USD Long-term loans		Chad	2019	Variable	—	1
USD Long-term loans	5	Tanzania	2020-2025	Variable	171	90
TZS Long-term loans	5	Tanzania	2025	Variable	14	—
USD Short-term loans	8	Luxembourg	2019	Variable	—	250
USD Long-term loans	8	Luxembourg	2024	Libor + 3.00%	298	—
COP Long-term loans	6	Colombia	2025-2030	Variable	274	277
USD Long-term loans	6	Colombia	2024	Variable	295	298
USD Credit Facility / Senior Unsecured Term Loan Facility	7	El Salvador	2021-2023	Variable	268	274
Other Long-term loans		Various		Various	—	51
<b>Total Bank and Development Financial Institution financing</b>					<b>1,817</b>	<b>1,613</b>

#### 1. Paraguay

In October 2015, Telefónica Celular del Paraguay S.A.E. entered into a five -year loan facility with Banco Itau for PGY 257,700 million (approximately \$40 million) which bears a fixed annual interest rate. The final maturity of the loan is on September 10, 2020.

On July 4, 2017, Telefónica Celular del Paraguay S.A.E executed a five-year loan agreement with the IPS (Instituto de Prevision Social) and the Inter-American Development Bank, who acts as a guarantor, for a total amount of PYG \$367,000 million



(approximately \$66 million). The loan, denominated in PYG with the final maturity in 2022. The guarantee under this facility is counter-guaranteed by MICSA.

In July 2018, Telefónica Celular del Paraguay S.A.E. executed a seven-year loan with Regional Bank for PYG 115,000 million (approximately \$18 million with a final maturity in 2025).

On January 2, 2019, Telefónica Celular del Paraguay S.A.E. obtained a seven-year loan from BBVA Bank for PYG 177,000 million which is due on November, 26, 2025.

On September 25, 2019, Telefónica Celular del Paraguay S.A.E. executed an amended and restated agreement with Banco Continental S.A.E.C.A., to consolidate three existing loans, for a PYG 370,000 million (approximately \$57 million). The new loan has a maturity of 7 years.

## 2. *Panama*

On August 27, 2019, Cable Onda S.A entered into two credit agreements, one with Banco Nacional de Panama S.A , for \$75 million which bears a fixed interest and has a 5 year duration and another one with the Bank of Nova Scotia (Sucursal Panama) for \$75 million with a fixed interest and a five year duration to finance and refinance working capital and capital expenditures.

## 3. *Bolivia*

In June 2018, Telefónica Celular de Bolivia S.A.. entered into a two tranche loan agreement with Banco BISA S.A for BOB 69.6 million (approximately \$10 million) each, with a fixed interest rate. The loans have a term of 7 years.

In November 19, they executed a new loan with Banco de Crédito de Bolivia S.A for Bs. 78,000,000 (approximately \$11 million), with semiannual payments and a fixed interest rate. The loan has a term of 4 years.

## 4. *Costa Rica*

In April 2018, Millicom Cable Costa Rica S.A. entered into a \$150 million variable rate syndicated loan with Citibank as agent.

In June 2018, Millicom Cable Costa Rica S.A. entered into a cross currency swap to hedge part of the principal of the loan against interest rate and currency risks. Interest rate and currency swap agreements had been made on \$35 million of the principal amount and interest rate swaps for an additional \$35 million.

## 5. *Tanzania*

On June 4, 2019, MIC Tanzania Public Limited Company entered into a syndicated loan facility agreement with the Standard Bank of South Africa acting as an agent and a consortium of banks acting as the original lenders, for \$174.75 million (tranche A) and TZS103,000 million (tranche B - approximately \$45 million) which bears variable interests: for Tranche A Libor plus a margin and for Tranche B T-Bill rate plus a margin. The facility agreement has an all asset debenture securing the whole amount, as well as a pledge over the shares of the immediate holding company of the borrower. The Facility was amended and restated on December 12, 2019 and has a maturity of 66 months. It is a stand-alone facility with an all asset debenture and a pledge on the shares of the immediate holding company of the borrower. .Margin and balance between USD and TSZ tranches may vary depending on the syndication demands.

## 6. *Colombia*

In December 20, 2019, our operation in Colombia executed an amendment to the \$300 million loan between Colombia Móvil S.A. E.S.P. as borrower and UNE EPM Telecomunicaciones S.A., as guarantor with a consortium of banks to extend the maturity for 5 years (now due on December 20, 2024) and lower the applicable margin.

## 7. *EL Salvador*

On April 15, 2016, Telemovil El Salvador, S.A. de C.V. executed a senior unsecured term loan facility up to \$50 million maturing in April 2021 and bearing variable interest per annum, which was restated and amended as of May 30, 2017, for a second tranche of \$50 million. This facility is guaranteed by MICSA.. Later on, in January 2018, Telemovil El Salvador entered into a second amended and restated agreement with Scotiabank for a third tranche of \$50 million with variable rate and with a 5-year bullet repayment, also guaranteed by MICSA.

In addition, they executed an interest rate swap with Scotiabank to fix interest rates for up to \$100 million of the outstanding debt.

On June 3, 2016, Telemovil El Salvador, S.A. de C.V. executed a \$30 million credit facility with Citibank N.A., for general corporate purposes maturing in June 2021 and bearing variable interest rate per annum. The facility is guaranteed by MICSA..

In March 2018, Telemovil El Salvador executed a \$100 million credit facility with DNB at a variable rate facility with DNB and Nordea with a 5-year bullet repayment. The facility is guaranteed by MICSA..

## 8. Luxembourg

On April 24, 2019, MICSA. entered into a \$300 million term facility agreement arranged by DNB Bank ASA, Sweden Branch and Nordea Bank Abp, Filial i Sverige. This facility has a variable interest rate and is fully drawn as at December 31, 2019 and is due on April 2024.

### Right of set-off and derecognition

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

A financial asset (or a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- Rights to receive cash flows from the asset have expired; or
- Rights to receive cash flows from the asset or obligations to pay the received cash flows in full without material delay have been transferred to a third party under a “pass-through” arrangement; and the Group has either transferred substantially all the risks and rewards of the asset or the control of the asset.

When rights to receive cash flows from an asset have been transferred or a pass-through arrangement concluded, an evaluation is made if and to what extent the risks and rewards of ownership have been retained. When the Group has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Group’s continuing involvement in the asset. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

A financial liability is derecognized when the obligation under the liability is discharged or canceled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income.

### C.3.3. Interest and other financial expenses

The Group’s interest and other financial expenses comprised the following:

	Year ended December 31,		
	2019	2018	2017
	(US\$ millions)		
Interest expense on bonds and bank financing	(348)	(234)	(246)
Interest expense on (finance) leases	(157)	(91)	(65)
Early redemption charges	(10)	(4)	(43)
Others	(47)	(37)	(35)
<b>Total interest and other financial expenses</b>	<b>(564)</b>	<b>(367)</b>	<b>(389)</b>

### C.3.4. Finance leases - until December 31, 2018

As at December 31, 2018, Millicom’s finance leases mainly consisted of long-term lease of tower space from tower companies or competitors on which Millicom locates its network equipment.

Finance lease liabilities were included in Debt and Financing until December 31, 2018, but were reclassified to lease liabilities on January 1, 2019 in the process of adopting the new lease standard: IFRS 16. See above in the “New and amended IFRS accounting standards” and notes C.4. and E.4. for further information.

### Finance lease liabilities

Under IAS 17, leases which transferred substantially all risks and benefits incidental to ownership of the leased item to the lessee were capitalized at the inception of the lease. The amount capitalized was the lower of the fair value of the asset or the present value of the minimum lease payments.

Lease payments were allocated between finance charges (interest) and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were recorded as interest expenses in the statement of income.

The sale and leaseback of towers and related site operating leases and service contracts were accounted for in accordance with the underlying characteristics of the assets, and the terms and conditions of the lease agreements. When sale and leaseback agreements were concluded, the portions of assets that will not be leased back by Millicom were classified as assets held for sale as completion of their sale was highly probable. Asset retirement obligations related to the towers were classified as liabilities directly associated with assets held for sale. On transfer to the tower companies, the portion of the towers leased back were accounted for as operating leases or finance leases according to the criteria set out above. The portion of towers being leased back represented the dedicated part of each tower on which Millicom's equipment was located and was derived from the average technical capacity of the towers. Rights to use the land on which the towers were located were accounted for as operating leases, and costs of services for the towers were recorded as operating expenses. The gain on disposal was recognized upfront for the portion of towers that is not leased back, and was deferred and recognized over the term of the lease for the portion leased back.

#### Finance lease liabilities at December 31, 2018

	Country	Maturity	2018 (US\$ millions)
Lease of tower space	Tanzania	2029/2030	112
Lease of tower space	Colombia Movil	2032	83
Lease of poles	Colombia (UNE)	2032	99
Lease of tower space	Paraguay	2030	27
Lease of tower space	El Salvador	2026	26
Other finance lease liabilities	various	various	6
<b>Total finance lease liabilities</b>			<b>353</b>

#### Tower Sale and Leaseback

In 2017 and 2018, the Group announced agreements to sell and leaseback wireless communications towers in Paraguay, Colombia and El Salvador. Total gain on sale recognized in 2019 was \$5 million (2018: \$61 million, 2017: \$63 million) and cash received from these sales were \$22 million, \$141 million and \$161 million, respectively.

#### C.3.5. Guarantees and pledged assets

##### Guarantees

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognized, less cumulative amortization.

Liabilities to which guarantees are related are recorded in the consolidated statement of financial position under Debt and financing, and liabilities covered by supplier guarantees are recorded under Trade payables or Debt and financing, depending on the underlying terms and conditions.

## Maturity of guarantees

Terms	At December 31, 2019		At December 31, 2018	
	Outstanding exposure(i)	Maximum exposure(ii) (US\$ millions)	Outstanding exposure(i)	Maximum exposure(ii)
0-1 year	29	29	133	133
1-3 years	134	134	281	281
3-5 years	300	300	212	212
<b>Total</b>	<b>464</b>	<b>464</b>	<b>626</b>	<b>626</b>

(i) The outstanding exposure represents the carrying amount of the related liability at December 31.

(ii) The maximum exposure represents the total amount of the Guarantee at December 31.

### Pledged assets

As at December 31, 2019, the Group's share of total debt and financing secured by either pledged assets, pledged deposits issued to cover letters of credit, or guarantees issued was \$464 million (December 31, 2018: \$626 million). Assets pledged by the Group over these debts and financings amounted to \$1 million at December 31, 2019 (December 31, 2018: \$2 million). The remainder represented primarily guarantees issued by Millicom S.A. to guarantee financings raised by other Group operating entities.

In addition to the above, on June 4, 2019, MIC Tanzania Public Limited Company entered into a loan facility agreement which was further amended and restated in December 12, 2019, with the Standard Bank of South Africa acting as an agent and a consortium of banks acting as the original lenders. The facility agreement, maturing in 2025, has an all asset debenture securing the whole amount, as well as a pledge over the shares of the immediate holding company of the borrower.

### C.3.6. Covenants

Millicom's financing facilities are subject to a number of covenants including net leverage ratio, debt service coverage ratios, or debt to earnings ratios, among others. In addition, certain of its financings contain restrictions on sale of businesses or significant assets within the businesses. At December 31, 2019, there were no breaches of financial covenants.

### C.4. Lease liability

As a result of the adoption of IFRS 16 'Leases', and as of December 31, 2019 (see above in the "New and amended IFRS accounting standards") lease liabilities are presented in the statement of financial position as follows:

	December 31, 2019 (US\$ millions)
Current	97
Non Current	967
<b>Total Lease liability</b>	<b>1,063</b>

As permitted under IFRS 16, Millicom has elected not to recognize a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are rather recognized on a straight-line basis as an expense in the statement of income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

The expenses relating to payments not included in the measurement of the lease liability are disclosed in operating expenses (note B.3.) and are as follows:

	2019 (US\$ millions)
Expense relating to short-term leases (included in cost of sales and operating expenses)	(5)

The total cash outflow for leases in 2019 was \$236 million. Lease liabilities split by maturity and future cash outflows are disclosed in note D.5..

At December 31, 2019, the Group has not committed to any material leases which had not yet commenced and has no material lease contracts with variable lease payments.

***The Group's leasing activities and how these are accounted for***

The Group leases various lands, sites, towers (including those related to towers sold and leased back), offices, warehouses, retail stores, equipment and cars. Rental contracts are typically made for fixed periods but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Through December 31, 2018, leases of property, plant and equipment were classified as either finance or operating leases. See note C.3.4. for further details on existing finance leases as of December 31, 2018. Payments made under operating leases (net of any incentives received from the lessor) were charged to the statement of income on a straight-line basis over the period of the lease.

From January 1, 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the reduction of the liability and finance cost. The finance cost is charged to the statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. As it is generally impracticable to determine that rate, the Group uses the lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The incremental borrowing rate applied can have a significant impact on the net present value of the lease liability recognized under IFRS 16.

The Group determines the incremental borrowing rate by country and by considering the risk-free rate, the country risk, the industry risk, the credit risk and the currency risk, as well as the lease and payment terms and dates.

The Group is also exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is adjusted against the right-of-use asset by discounting the revised lease payments using either the initial discount rate or a revised discount rate. The initial discount rate is used if future lease payments are reflecting market or index rates or if they are in substance fixed. The discount rate is revised, if a change in floating interest rates occurs. The Group reassess the variable payment only when there is a change in cash flows resulting from a change in the reference index or rate and not at each reporting date.

According to IFRS 16, lease term is defined as the non-cancellable period for which a lessee has the right to use an underlying asset, together with both: (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate if the lessee is reasonably certain not to exercise that option. The assessment of such options is performed at the commencement of a lease. As part of the assessment, Millicom introduced the 'time horizon concept': the reasonable term under which the company expects to use a leased asset considering economic incentives, management decisions, business plans and the fast-paced industry Millicom operates in. The assessment must be focused on the economic incentives for Millicom to exercise (or not) an option to early terminate/extend a contract. The Group has decided to work on the basis the lessor will generally accept a renewal/not early terminate a contract, as there is an economic incentive to maintain the contractual relationship.

Millicom considered the specialized nature of most of its assets under lease, the low likelihood the lessor can find a third party to substitute Millicom as a lessee and past practice to conclude that, the lease term can go beyond the notice period when there is more than an insignificant penalty for the lessor not to renew the lease. This analysis requires judgment and has a significant impact on the lease liability recognized under IFRS 16.

Under IFRS 16, the accounting for sale and leaseback transactions has changed as the underlying sale transaction needs to be first analyzed using the guidance of IFRS 15. The seller/lessee recognizes a right-of-use asset in the amount of the proportional original carrying amount that relates to the right of use retained. Accordingly, only the proportional amount of gain or loss from the sale must be recognized. The impact from sale and leaseback transactions was not material for Millicom Group as of the date of initial application.

Finally, the Group has taken the additional following decisions when adopting the standard:

- Non-lease components are capitalized (IFRS16.15)
- Intangible assets are out of IFRS 16 scope (IFRS16.4)

## C.5. Cash and deposits

### C.5.1. Cash and cash equivalents

	2019	2018
	(US\$ millions)	
Cash and cash equivalents in USD	834	229
Cash and cash equivalents in other currencies	330	299
<b>Total cash and cash equivalents</b>	<b>1,164</b>	<b>528</b>

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Cash deposits with bank with maturities of more than three months that generally earn interest at market rates are classified as time deposits.

### C.5.2. Restricted cash

	2019	2018
	(US\$ millions)	
Mobile Financial Services	150	155
Others	5	3
<b>Restricted cash</b>	<b>155</b>	<b>158</b>

Cash held with banks related to MFS which is restricted in use due to local regulations is denoted as restricted cash.

### C.5.3. Pledged deposits

Pledged deposits represent contracted cash deposits with banks that are held as security for debts at corporate or operational entity level. Millicom is unable to access these funds until either the relevant debt is repaid or alternative security is arranged with the lender.

At December 31, 2019, there were no non-current pledged deposits (2018: nil).

At December 31, 2019, current pledged deposits amounted to \$1 million (2018: \$2 million).

### C.6. Net financial obligations

#### Net financial obligations (i)

	2019	2018
	(US\$ millions)	
Total debt and financing (i)	5,972	4,580
Lease liabilities (i)	1,063	—
<b>Gross financial obligations</b>	<b>7,036</b>	<b>4,580</b>
<b>Less:</b>		
Cash and cash equivalents	(1,164)	(528)
Pledged deposits	(1)	(2)
Time deposits related to bank borrowings	(1)	—
<b>Net financial obligations at the end of the year</b>	<b>5,870</b>	<b>4,051</b>
Add (less) derivatives related to debt (note D.1.2.)	(17)	—
<b>Net financial obligations including derivatives related to debt</b>	<b>5,853</b>	<b>4,051</b>

(i) As at December 31, 2018, Debt and financing included finance lease liabilities of \$353 million. As at December 31, 2019, and as a result of the application of IFRS 16, these are now shown in a separate line under Lease liabilities.

	Assets		Liabilities from financing activities				
	Cash and cash equivalents	Other	Bond and bank debt and financing	Finance lease liabilities(i)	Lease liabilities(i)		Total
<b>Net financial obligations as at January 1, 2018</b>	<b>619</b>	<b>2</b>	<b>3,420</b>	<b>365</b>	<b>—</b>		<b>3,164</b>
Cash flows	(72)	—	621	(17)	—		676
Scope Changes	7	—	267	—	—		260
Additions/ acquisitions	—	—	—	44	—		44
Interest accretion	—	—	11	—	—		11
Foreign exchange movements	(33)	—	(84)	(21)	—		(72)
Transfers to/from assets held for sale	6	—	9	(8)	—		(4)
Transfers	—	—	3	(11)	—		(9)
Other non-cash movements	—	—	(19)	—	—		(19)
<b>Net financial obligations as at December 31, 2018</b>	<b>528</b>	<b>2</b>	<b>4,227</b>	<b>353</b>	<b>—</b>		<b>4,051</b>
Cash flows	638	—	1,743	—	(107)		998
Scope changes	16	—	74	—	178		236
Recognition / Remeasurement	—	—	—	—	109		109
Change in accounting policy	—	—	—	—	545		545
Interest accretion	—	—	8	—	—		8
Foreign exchange movements	(8)	—	(16)	—	(6)		(14)
Transfers to/from assets held for sale	(9)	—	(53)	—	(8)		(52)
Transfers	—	—	3	(353)	353		3
Other non-cash movements	—	—	(14)	—	—		(14)
<b>Net financial obligations as at December 31, 2019</b>	<b>1,164</b>	<b>2</b>	<b>5,972</b>	<b>—</b>	<b>1,063</b>		<b>5,870</b>

(i) As from January 1, 2019 and as a result of the application of IFRS 16, finance leases are now shown under lease liabilities.

## C.7. Financial instruments

### i) Equity and debt instruments

#### Classification

From January 1, 2018, and the application of IFRS 9, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either through Other Comprehensive Income (OCI), or through profit or loss, and
- those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

#### Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains / (losses), together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated statement of income.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in 'Other non-operating (expenses) income, net'. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses and impairment expenses are presented as 'Other non-operating (expenses) income, net' in the consolidated statement of income.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within 'Other non-operating (expenses) income, net' in the period in which it arises.

#### Equity instruments

The Group subsequently measures all equity investments at fair value. The Group does not hold equity instruments for trading. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Otherwise, changes in the fair value of financial assets at FVPL are recognized in 'Other non-operating (expenses) income, net' in the consolidated statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.



## **Impairment**

From January 1, 2018, the Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the trade receivables.

The provision is recognized in the consolidated statement of income within Cost of sales.

## **ii) Derivative financial instruments and hedging activities**

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value at each subsequent closing date. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- a) Hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge); or
- b) Hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

For transactions designated and qualifying for hedge accounting, at the inception of the transaction, the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. This is done in reference to the Group Financial Risk Management Policy as last updated and approved by the Audit Committee in late 2018. The Group also documents its assessment, both at hedge inception and on an ongoing basis (quarterly), of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging instrument is classified as a non-current asset or liability when the period to maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability when the remaining period to maturity of the hedged item is less than 12 months.

The change in fair value of hedging instruments that are designed and qualify as fair value hedges is recognized in the statement of income as finance costs or income. The change in fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of income as finance costs or income.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. Gains or loss relating to any ineffective portion is recognized immediately in the statement of income within Other non-operating (expenses) income, net. Amounts accumulated in equity are reclassified to the statement of income in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time is recycled to the statement of income within Other non-operating (expenses) income, net.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of income within Other non-operating (expenses) income, net.

### **C.7.1. Fair value measurement hierarchy**

Millicom uses the following fair value measurement hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade ratings. Interest rate swaps and foreign exchange forward contracts are valued using valuation techniques, which employ the use of markets observable data. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of

counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, interest rate curves and forward curves.

### C.7.2. Fair value of financial instruments

The fair value of Millicom's financial instruments are shown at amounts at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair value of all financial assets and all financial liabilities, except debt and financing approximate their carrying value largely due to the short-term maturities of these instruments. The fair values of all debt and financing have been estimated by the Group, based on discounted future cash flows at market interest rates.

### Fair values of financial instruments at December 31,

		Carrying value		Fair value(i)	
	Note	2019	2018 (ii) (iii)	2019	2018 (ii) (iii)
		(US\$ millions)			
Financial assets					
Derivative financial instruments		—	—	—	—
Other non-current assets		66	87	66	87
Trade receivables, net		371	343	371	343
Amounts due from non-controlling interests, associates and joint venture partners	G.5.	68	73	68	73
Prepayments and accrued income		156	129	156	129
Supplier advances for capital expenditures		22	25	22	25
Equity Investment		371	—	371	—
Other current assets		181	124	181	124
Restricted cash	C.5.2.	155	158	155	158
Cash and cash equivalents	C.5.1.	1,164	528	1,164	528
Total financial assets		2,554	1,467	2,554	1,467
Current		2,449	1,341	2,449	1,341
Non-current		104	126	104	126
Financial liabilities					
Debt and financing(i)	C.3.	5,972	4,580	6,229	4,418
Lease liabilities		1,063	—	1,063	—
Trade payables		289	282	289	282
Payables and accruals for capital expenditure		348	335	348	335
Derivative financial instruments		17	—	17	(1)
Put option liability	C.7.4.	264	239	264	239
Amounts due to non-controlling interests, associates and joint venture partners	G.5.	498	483	498	483
Accrued interest and other expenses		432	381	432	381
Other liabilities		399	399	399	399
Total financial liabilities		9,282	6,698	9,538	6,536
Current		2,045	2,330	2,045	2,329
Non-current		7,237	4,370	7,493	4,208

(i) Fair values are measured with reference to Level 1 (for listed bonds) or 2.

(ii) As at December 31, 2018, Debt and financing included finance lease liabilities of \$353 million. As at December 31, 2019, and as a result of the application of IFRS 16, these are now shown in a separate line under Lease liabilities.

(iii) The consolidated statement of financial position at December 31, 2018 has been restated after finalization of the Cable Onda purchase accounting (note A.1.2.).

### C.7.3. Equity investments

As at December 31, 2019, Millicom has the following investments in equity instruments:

	2019	2018
	(US\$ millions)	
Investment in Jumia	32	—
Investment in HT	338	—
<b>Equity investment - total</b>	<b>371</b>	<b>—</b>

#### Jumia Technologies AG (“Jumia”)

Jumia indirectly owns a number of companies that provide online services and online marketplaces in certain countries in Africa.

In January 2019, Millicom was diluted in the capital of the company following the entry of a new investor. This triggered the recognition of a net dilution gain of \$7 million in January 2019. In addition, during Q1 2019, in preparation of Jumia's IPO, Millicom relinquished its seat on the board of directors, which resulted in the loss of the Group's significant influence over Jumia. As a result, Millicom derecognized its investment in associate in Jumia and recognized it as a financial asset (equity instrument) at fair value under IFRS 9. On April 11, 2019, Jumia completed its IPO at the offer price per share of \$14.5 and shares started trading on the NYSE on April 12, 2019.

As a result, as of March 31, 2019, a net gain of \$30 million had been recognized and reported under ‘Income (loss) from associates, net’. Post IPO, Millicom holds 6.31% of the outstanding shares of Jumia.

At December 31, 2019, the closing price of a Jumia share was \$6.73, which values Millicom's investment at \$32 million (level 1). The changes in fair value of \$(38) million for the year ended December 31, 2019 is shown under ‘Other non-operating (expenses) income, net’ (see note B.5).

#### Helios Towers plc (“HT”)

In October 2019, Helios Towers plc (a company inserted as the holding company of HTA just prior to IPO) completed its IPO on the London Stock Exchange at a price of GBP 1.15 per share valuing the company at enterprise value of approximately \$2.0 billion and a market capitalization of \$1.45 billion.

As part of the listing process, on October 17, 2019, Millicom first was diluted as HT management exercised their IPO option rights (~4%). This event triggered the recognition of a non-cash dilution loss of \$3 million recorded under ‘Income/(loss) from other joint ventures and associates’.

On the same day, Millicom resigned from its board of directors seats, which resulted in the loss of the Group's significant influence over HT. As a result, as from that date, Millicom derecognized its investment in associate in HT and recognized it as a financial asset at fair value under IFRS 9. The derecognition of the investment in associate and recognition of the equity investment in HT at a fair value of \$292 million triggered the recognition of a net non-cash P&L gain of \$208 million recorded under ‘Other non-operating income (expense), net’. Fair value was determined using the IPO reference share price of GBP1.15.

As a result of the IPO and the subsequent exercise of the overallotment option, Millicom disposed of a portion of its ownership (in total ~20%) yielding \$57 million in gross proceeds and \$25 million in net proceeds after fees and Millicom's share in tax escrow of \$30 million which has been deducted in full from the gain given the high level of uncertainties used in assessing the potential tax liability. These disposals did trigger a loss of \$32 million, as a result of the tax escrow and transaction fees, and are recorded under ‘Other operating income (expenses), net’.

Post-IPO and overallotment option exercise, Millicom holds a 16.2% stake which, as at December 31, 2019, is valued at \$338 million (level 1) using a closing share price of GBP 1.58. The gain on derecognition and changes in fair value of \$312 million for the year ended December 31, 2019 is shown under ‘Other non-operating (expenses) income, net’ (see note B.5).

#### **C.7.4. Call and put options**

##### **Cable Onda call and put options**

As part of the acquisition of Cable Onda, shareholders agreed on certain put and call options as follows:

The put option to acquire the remaining 20% non-controlling interest in Cable Onda became exercisable 42 months after the closing date (December 13, 2018) or earlier upon the occurrence of certain events. In that respect, Millicom determined that, as the put option could be exercised under certain change of control events which could be outside the control of Millicom, the option meets the criteria under IAS 32 for recognition as a liability and corresponding equity decrease. The put option liability was payable in Millicom's shares or in cash at the discretion of the partner. Therefore, Millicom recorded a liability for the put option at acquisition completion date of \$239 million representing the present value of the redemption amount. As of December 31, 2018, the redemption price has been valued as being 20% of the equity value implied by the transaction. Any future change in the redemption price will be recorded in the Group's statement of income.

Millicom also received an unconditional call option which became exercisable either 42 months after December 13, 2018 closing date or if Millicom's partners' shareholdings fall below 10%. The call option exercise price was at fair market value. Finally, Millicom received an unconditional call option exercisable until December 13, 2019, at a price equal to the purchase price in the transaction, plus interest at 10% per annum. The fair values of both call options were assessed as not material at December 31, 2018.

As a consequence of the Telefonica Panama acquisition, on August 29, 2019 the shareholders agreed to amend the call and put options in respect of the remaining 20% non-controlling interest that were set as part of the acquisition of Cable Onda.

First, the parties agreed to new unconditional call and put options to acquire the remaining 20% non-controlling interest in Cable Onda becoming exercisable at any time from July 2022, both, at fair market value.

Second, they also agreed on 'Transaction Price' call and put options conditional to the occurrence of certain events, such as change of control of Millicom or at any time if Millicom's non-controlling partners' shareholdings fall below 10%, and becoming exercisable on the date of the Telefonica Panama closing (August 29, 2019) and extending until July 2022. The put and call options are exercisable at the purchase price in the Cable Onda transaction (enterprise value of \$1.46 billion), plus interest at 5% per annum (put) and at 10% per annum (call), respectively.

Millicom determined that, both the new unconditional put option and 'Transaction Price' put option could be exercised under events which are outside the control of Millicom. The options are payable in Millicom's shares or in cash at the discretion of the partner and therefore also meet the criteria under IAS 32 for recognition as a liability and a corresponding equity decrease - which is the same conclusion as for previous put option for which a liability had already been recognized at acquisition date in 2018. The put option liability is now valued at the higher of fair market value and Transaction Price plus interest at 5% per annum and is payable in Millicom's shares or in cash at the discretion of the partner.

As of December 31, 2019, the value of the 'Transaction Price' put option is lower than fair market value, and therefore the Group recognized the put option liability at the higher of both valuations at \$264 million (see note B.5). The Group is required to re-value the liability each reporting date and any further change in the value of the put option liability will be recorded in the Group's statement of income. Both call options are currently not exercisable and therefore no value at December 31, 2019.

#### **D. Financial risk management**

Exposure to interest rate, foreign currency, non-repatriation, liquidity, capital management and credit risks arise in the normal course of Millicom's business. Each year Group Treasury revisits and presents to the Audit committee updated Treasury and Financial Risks Management policies. The Group analyzes each of these financial risks individually as well as on an interconnected basis and defines and implements strategies to manage the economic impact on the Group's performance in line with its Financial Risk Management policy. These policies were last reviewed in late 2018. As part of the annual review of the above mentioned risks, the Group agrees to a strategy over the use of derivatives and natural hedging instruments ranging from raising debt in local currency (where the Company targets to reach 40% of debt in local currency over the medium term) to maintain a combination of up to 75/25% mix between fixed and floating rate debt or agreeing to cover up to six months forward of operating costs and capex denominated in non-functional currencies through a rolling and layering strategy. Millicom's risk management strategies may include the use of derivatives to the extent a market would exist in the jurisdictions where the Group operates. Millicom's policy prohibits the use of such derivatives in the context of speculative trading.

Accounting policies for derivatives is further detailed in note C.7. On December 31, 2019 and 2018 fair value of derivatives held by the Group can be summarized as follows:

	2019	2018
	(US\$ millions)	
<b>Derivatives</b>		
Cash flow hedge derivatives	(17)	—
<b>Net derivative asset (liability)</b>	<b>(17)</b>	<b>—</b>

## D.1. Interest rate risk

Debt and financing issued at floating interest rates expose the Group to cash flow interest rate risk. Debt and financing issued at fixed rates expose the Group to fair value interest rate risk. The Group's exposure to risk of changes in market interest rates relate to both of the above. To manage this risk, the Group's policy is to maintain a combination of fixed and floating rate debt with target that more than 75% of the debt be at fixed rate. The Group actively monitors borrowings against this target. The target mix between fixed and floating rate debt is reviewed periodically. The purpose of Millicom's policy is to achieve an optimal balance between cost of funding and volatility of financial results, while taking into account market conditions as well as our overall business strategy. At December 31, 2019, approximately 76% of the Group's borrowings are at a fixed rate of interest or for which variable rates have been swapped for fixed rates with interest rate swaps (2018: 68%).

### D.1.1. Fixed and floating rate debt

#### Financing at December 31, 2019

	1 year	1–2 years	2–3 years	Amounts due within:			Total
				3–4 years	4–5 years	>5 years	
	(US\$ millions)						
Fixed rate financing	118	117	118	332	431	3,428	4,543
Weighted average nominal interest rate	6.32%	5.46%	5.01%	7.24%	5.44%	5.81%	5.86%
Floating rate financing	68	38	27	185	654	457	1,429
Weighted average nominal interest rate	2.97%	1.77%	1.41%	3.25%	4.26%	0.96%	1.52%
<b>Total</b>	<b>186</b>	<b>155</b>	<b>145</b>	<b>517</b>	<b>1,085</b>	<b>3,884</b>	<b>5,972</b>
Weighted average nominal interest rate	5.10%	4.55%	4.34%	5.81%	4.73%	5.24%	4.82%

#### Financing at December 31, 2018

	1 year	1–2 years	2–3 years	Amounts due within:			Total
				3–4 years	4–5 years	>5 years	
	(US\$ millions)						
Fixed rate financing	140	162	137	436	204	2,036	3,116
Weighted average nominal interest rate	6.35%	6.59%	6.64%	6.61%	4.10%	6.47%	6.34%
Floating rate financing	318	175	266	133	263	309	1,465
Weighted average nominal interest rate	10.28%	5.89%	2.73%	0.49%	4.41%	1.13%	1.98%
<b>Total</b>	<b>458</b>	<b>337</b>	<b>403</b>	<b>570</b>	<b>468</b>	<b>2,345</b>	<b>4,580</b>
Weighted average nominal interest rate	9.08%	6.23%	4.06%	5.18%	4.28%	5.76%	4.95%

A 100 basis point fall or rise in market interest rates for all currencies in which the Group had borrowings at December 31, 2019 would increase or reduce profit before tax from continuing operations for the year by approximately \$14 million (2018: \$15 million).

***D.1.2. Interest rate swap contracts***

From time to time, Millicom enters into currency and interest rate swap contracts to manage its exposure to fluctuations in interest rates and currency fluctuations in accordance with its Financial Risk Management policy. Details of these arrangements are provided below.

*Currency and interest rate swap contracts*

MIC S.A. entered into swap contracts in order to hedge the foreign currency and interest rate risks in relation to the SEK 2 billion (~\$211 million) senior unsecured sustainability bond issued in May 2019 (note C.3.1.). These swaps are accounted for as cash flow hedges as the timing and amounts of the cash flows under the swap agreements match the cash flows under the SEK bond. Their maturity date is May 2024. The hedging relationship is highly effective and related fluctuations are recorded through other comprehensive income. At December 31, 2019, the fair values of the swaps amount to a liability of \$0.2 million.

Our operations in El Salvador and Costa Rica also entered into several swap agreements in order to hedge foreign currency and interest rate risks on certain long term debts. These swaps are accounted for as cash flow hedges and related fair value changes are recorded through other comprehensive income. At December 31, 2019, the fair values of these swaps amount to liabilities of \$17 million.

Interest rate and currency swaps are measured with reference to Level 2 of the fair value hierarchy

There are no other derivative financial instruments with a significant fair value at December 31, 2019.

## D.2. Foreign currency risks

The Group is exposed to foreign exchange risk arising from various currency exposures in the countries in which it operates. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

Millicom seeks to reduce its foreign currency exposure through a policy of matching, as far as possible, assets and liabilities denominated in foreign currencies, or entering into agreements that limit the risk of exposure to currency fluctuations against the US dollar reporting currency. In some cases, Millicom may also borrow in US dollars where it is either commercially more advantageous for joint ventures and subsidiaries to incur debt obligations in US dollars or where US dollar denominated borrowing is the only funding source available to a joint venture or subsidiary. In these circumstances, Millicom accepts the remaining currency risk associated with financing its joint ventures and subsidiaries, principally because of the relatively high cost of forward cover, when available, in the currencies in which the Group operates.

### D.2.1. Debt denominated in US dollars and other currencies

#### Debt denomination at December 31

	2019 (US\$ millions)	2018
Debt denominated in US dollars	3,535	2,572
Debt denominated in currencies of the following countries		
Colombia	531	718
Chad	—	62
Tanzania	14	112
Bolivia	350	306
Paraguay	206	207
El Salvador(i)	268	299
Panama(i)	918	261
Luxembourg (COP denominated)	43	43
Costa Rica	107	—
<b>Total debt denominated in other currencies</b>	<b>2,437</b>	<b>2,008</b>
<b>Total debt</b>	<b>5,972</b>	<b>4,580</b>

(i) El Salvador's official unit of currency is the U.S. dollar, while Panama uses the U.S. dollar as legal tender. Our local debt in both countries is therefore denominated in U.S. dollars but presented as local currency (LCY).

At December 31, 2019, if the US dollar had weakened/strengthened by 10% against the other functional currencies of our operations and all other variables held constant, then profit before tax from continuing operations would have increased/decreased by \$17 million (2018: \$53 million). This increase/decrease in profit before tax would have mainly been as a result of the conversion of the USD-denominated net debts in our operations with functional currencies other than the US dollar.

### D.2.2. Foreign currency swaps

See note D.1.2. Interest rate swap contracts.

## D.3. Non-repatriation risk

Most of Millicom's operating subsidiaries and joint ventures generate most of the revenue of the Group and in the currency of the countries in which they operate. Millicom is therefore dependent on the ability of its subsidiaries and joint venture operations to transfer funds to the Company.

Although foreign exchange controls exist in some of the countries in which Millicom Group companies operate, none of these controls currently significantly restrict the ability of these operations to pay interest, dividends, technical service fees, royalties or repay loans by exporting cash, instruments of credit or securities in foreign currencies. However, existing foreign exchange controls may be strengthened in countries where the Group operates, or foreign exchange controls may be introduced in countries where the Group operates that do not currently impose such restrictions. If such events were to occur, the Company's ability to receive funds from the operations could be subsequently restricted, which would impact the Company's ability to make payments on its interest and loans and, or pay dividends to its shareholders. As a policy, all operations which do not face restrictions to

deposit funds offshore and in hard currencies should do so for the surplus cash generated on a weekly basis. The Company and its subsidiaries make use of notional and physical cash pooling arrangements in hard currencies to the extent permitted.

In addition, in some countries it may be difficult to convert large amounts of local currency into foreign currency because of limited foreign exchange markets. The practical effects of this may be time delays in accumulating significant amounts of foreign currency and exchange risk, which could have an adverse effect on the Group. This is a relatively rare case for the countries in which the Group operates.

Lastly, repatriation most often gives rise to taxation, which is evidenced in the amount of taxes paid by the Group relative to the Corporate Income Tax reported in its statement of income.

#### **D.4. Credit and counterparty risk**

Financial instruments that subject the Group to credit risk include cash and cash equivalents, pledged deposits, letters of credit, trade receivables, amounts due from joint venture partners and associates, supplier advances and other current assets and derivatives. Counterparties to agreements relating to the Group's cash and cash equivalents, pledged deposits and letters of credit are significant financial institutions with investment grade ratings. Management does not believe there are significant risks of non-performance by these counterparties and maintain a diversified portfolio of banking partners. Allocation of deposits across banks are managed such that the Group's counterparty risk with a given bank stays within limits which have been set, based on each bank's credit rating.

A large portion of revenue of the Group is comprised of prepaid products and services. For postpaid customers, the Group follows risk control procedures to assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Accounts receivable also comprise balances due from other telecom operators. Credit risk of other telecom operators is limited due to the regulatory nature of the telecom industry, in which licenses are normally only issued to credit-worthy companies. The Group maintains a provision for expected credit losses of trade receivables based on its historical credit loss experience.

As the Group has a large number of internationally dispersed customers, there is generally no significant concentration of credit risk with respect to trade receivables, except for certain B2B customers (mainly governments). See note F.1.

#### **D.5. Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group has significant indebtedness but also has significant cash balances. Millicom evaluates its ability to meet its obligations on an ongoing basis using a recurring liquidity planning tool. This tool considers the operating net cash flows generated from its operations and the future cash needs for borrowing, interest payments, dividend payments and capital and operating expenditures required in maintaining and developing its operating businesses.

The Group manages its liquidity risk through use of bank overdrafts, bank loans, bonds, vendor financing, Export Credit Agencies and Development Finance Institutions (DFI) loans. Millicom believes that there is sufficient liquidity available in the markets to meet ongoing liquidity needs. Additionally, Millicom is able to arrange offshore funding. Millicom has a diversified financing portfolio with commercial banks representing about 26% of its gross financing (2018: 34%), bonds 58% (2018: 54%), Development Finance Institutions 1% (2018: 4%) and leases 15% (2018: 8%).



## Maturity profile of net financial liabilities at December 31, 2019

	Less than 1 year	1 to 5 years	>5yrs	Total
	(US\$ millions)			
Total debt and financing	(186)	(1,902)	(3,884)	(5,972)
Lease liability	(97)	(490)	(476)	(1,063)
Cash and equivalents	1,164	—	—	1,164
Pledged deposits (related to back borrowings)	1	—	—	1
Refundable deposit	—	—	—	—
Derivative financial instruments	(17)	—	—	(17)
<b>Net cash (debt) including derivatives related to debt</b>	<b>865</b>	<b>(2,392)</b>	<b>(4,361)</b>	<b>(5,888)</b>
Future interest commitments related to debt and financing	(308)	(1,088)	(106)	(1,502)
Future interest commitments related to leases	(157)	(476)	(295)	(928)
Trade payables (excluding accruals)	(510)	—	—	(510)
Other financial liabilities (including accruals)	(1,052)	(337)	—	(1,388)
Derivative instruments	(17)	—	—	(17)
Put option liability	(264)	—	—	(264)
Trade receivables	371	—	—	371
Other financial assets	602	104	—	707
<b>Net financial liabilities</b>	<b>(469)</b>	<b>(4,189)</b>	<b>(4,762)</b>	<b>(9,420)</b>

## Maturity profile of net financial liabilities at December 31, 2018

	Less than 1 year	1 to 5 years	>5yrs	Total
	(US\$ millions)			
Total debt and financing(i)	(458)	(1,778)	(2,345)	(4,580)
Cash and equivalents	528	—	—	528
Pledged deposits (related to back borrowings)	2	—	—	2
<b>Net cash (debt) including derivatives related to debt</b>	<b>72</b>	<b>(1,778)</b>	<b>(2,345)</b>	<b>(4,051)</b>
Future interest commitments related to debt and financing	(248)	(786)	(77)	(1,111)
Trade payables (excluding accruals)	(478)	—	—	(478)
Other financial liabilities (including accruals)	(1,212)	(135)	—	(1,347)
Put option liability	(239)	—	—	(239)
Trade receivables	343	—	—	343
Other financial assets	181	126	—	306
<b>Net financial liabilities</b>	<b>(1,582)</b>	<b>(2,573)</b>	<b>(2,422)</b>	<b>(6,577)</b>

(i) As at December 31, 2018, Debt and financing included finance lease liabilities of \$353 million. As at December 31, 2019, and as a result of the application of IFRS 16, these are now shown in a separate line under Lease liabilities.

## D.6. Capital management

The primary objective of the Group's capital management is to ensure a strong credit rating and solid capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure with reference to local economic conditions and imposed restrictions such as debt covenants. To maintain or adjust its capital structure, the Group may make dividend payments to shareholders, return capital to shareholders through share repurchases or issue new shares. At December 31, 2019, Millicom is rated at one notch below investment grade by the independent rating agencies Moody's (Ba1 negative) and Fitch (BB+ stable). The Group primarily monitors capital using net financial obligations to EBITDA.

The Group reviews its gearing ratio (net financial obligations divided by total capital plus net financial obligations) periodically. Net financial obligations includes interest bearing debt and lease liabilities, less cash and cash equivalents (included restricted cash) and pledged and time deposits related to bank borrowings. Capital represents equity attributable to the equity holders of the parent.

### Net financial obligations to EBITDA

	Note	2019 (US\$ millions)	2018
Net financial obligations (i)	C.6.	5,870	4,051
EBITDA	B.3.	1,530	1,213
Net financial obligations to EBITDA (ii)		3.84	3.34

(i) As at December 31, 2018, Net financial obligations included finance lease liabilities of \$353 million. As at December 31, 2019, Net financial obligations also include Lease liabilities recognized under IFRS 16.

(ii) Ratio is above 3x on an IFRS basis. However, covenants are calculated on proportionate net financial obligations/EBITDA, including Guatemala and Honduras, which show results below 3x.

### Gearing ratio

	Note	2019 (US\$ millions)	2018
Net financial obligations (i)	C.6.	5,870	4,051
Equity	C.1.	2,410	2,542
Net financial obligations and equity		8,280	6,593
Gearing ratio		0.71	0.61

(i) Same comment as (i) in the table above.

## E. Long-term assets

### E.1. Intangible assets

Millicom's intangible assets mainly consist of goodwill arising from acquisitions, customer lists acquired through acquisitions, licenses and rights to operate and use spectrum.

#### E.1.1. Accounting for intangible assets

Intangible assets acquired in business acquisitions are initially measured at fair value at the date of acquisition, and those which are acquired separately are measured at cost. Internally generated intangible assets, excluding capitalized development costs, are not capitalized but expensed to the statement of income in the expense category consistent with the function of the intangible assets. Subsequently intangible assets are carried at cost, less any accumulated amortization and any accumulated impairment losses.

Intangible assets with finite useful lives are amortized over their estimated useful economic lives using the straight-line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for intangible assets with finite useful lives are reviewed at least at each financial year end. Changes in expected useful lives or the expected beneficial use of the assets are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible assets.

#### Goodwill

Goodwill represents the excess of cost of an acquisition over the Group's share in the fair value of identifiable assets less liabilities and contingent liabilities of the acquired subsidiary, at the date of the acquisition. If the fair value or the cost of the acquisition can only be determined provisionally, then goodwill is initially accounted for using provisional values. Within 12 months of the acquisition date, any adjustments to the provisional values are recognized. This is done when the fair values and the cost of the acquisition have been finally determined. Adjustments to provisional fair values are made as if the adjusted fair

values had been recognized from the acquisition date. Goodwill on acquisition of subsidiaries is included in intangible assets, net. Goodwill on acquisition of joint ventures or associates is included in investments in joint ventures and associates. Following initial recognition, goodwill is measured at cost, less any accumulated impairment losses. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in this manner is measured, based on the relative values of the operation disposed and the portion of the cash-generating unit retained.

### ***Licenses***

Licenses are recorded at either historical cost or, if acquired in a business combination, at fair value at the date of acquisition. Cost includes cost of acquisition and other costs directly related to acquisition and retention of licenses over the license period. These costs may include estimates related to fulfillment of terms and conditions related to the licenses such as service or coverage obligations, and may include up-front and deferred payments.

Licenses have a finite useful life and are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is calculated using the straight-line method to allocate the cost of the licenses over their estimated useful lives.

The terms of licenses, which have been awarded for various periods, are subject to periodic review for, among other things, rate setting, frequency allocation and technical standards. Licenses are initially measured at cost and are amortized from the date the network is available for use on a straight-line basis over the license period. Licenses held, subject to certain conditions, are usually renewable and generally non-exclusive. When estimating useful lives of licenses, renewal periods are included only if there is evidence to support renewal by the Group without significant cost.

### ***Trademarks and customer lists***

Trademarks and customer lists are recognized as intangible assets only when acquired or gained in a business combination. Their cost represents fair value at the date of acquisition. Trademarks and customer lists have indefinite or finite useful lives. Indefinite useful life trademarks are tested for impairment annually. Finite useful life trademarks are carried at cost, less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of the trademarks and customer lists over their estimated useful lives. The estimated useful lives for trademarks and customer lists are based on specific characteristics of the market in which they exist. Trademarks and customer lists are included in Intangible assets, net.

Estimated useful lives are:

	<b>Years</b>
<b>Estimated useful lives</b>	
Trademarks	1 to 15
Customer lists	4 to 20

### ***Programming and content rights***

Programming and content master rights which are purchased or acquired in business combinations which meet certain criteria are recorded at cost as intangible assets. The rights must be exclusive, related to specific assets which are sufficiently developed, and probable to bring future economic benefits and have validity for more than one year. Cost includes consideration paid or payable and other costs directly related to the acquisition of the rights, and are recognized at the earlier of payment or commencement of the broadcasting period to which the rights relate.

Programming and content rights capitalized as intangible assets have a finite useful life and are carried at cost, less accumulated amortization and any accumulated impairment losses. Amortization is calculated using the straight-line method to allocate the cost of the rights over their estimated useful lives.

Non-exclusive and programming and content rights for periods less than one year are expensed over the period of the rights.

### ***Indefeasible rights of use***

There is no universally-accepted definition of an indefeasible rights of use (IRU). These agreements come in many forms. However, the key characteristics of a typical arrangement include:

- The right to use specified network infrastructure or capacity;
- For a specified term (often the majority of the useful life of the relevant assets);
- Legal title is not transferred;

- A number of associated service agreements including operations and maintenance (O&M) and co-location agreements. These are typically for the same term as the IRU; and
- Any payments are usually made in advance.

IRUs are accounted for either as a lease, or service contract based on the substance of the underlying agreement.

IRU arrangements will qualify as a lease if, and when:

- The purchaser has an exclusive right for a specified period and has the ability to resell (or sublet) the capacity; and
- The capacity is physically limited and defined; and
- The purchaser bears all costs related to the capacity (directly or not) including costs of operation, administration and maintenance; and
- The purchaser bears the risk of obsolescence during the contract term.

If all of these criteria are not met, the IRU is treated as a service contract.

An IRU of network infrastructure (cables or fiber) is accounted for as a right of use asset (see E.3.), while capacity IRU (wavelength) is accounted for as an intangible asset.

The costs of an IRU recognized as service contract is recognized as prepayment and amortized in the statement of income as incurred over the duration of the contract.

### ***E.1.2. Impairment of non-financial assets***

At each reporting date Millicom assesses whether there is an indication that a non-financial asset may be impaired. If any such indication exists, or when annual impairment testing for a non-financial asset is required, an estimate of the asset's recoverable amount is made. The recoverable amount is determined based on the higher of its fair value less cost to sell, and its value in use, for individual assets, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Where no comparable market information is available, the fair value, less cost to sell, is determined based on the estimated future cash flows discounted to their present value using a discount rate that reflects current market conditions for the time value of money and risks specific to the asset. The foregoing analysis also evaluates the appropriateness of the expected useful lives of the assets. Impairment losses related to assets of continuing operations are recognized in the consolidated statement of income in expense categories consistent with the function of the impaired asset.

At each reporting date an assessment is made as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. Other than for goodwill, a previously recognized impairment loss is reversed if there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss was recognized. If so, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

### ***E.1.3. Movements in intangible assets***

On May 20, 2019 the Group renewed 10MHz of the 1900 MHz spectrum in Colombia for a period of 10 years for an amount of \$47 million (payable in five installments from June 2019 to February 2023) and an obligation to build 45 sites during the 20-month period following the renewal (approximately \$20 million cost, that will be capitalized once the sites are built). In December 2019, the company substituted its coverage obligation by agreeing to pay the corresponding amount of \$20 million in cash in 6 installments between January to June 2020. As a result, Management recognized an addition to spectrum assets and a liability for \$20 million.

On July 9, 2019, the Tanzania Communications Regulatory Authority ('TCRA') issued a notice to cancel the license of Telesis, a subsidiary of Millicom in Tanzania that shared its 4G spectrum with Tigo and Zantel operations in the country. The net carrying value of the Telesis' license amounting to \$8 million has therefore been impaired during Q3 2019. As a consequence and in order to continue providing 4G services in the country, our operation in Tanzania had to purchase spectrum in the 800MHz band from the TCRA for a period of 15 years and for an amount of \$12 million.

In December 2019, Millicom's wholly-owned subsidiary Telemovil El Salvador S.A. de C.V. ('Telemovil') acquired spectrum in 50Mhz AWS band and paid an advance of \$14 million. On January 8, 2020, Telemovil made a final payment of \$20 million and started operating the spectrum.

In December 2019, Tigo Colombia participated in an auction launched by the Ministerio de Tecnologías de la Información y las Comunicaciones (MINTIC), and acquired licenses granting the right to use a total of 40 MHz in the 700 MHz band. The 20-year license will expire in 2040. As a result of this auction, Tigo Colombia has strengthened its spectrum position, which also includes 55 MHz in the 1900 band and 30 MHz of AWS. Tigo Colombia agreed to a total notional consideration of COP\$2.45 billion (equivalent to approximately US\$736 million), of which approximately 45% is to be met by coverage obligations implemented by 2025.

The remaining 55% is payable in cash with an initial payment of approximately US\$39 million to be made in Q1 2020, with the remainder payable in 12 annual installments beginning in 2026 and ending in 2037. The final permission to operate in 700 MHz will be given in February 2020.

#### Movements in intangible assets in 2019

	Goodwill	Licenses	Customer Lists	IRUs	Trademark	Other (i)	Total
	(US\$ millions)						
<b>Opening balance, net</b>	<b>1,069</b>	<b>318</b>	<b>371</b>	<b>89</b>	<b>282</b>	<b>218</b>	<b>2,346</b>
Change in scope	650	139	141	10	—	20	959
Additions	—	101	—	—	—	101	202
Amortization charge	—	(55)	(37)	(14)	(99)	(67)	(272)
Impairment	—	(8)	—	—	—	—	(8)
Disposals, net	—	—	—	—	—	—	—
Transfers	—	(5)	—	23	—	15	33
Transfer to/from held for sale (see note E.3)	—	(18)	—	—	—	(3)	(21)
Exchange rate movements	(7)	(8)	(1)	—	—	(4)	(21)
<b>Closing balance, net</b>	<b>1,711</b>	<b>465</b>	<b>473</b>	<b>107</b>	<b>183</b>	<b>279</b>	<b>3,219</b>
Cost or valuation	1,711	922	691	214	325	806	4,670
Accumulated amortization and impairment	—	(458)	(218)	(107)	(142)	(527)	(1,451)
<b>Net</b>	<b>1,711</b>	<b>465</b>	<b>473</b>	<b>107</b>	<b>183</b>	<b>279</b>	<b>3,219</b>

#### Movements in intangible assets in 2018

	Goodwill	Licenses	Customer Lists	IRUs	Trademark	Other (i)	Total
	(US\$ millions)						
<b>Opening balance, net</b>	<b>599</b>	<b>324</b>	<b>33</b>	<b>105</b>	<b>10</b>	<b>194</b>	<b>1,265</b>
Change in scope	504	—	350	—	280	23	1,157
Additions	—	66	—	2	—	91	158
Amortization charge	—	(48)	(11)	(14)	(8)	(65)	(145)
Impairment	(6)	—	—	—	—	—	(6)
Disposals, net	—	—	—	—	—	—	—
Transfers	—	—	—	1	—	(16)	(15)
Transfer to/from held for sale (iii)	—	(12)	—	—	—	—	(12)
Exchange rate movements	(28)	(12)	(1)	(5)	—	(9)	(55)
<b>Closing balance, net</b>	<b>1,069</b>	<b>318</b>	<b>371</b>	<b>89</b>	<b>282</b>	<b>218</b>	<b>2,346</b>
Cost or valuation	1,069	646	561	176	325	646	3,423
Accumulated amortization and impairment	—	(328)	(190)	(87)	(43)	(428)	(1,077)
<b>Net</b>	<b>1,069</b>	<b>318</b>	<b>371</b>	<b>89</b>	<b>282</b>	<b>218</b>	<b>2,346</b>

(i) Other includes mainly software costs

#### E.1.4. Cash used for the purchase of intangible assets

##### Cash used for intangible asset additions

	2019	2018	2017
	(US\$ millions)		
Additions	202	158	130
Change in accruals and payables for intangibles	(32)	(10)	3
<b>Cash used for additions</b>	<b>171</b>	<b>148</b>	<b>133</b>

#### E.1.5. Goodwill

##### Allocation of Goodwill to cash generating units (CGUs), net of exchange rate movements and after impairment

	2019	2018
	(US\$ millions)	
Panama (see note A.1.2.)(i)	930	504
El Salvador	194	194
Costa Rica	123	116
Paraguay	50	54
Colombia	181	183
Tanzania (see note E.1.6.)	12	12
Nicaragua (see note A.1.2)	217	4
Other	3	3
<b>Total</b>	<b>1,711</b>	<b>1,069</b>

(i) Restated as a result of the finalization of the Cable Onda purchase accounting. (note A.1.2.).

#### E.1.6. Impairment testing of goodwill

Goodwill from CGUs is tested for impairment at least each year and more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment losses on goodwill are not reversed.

Goodwill arising on business combinations is allocated to each of the Group's CGUs or groups of CGUs that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated:

- Represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- Is not larger than an operating segment.

Impairment is determined by assessing the value-in-use and, if appropriate, the fair value less costs to sell of the CGU (or group of CGUs), to which goodwill relates.

##### Impairment testing at December 31, 2019

Goodwill was tested for impairment by assessing the recoverable amount against the carrying amount of the CGU based on discounted cash flows. The recoverable amounts are based on value-in-use. The value-in-use is determined based on the method of discounted cash flows. The cash flow projections used (operating profit margins, income tax, working capital, capex and license renewal cost) are extracted from business plans approved by management and presented to the Board, usually covering a period of five years. This planning horizon reflects industry practice in the countries where the Group operates and stage of development or redevelopment of the business in those countries. Cash flows beyond this period are extrapolated using a perpetual growth rate. When value-in-use results are lower than the carrying values of the CGUs, management determines the recoverable amount by using the fair value less cost of disposal (FVLCD) of the CGUs. FVLCD is usually determined by using recent offers received from third parties (Level 1).

For the year ended December 31, 2019, management concluded no impairment should be recorded in the Group consolidated financial statements.

### Impairment testing at December 31, 2018

For the year ended December 31, 2018, management concluded that our previously independent Zantel CGU, part of the Africa segment, should be impaired. Hence, in accordance with IAS 36, an impairment loss of \$6 million has been allocated to the amount of goodwill allocated to the CGU to reduce the carrying amount of this operation to its value in use. The impairment has been classified within the caption "Other operating income (expenses), net", in the Group's statement of income.

### Key assumptions used in value in use calculations

The process of preparing the cash flow projections considers the current market condition of each CGU, analyzing the macroeconomic, competitive, regulatory and technological environments, as well as the growth opportunities of the CGUs. Therefore, a growth target is defined for each CGU, based on the appropriate allocation of operating resources and the capital investments required to achieve the target. The foregoing forecasts could differ from the results obtained through time; however, the Company prepares its estimates based on the current situation of each of the CGUs. Relevance of budgets used for the impairment test is also reviewed annually, management performing regressive analysis between actual figures and budget/5YP used for previous year impairment test.

The cash flow projections for all CGUs is most sensitive to the following key assumptions:

- EBITDA margin is determined by dividing EBITDA by total revenues.
- CAPEX intensity is determined by dividing CAPEX by total revenues.
- Gross Domestic Product ("GDP") less inflation rates are used as perpetual growth rate.
- Weighted average cost of capital ("WACC") is used to discount the projected cash flows.

The most significant estimates used for the 2019 and 2018 impairment test are shown below:

CGU	Average EBITDA margin (%) (i)		Average CAPEX intensity (%) (i)		Perpetual growth rate (%)		WACC rate after tax (%)	
	2019	2018	2019	2018	2019	2018	2019	2018
Bolivia	42.0	43.1	18.4	17.0	1.5	3.0	10.7	10.2
Chad (see note A.1.3)	n/a	26.7	n/a	15.9	n/a	2.6	n/a	14.8
Colombia	34.1	32.1	17.7	19.3	1.9	2.9	8.6	8.9
Costa Rica	36.3	41.2	23.3	19.9	1.9	3.1	10.1	10.2
El Salvador	33.4	42.2	15.2	15.7	0.8	1.6	10.7	11.7
Nicaragua (see note A.1.2)	33.7	41.0	16.2	49.6	2.0	3.6	10.9	10.1
Panamá (see note A.1.2)	42.6	n/a	14.8	n/a	1.5	n/a	8.3	n/a
Paraguay	46.9	50.4	16.0	17.3	1.6	3.0	9.0	9.8
Tanzania	31.2	37.1	12.2	18.5	1.5	4.6	14.4	14.4

(i) Average is computed over the period covered by the plan (5 years)

### Sensitivity analysis to changes in assumptions

Management performed a sensitivity analysis on key assumptions within the test. The following maximum increases or decreases, expressed in percentage points, were considered for all CGUs:

Reasonable changes in key assumptions (%)	
<b>Financial variables</b>	
WACC rates	+/-1
Perpetual growth rates	+/-1
<b>Operating variables</b>	
EBITDA margin	+/-2
CAPEX intensity	+/-1

The sensitivity analysis shows a comfortable headroom between the recoverable amounts and the carrying values for all CGUs at December 31, 2019, except of our Nicaragua CGU.

In respect of Nicaragua CGU, taken individually, the below changes in key assumptions would trigger a potential impairment, which would mainly be due to the under-performance of our legacy fixed business in the country as well as the current political and economic turmoil:

Sensitivity analysis	In %	Potential impairment US\$ millions
<b>Financial variables</b>		
WACC rate	+1	32
Perpetual growth rate	-1	18
<b>Operating variables</b>		
EBITDA margin	-2	1
<b>Combining changes in variables</b>		
WACC rate and Perpetual growth rate	+1 and -1	63

## E.2. Property, plant and equipment

### E.2.1. Accounting for property, plant and equipment

Items of property, plant and equipment are stated at either historical cost, or the lower of fair value and present value of the future minimum lease payments for assets under finance leases, less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to acquisition of items. The carrying amount of replaced parts is derecognized.

Depreciation is calculated using the straight-line method over the shorter of the estimated useful life of the asset and the remaining life of the license associated with the assets, unless the renewal of the license is contractually possible.

Estimated useful lives	Duration
Buildings	40 years or lease period, if shorter
Networks (including civil works)	5 to 15 years or lease period, if shorter
Other	2 to 7 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The assets' residual value and useful life is reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Construction in progress consists of the cost of assets, labor and other direct costs associated with property, plant and equipment being constructed by the Group, or purchased assets which have yet to be deployed. When the assets become operational, the related costs are transferred from construction in progress to the appropriate asset category and depreciation commences.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Ongoing routine repairs and maintenance are charged to the statement of income in the financial period in which they are incurred.

Costs of major inspections and overhauls are added to the carrying value of property, plant and equipment and the carrying amount of previous major inspections and overhauls is derecognized.

Equipment installed on customer premises which is not sold to customers is capitalized and amortized over the customer contract period.

A liability for the present value of the cost to remove an asset on both owned and leased sites (for example cell towers) and for assets installed on customer premises (for example set-top boxes), is recognized when a present obligation for the removal exists.



The corresponding cost of the obligation is included in the cost of the asset and depreciated over the useful life of the asset, or lease period if shorter.

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset when it is probable that such costs will contribute to future economic benefits for the Group and the costs can be measured reliably.

### E.2.2. Movements in tangible assets

#### Movements in tangible assets in 2019

	Network Equipment (ii)	Land and Buildings	Construction in Progress (US\$ millions)	Other(i)	Total
<b>Opening balance, net</b>	<b>2,455</b>	<b>175</b>	<b>284</b>	<b>156</b>	<b>3,071</b>
Change in scope	190	44	14	7	255
Change in accounting policy	(307)	—	—	(1)	(307)
Additions	87	4	612	16	719
Impairments/reversal of impairment, net	—	—	—	1	1
Disposals, net	(8)	(1)	(6)	(3)	(19)
Depreciation charge	(588)	(13)	—	(110)	(711)
Asset retirement obligations	14	5	—	—	19
Transfers	444	4	(537)	64	(24)
Transfer from/(to) assets held for sale (see note E.4)	(61)	(14)	(7)	(5)	(88)
Exchange rate movements	(25)	(2)	(5)	(1)	(34)
<b>Closing balance, net</b>	<b>2,201</b>	<b>202</b>	<b>355</b>	<b>125</b>	<b>2,883</b>
Cost or valuation	6,644	360	355	476	7,834
Accumulated amortization and impairment	(4,443)	(158)	—	(351)	(4,952)
<b>Net at December 31, 2019</b>	<b>2,201</b>	<b>202</b>	<b>355</b>	<b>125</b>	<b>2,883</b>

#### Movements in tangible assets in 2018

	Network equipment(ii)	Land and buildings	Construction in progress (US\$ millions)	Other(i)	Total
<b>Opening balance, net</b>	<b>2,399</b>	<b>147</b>	<b>206</b>	<b>128</b>	<b>2,880</b>
Change in Scope (iii)	253	41	32	60	386
Additions	62	1	626	7	696
Impairments/reversal of impairment, net	1	—	—	—	1
Disposals, net	(24)	(2)	(2)	—	(29)
Depreciation charge	(631)	(11)	—	(43)	(685)
Asset retirement obligations	14	1	—	—	15
Transfers	551	9	(568)	14	6
Transfers from/(to) assets held for sale (see note E.4.)(iv)	(45)	(3)	(2)	(2)	(52)
Exchange rate movements	(124)	(8)	(8)	(7)	(147)
<b>Closing balance, net</b>	<b>2,455</b>	<b>175</b>	<b>284</b>	<b>156</b>	<b>3,071</b>
Cost or valuation	6,663	270	284	573	7,790
Accumulated amortization and impairment	(4,207)	(95)	—	(417)	(4,719)
<b>Net at December 31, 2018</b>	<b>2,455</b>	<b>175</b>	<b>284</b>	<b>156</b>	<b>3,071</b>

(i) Other mainly includes office equipment and motor vehicles.

- (ii) As a result of the application of IFRS 16 finance leases were reclassified to lease liabilities on January 1, 2019. See above in the "New and amended IFRS accounting standards" and notes C.4. and E.4. for further information. The net carrying amount of network equipment under finance leases at December 31, 2018 were \$307 million.
- (iii) Restated after finalization of the Cable Onda purchase accounting. See note A.1.2.

Borrowing costs capitalized for the years ended December 31, 2019, 2018 and 2017 were not significant.

### **E.2.3. Cash used for the purchase of tangible assets**

#### **Cash used for property, plant and equipment additions**

	2019	2018 (US\$ millions)	2017
Additions	719	698	824
Change in advances to suppliers	1	2	(8)
Change in accruals and payables for property, plant and equipment	17	(25)	26
Finance leases(i)	(1)	(43)	(192)
<b>Cash used for additions</b>	<b>736</b>	<b>632</b>	<b>650</b>

- (i) As a result of the application of IFRS 16 finance leases were reclassified to lease liabilities on January 1, 2019. See above in the "New and amended IFRS accounting standards" and notes C.4. and E.4. for further information.

### **E.3. Right of use assets (as from January 1, 2019 after the application of IFRS 16)**

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Refer to note C.4. for further details on lease accounting policies.

#### **Movements in right of use assets in 2019**

Right-of-use assets	Land and buildings	Sites rental	Tower rental	Other network equipment	Capacity	Other	Total
		(US\$ millions)					
<b>Opening balance, net</b>	<b>154</b>	<b>67</b>	<b>623</b>	<b>9</b>	<b>—</b>	<b>4</b>	<b>856</b>
Change in scope	—	43	121	1	12	—	177
Additions	25	4	67	1	2	1	102
Modifications	6	(2)	7	—	—	—	11
Impairments	(1)	—	—	—	—	—	(1)
Disposals	(4)	(4)	(1)	—	—	—	(10)
Depreciation	(35)	(16)	(86)	(2)	—	(2)	(141)
Transfers	—	—	1	—	—	—	1
Transfers to/from assets held for sale	(1)	(5)	(3)	—	—	—	(9)
Exchange rate movements	—	(2)	(7)	—	—	—	(10)
<b>Closing balance, net</b>	<b>145</b>	<b>87</b>	<b>720</b>	<b>8</b>	<b>14</b>	<b>3</b>	<b>977</b>
Cost of valuation	177	103	900	11	16	8	1,216
Accumulated depreciation and impairment	(32)	(16)	(180)	(3)	(2)	(5)	(238)
<b>Net at December 31, 2019</b>	<b>145</b>	<b>87</b>	<b>720</b>	<b>8</b>	<b>14</b>	<b>3</b>	<b>977</b>

#### E.4. Assets held for sale

If Millicom decides to sell subsidiaries, investments in joint ventures or associates, or specific non-current assets in its businesses, these items qualify as assets held for sale if certain conditions are met.

##### E.4.1. Classification of assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is expected to be recovered principally through sale, not through continuing use. Liabilities of disposal groups are classified as Liabilities directly associated with assets held for sale.

##### E.4.2. Millicom's assets held for sale

The following table summarizes the nature of the assets and liabilities reported under assets held for sale and liabilities directly associated with assets held for sale as at December 31, 2019 and 2018:

	As at December 31,	
	2019	2018
	(US\$ millions)	
<b>Assets and liabilities reclassified as held for sale (\$ millions)</b>		
Towers Paraguay (see note E.4.1.)	—	2
Towers Colombia (see note E.4.1.)	2	—
Towers El Salvador (see note E.4.1.)	1	1
Towers Zantel	1	—
Other	—	—
<b>Total assets of held for sale</b>	<b>5</b>	<b>3</b>
Towers Paraguay	—	—
<b>Total liabilities directly associated with assets held for sale</b>	<b>—</b>	<b>—</b>
<b>Net assets held for sale / book value</b>	<b>5</b>	<b>3</b>

#### *Chad*

As mentioned in note A.1.3., on June 26, 2019, the Group completed the disposal of its operations in Chad for a cash consideration of \$110 million. On the same date, Chad was deconsolidated and a gain on disposal of \$77 million, net of costs of disposal of \$4 million, was recognized. Foreign currency exchange losses accumulated in equity of \$8 million have also been recycled in the statement of income accordingly. The resulting net gain of \$70 million has been recognized under 'Profit (loss) for the period from discontinued operations, net of tax'. The operating net loss of the operation for the period from January 1, 2019 to June 26, 2019 was \$5 million.

The assets and liabilities deconsolidated on the date of the disposal were as follows:

<b>Assets and liabilities held for sale (\$ millions)</b>	<b>June 26, 2019</b>
Intangible assets, net	18
Property, plant and equipment, net	89
Right of use assets	9
Other non-current assets	8
Current assets	34
Cash and cash equivalents	9
<b>Total assets of disposal group held for sale</b>	<b>168</b>
Non-current financial liabilities	8
Current liabilities	131
<b>Total liabilities of disposal group held for sale</b>	<b>140</b>
<b>Net assets held for sale at book value</b>	<b>28</b>

### Senegal

As mentioned in note A.1.3. Millicom announced that it had agreed to sell its Senegal business to a consortium consisting of NJJ, Sofima (managed by the Axian Group) and Teylium Group. The sale was completed on April 27, 2018 in exchange of a final cash consideration of \$151 million. The operations in Senegal were deconsolidated from that date resulting in a net gain on disposal of \$6 million, including the recycling of foreign currency exchange losses accumulated in equity since the creation of the local operations. This gain has been recognized under 'Profit (loss) for the year from discontinued operations, net of tax'.

The assets and liabilities were transferred to assets held for sale in relation to our operations in Senegal as at February 7, 2017 and therefore classified as held for sale as at December 31, 2017.

The table below shows the assets and liabilities deconsolidated at the date of the disposal:

	April 27, 2018 (US\$ millions)
<b>Assets and liabilities held for sale</b>	
Intangible assets, net	40
Property, plant and equipment, net	126
Other non-current assets	2
Current assets	56
Cash and cash equivalents	3
<b>Total assets of disposal group held for sale</b>	<b>227</b>
Non-current financial liabilities	8
Current liabilities	73
Total liabilities of disposal group held for sale	81
<b>Net assets / book value</b>	<b>146</b>

### Rwanda

As mentioned in note A.1.3. on December 19, 2017, Millicom announced that it has signed an agreement for the sale of its Rwanda operations to subsidiaries of Bharti Airtel Limited. for a final cash consideration of \$51 million, including a deferred cash payment due in January 2020 for an amount of \$18 million. The transaction also included earn-outs for \$7 million that were not recognized by the Group. The sale was completed on January 31, 2018. On that day, Millicom's operations in Rwanda have been deconsolidated and no material loss on disposal was recognized (its carrying value was aligned to its fair value less costs of disposal as of December 31, 2017). However, a loss of \$32 million was recognized in 2018 corresponding to the recycling of foreign currency exchange losses accumulated in equity since the creation of the local operation. This loss has been recognized under 'Profit (loss) for the year from discontinued operations, net of tax'.

The table below shows the assets and liabilities deconsolidated at the date of the disposal:

	January 31, 2018 (US\$ millions)
<b>Assets and liabilities reclassified as held for sale</b>	
Intangible assets, net	12
Property, plant and equipment, net	53
Other non-current assets	4
Current assets	14
Cash and cash equivalents	2
<b>Total assets of disposal group held for sale</b>	<b>85</b>
Non-current financial liabilities	11
Current liabilities	28
Total liabilities of disposal group held for sale	40
<b>Net assets / book value</b>	<b>46</b>

In accordance with IFRS 5, the Group's businesses in Chad(Q2 2018), Rwanda (Q1 2018), Ghana (Q3 2017) and Senegal (Q1 2017) had been classified as assets held for sale and their results were classified as discontinued operations. Comparative figures of the statement of income have therefore been represented accordingly. Financial information relating to the discontinued operations for the year ended December 31, 2019, 2018 and 2017 is set out below. Figures shown below are after intercompany eliminations.

## Results from discontinued operations

	Year ended December 31,		
	2019	2018	2017
	(US\$ millions)		
Revenue	50	189	440
Cost of sales	(14)	(51)	(130)
Operating expenses	(29)	(83)	(188)
Other expenses linked to the disposal of discontinued operations	(10)	(10)	(7)
Depreciation and amortization	(11)	(27)	(67)
Other operating income (expenses), net	—	(9)	(4)
Gain/(loss) on disposal of discontinued operations	74	(29)	38
<b>Operating profit (loss)</b>	<b>61</b>	<b>(21)</b>	<b>81</b>
Interest income (expense), net	(2)	(6)	(28)
Other non-operating (expenses) income, net	—	(2)	4
<b>Profit (loss) before taxes</b>	<b>59</b>	<b>(29)</b>	<b>56</b>
Credit (charge) for taxes, net	(2)	(4)	4
<b>Net Profit/(loss) from discontinuing operations</b>	<b>57</b>	<b>(33)</b>	<b>60</b>

## Cash flows from discontinued operations

	Year ended December 31,		
	2019	2018	2017
	(US\$ millions)		
Cash from (used in) operating activities, net	(8)	(38)	(1)
Cash from (used in) investing activities, net	5	8	(25)
Cash from (used in) financing activities, net	7	11	8

## F. Other assets and liabilities

### F.1. Trade receivables

Millicom's trade receivables mainly comprise interconnect receivables from other operators, postpaid mobile and residential cable subscribers, as well as B2B customers. The nominal value of receivables adjusted for impairment approximates the fair value of trade receivables.

	2019	2018
	(US\$ millions)	
Gross trade receivables	636	592
Less: provisions for expected credit losses	(265)	(249)
<b>Trade receivables, net</b>	<b>371</b>	<b>343</b>

## Aging of trade receivables

	Neither past due nor impaired	Past due (net of impairments)		Total
		30–90 days	>90 days	
		(US\$ millions)		
<b>2019:</b>				
Telecom operators	23	9	8	40
Own customers	177	63	29	270
Others	40	15	5	60
<b>Total</b>	<b>241</b>	<b>88</b>	<b>43</b>	<b>371</b>
<b>2018:</b>				
Telecom operators	17	9	14	39
Own customers	158	69	19	246
Others	36	17	5	58
<b>Total</b>	<b>210</b>	<b>95</b>	<b>37</b>	<b>343</b>

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for expected credit losses. The Group recognizes an allowance for expected credit losses (ECLs) applying a simplified approach in calculating the ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime of ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The provision for expected credit losses is recognized in the consolidated statement of income within Cost of sales.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing more than 12 months after the end of the reporting period. These are classified within non-current assets. Loans and receivables are carried at amortized cost using the effective interest method. Gains and losses are recognized in the statement of income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

## F.2. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### Inventories

	2019	2018
	(US\$ millions)	
Telephone and equipment	18	26
SIM cards	3	4
IRUs	3	3
Other	9	6
<b>Inventory at December 31,</b>	<b>32</b>	<b>39</b>

## F.3. Trade payables

Trade payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method where the effect of the passage of time is material.

From time to time, the Group enters into agreements to extend payment terms with various suppliers, and with factoring companies when such payments are discounted. The corresponding amount pending payment as of December 31, 2019, is recognized in Trade payables for an amount of \$40 million (2018: \$26 million).

#### F.4. Current and non-current provisions and other liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, risks specific to the liability. Where discounting is used, increases in the provision due to the passage of time are recognized as interest expenses.

##### F.4.1. Current provisions and other liabilities

###### Current

	2019	2018
	(US\$ millions)	
Deferred revenue	77	85
Customer deposits	14	15
Current legal provisions	36	27
Tax payables	74	68
Customer and MFS distributor cash balances	141	147
Withholding tax on payments to third parties	15	17
Other provisions	3	7
Other current liabilities(i)	113	126
<b>Total</b>	<b>474</b>	<b>492</b>

(i) Includes 36 million (2018: 36 million) of tax risk liabilities not related to income tax.

##### F.4.2. Non-current provisions and other liabilities

###### Non-current

	2019	2018
	(US\$ millions)	
Non-current legal provisions	18	8
Long-term portion of asset retirement obligations	96	77
Long-term portion of deferred income on tower sale and leasebacks recognized under IAS 17	68	85
Long-term employment obligations	71	68
Accruals and payables in respect of spectrum and license acquisitions	61	41
Other non-current liabilities	68	71
<b>Total</b>	<b>383</b>	<b>351</b>



## F.5. Assets and liabilities related to contract with customers

### Contract assets, net

	2019	2018
	(US\$ millions)	
Long-term portion	6	3
Short-term portion	37	35
Less: provisions for expected credit losses	(2)	(1)
<b>Total</b>	<b>41</b>	<b>37</b>

### Contract liabilities

	2019	2018
	(US\$ millions)	
Long-term portion	1	1
Short-term portion	81	86
<b>Total</b>	<b>82</b>	<b>87</b>

The Group recognized revenue for \$87 million in 2019 (2018: \$45 million) that was included in the contract liability balance at the beginning of the year.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at December 31, 2019 is \$61 million (\$60 million is expected to be recognized as revenue in the 2020 financial year and the remaining \$1 million in the 2021 financial year or later) (i).

(i) This amount does not consider contracts that have an original expected duration of one year or less, neither contracts in which consideration from a customer corresponds to the value of the entity's performance obligation to the customer (i.e. billing corresponds to accounting revenue).

### Contract costs, net (i)

	2019	2018
	(US\$ millions)	
<b>Net at January 1</b>	<b>4</b>	<b>4</b>
Contract costs capitalized	7	4
Amortisation of contract costs	(6)	(4)
<b>Net at December 31</b>	<b>5</b>	<b>4</b>

(i) Incremental costs of obtaining a contract are expensed when incurred if the amortization period of the asset that Millicom otherwise would have recognized is one year or less.

## G. Additional disclosure items

### G.1. Fees to auditors

	2019	2018	2017
	(US\$ millions)		
Audit fees	6.8	6.7	4.7
Audit related fees	1.3	0.4	0.3
Tax fees	0.1	0.2	0.2
Other fees	0.6	0.6	0.7
<b>Total</b>	<b>8.8</b>	<b>7.7</b>	<b>5.9</b>

## G.2. Capital and operational commitments

Millicom has a number of capital and operational commitments to suppliers and service providers in the normal course of its business. These commitments are mainly contracts for acquiring network and other equipment, and leases for towers and other operational equipment.

### G.2.1. Capital commitments

At December 31, 2019, the Company and its subsidiaries had fixed commitments to purchase network equipment, land and buildings, other fixed assets and intangible assets of \$122 million of which \$102 million are due within one year (December 31, 2018: \$88 million of which \$71 million were due within one year). The Group's share of commitments from the joint ventures is, respectively \$52 million and \$51 million. (December 31, 2018: \$66 million of which \$56 million were due within one year).

### G.2.2. Lease commitments - until December 31, 2018

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and involves an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and whether or not the arrangement conveys a right to use the asset. The sale and leaseback of towers and related site operating leases and service contracts are accounted for in accordance with the underlying characteristics of the assets, and the terms and conditions of the lease agreements. On transfer to the tower companies, the portion of the towers leased back are accounted for as operating leases or finance leases according to the criteria set out above. The portion of towers being leased back represents the dedicated part of each tower on which Millicom's equipment is located and was derived from the average technical capacity of the towers. Rights to use the land on which the towers are located are accounted for as operating leases, and costs of services for the towers are recorded as operating expenses.

From January 1, 2019, the Group has recognized right of use assets for these leases, except for short term or low value leases. See above in the "New and amended IFRS accounting standards", note C.4. and E.3. for further information.

#### Operating leases

Operating leases are all other leases that are not finance leases. Operating lease payments are recognized as expenses in the consolidated statement of income on a straight-line basis over the lease term.

Operating leases mainly comprise land in which cell towers are located (including those related to towers sold and leased back) and buildings. Total operating lease expense from continuing operations for the year ended 2018 was \$152 million—see note B.2.

#### Annual operating lease commitments from continuing operations

	2018 (i) (US\$ millions)
Within one year	127
Between one and five years	412
After five years	262
<b>Total</b>	<b>801</b>

(i) The Group's share in joint ventures operating lease commitments in 2018 amount to \$312 million and are excluded from the table above.

#### Finance leases

Finance leases, which transfer substantially all risks and benefits incidental to ownership of the leased item to the lessee, are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Where a finance lease results from a sale and leaseback transaction, any excess of sales proceeds over the carrying amount of the assets is deferred and amortized over the lease term. Capitalized leased assets are depreciated over the shorter of the estimated useful lives of the assets, or the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Finance leases mainly comprise lease of tower space in El Salvador, Paraguay, Tanzania and Colombia (see note C.3.4.), lease of poles in Colombia and tower sharing in other countries. Other financial leases mainly consist of lease agreements relating to vehicles and IT equipment.

## Annual minimum finance lease commitments from continuing operations

	2018 (i) (US\$ millions)
Within one year	99
Between one and five years	400
After five years	415
<b>Total</b>	<b>914</b>

(i) The Group's share in joint ventures finance lease commitments in 2018 amounted to \$1 million and are excluded from the table above.

The corresponding finance lease liabilities at December 31, 2018, were \$353 million. Interest expense on finance lease liabilities amounted to \$91 million for the year 2018.

## G.3. Contingent liabilities

### G.3.1. Litigation and legal risks

The Company and its operations are contingently liable with respect to lawsuits, legal, regulatory, commercial and other legal risks that arise in the normal course of business. As of December 31, 2019, the total exposure for claims and litigation risks against Millicom and its subsidiaries is \$204 million (December 31, 2018: \$683 million). The decrease is mainly due to Colombia where some significant cases were closed or became time barred during the year. The Group's share of the comparable exposure for joint ventures is \$4 million (December 31, 2018: \$5 million).

As at December 31, 2019, \$30 million has been provided by its subsidiaries for these risks in the consolidated statement of financial position (December 31, 2018: \$22 million). The Group's share of provisions made by the joint ventures was \$3 million (December 31, 2018: \$4 million). While it is not possible to ascertain the ultimate legal and financial liability with respect to these claims and risks, the ultimate outcome is not anticipated to have a material effect on the Group's financial position and operations.

#### *Ongoing investigation by the International Commission Against Impunity in Guatemala (CICIG)*

Between 2017 and 2019, the CICIG and Guatemalan prosecutors have pursued investigations that have included the country's telecommunications sector and Comcel, our Guatemalan joint venture. On September 3, 2019, the CICIG's activities in Guatemala were discontinued, after the Guatemalan government did not renew the CICIG's mandate, and it is unclear whether the investigations will continue. As at December 31, 2019, Management is not able to assess the potential impact on these consolidated financial statements of any remedial actions that may need to be taken as a result of the investigations, or penalties that may be imposed by law enforcement authorities. Accordingly, no provision has been recorded as of December 31, 2019.

#### *Other*

At December 31, 2019, Millicom has various other less significant claims which are not disclosed separately in these consolidated financial statements because they are either not material or the related risk is remote.

### G.3.2. Tax related risks and uncertain tax position

The Group operates in developing countries where the tax systems, regulations and enforcement processes have varying stages of development creating uncertainty regarding the application of the tax law and interpretation of tax treatments. The Group is also subject to regular tax audits in the countries where it operates. When there is uncertainty over whether the taxation authority will accept a specific tax treatment under the local tax law, that tax treatment is therefore uncertain. The resolution of tax positions taken by the Group, through negotiations with relevant tax authorities or through litigation, can take several years to complete and, in some cases, it is difficult to predict the ultimate outcome. Therefore, judgment is required to determine provisions for taxes.

In assessing whether and how an uncertain tax treatment affects the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, the Group assumes that a taxation authority with the right to examine amounts reported to it will examine those amounts and have full knowledge of all relevant information when making those examinations.

The Group has a process in place, and applies significant judgment, in identifying uncertainties over income tax treatments. Management considers whether or not it is probable that a taxation authority will accept an uncertain tax treatment. On that basis, the identified risks are split into three categories (i) remote risks (risk of outflow of tax payments are up to 20%), (ii) possible risks (risk of outflow of tax payments assessed from 21% to 49%) and probable risks (risk of outflow is more than 50%). The process is repeated every quarter by the Group.

If the Group concludes that it is probable or certain that the taxation authority will accept the tax treatment, the risks are categorized either as possible or remote, and it determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. The risks considered as possible are not provisioned but disclosed as tax contingencies in the Group consolidated financial statements while remote risks are neither provisioned nor disclosed.

If the Group concludes that it is probable that the taxation authority will not accept the Group's interpretation of the uncertain tax treatment, the risks are categorized as probable, and are presented to reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates by generally using the most likely amount method – the single most likely amount in a range of possible outcomes.

If an uncertain tax treatment affects both deferred tax and current tax, the Group makes consistent estimates and judgments for both. For example, an uncertain tax treatment may affect both taxable profits used to determine the current tax and tax bases used to determine deferred tax.

If facts and circumstances change, the Group reassesses the judgments and estimates regarding the uncertain tax position taken.

At December 31, 2019, the tax risks exposure of the Group's subsidiaries is estimated at \$300 million, for which provisions of \$50 million have been recorded in tax liabilities; representing the probable amount of eventual claims and required payments related to those risks (2018: \$226 million of which provisions of \$44 million were recorded). The Groups' share of comparable tax exposure and provisions in its joint ventures amounts to \$49 million (2018: \$29 million) and \$4 million (2018: \$2 million), respectively.

### G.4. Non-cash investing and financing activities

#### Non-cash investing and financing activities from continuing operations

	<b>Note</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
			<b>(US\$ millions)</b>	
<b>Investing activities</b>				
Acquisition of property, plant and equipment, including (finance) leases	E.2.2.	17	(65)	(174)
		19		
Asset retirement obligations	E.2.2.		15	(20)
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired	A.1.2.	—	30	—
<b>Financing activities</b>				
(Finance) Leases	C.3.4.	1	(43)	192
Share based compensation	B.4.1.	27	21	22

## G.5. Related party balances and transactions

The Group's significant related parties are:

- Kinnevik AB (Kinnevik) and subsidiaries, Millicom's previous principal shareholder - until November 14, 2019, date on which Millicom SDRs were paid out to the shareholders of Kinnevik (see 'Introduction' note);
- Helios Towers Africa Ltd (HTA), in which Millicom held a direct or indirect equity interest - until October 15, 2019, date on which Millicom lost significant influence on HTA and started accounting for its investments at fair value under IFRS 9 (see note A.3.1. and C.7.3).
- EPM and subsidiaries (EPM), the non-controlling shareholder in our Colombian operations (see note A.1.4.);
- Miffin Associates Corp and subsidiaries (Miffin), our joint venture partner in Guatemala.
- Cable Onda partners and subsidiaries, the non-controlling shareholders in our Panama operations (see note A.1.2.).

### *Kinnevik*

Until November 14, 2019, Kinnevik was Millicom's principal shareholder, owning approximately 37% of Millicom (December 31, 2018: 37%). Kinnevik is a Swedish holding company with interests in the telecommunications, media, publishing, paper and financial services industries. During 2019, 2018 and 2017, Kinnevik did not purchase any Millicom shares. There were no significant loans made by Millicom to or for the benefit of Kinnevik or Kinnevik controlled entities.

During 2019, 2018 and 2017, the Company purchased services from Kinnevik subsidiaries including fraud detection, procurement and professional services. Transactions and balances with Kinnevik Group companies are disclosed under 'Other' in the tables below.

### *Helios Towers*

Millicom sold its tower assets and leased back a portion of space on the towers in several African countries and contracted for related operation and management services with HTA. The Group has future lease commitments in respect of the tower companies (see note E.4.). As mentioned above, Helios Towers ceased to be a related party to the Group from October 15, 2019.

### *Empresas Públicas de Medellín (EPM)*

EPM is a state-owned, industrial and commercial enterprise, owned by the municipality of Medellín, and provides electricity, gas, water, sanitation, and telecommunications. EPM owns 50% of our operations in Colombia.

### *Miffin Associates Corp (Miffin)*

The Group purchases and sells products and services from and to the Miffin Group. Transactions with Miffin represent recurring commercial operations such as purchase of handsets, and sale of airtime.

### *Cable Onda Partners*

Our partners in Panama are the non-controlling shareholders of Cable Onda and own 20% of the company, and indirectly 20% of Telefonica Moviles Panama, S.A., which has been acquired by Cable Onda in August 2019. Additionally, they also hold interests in several entities which have purchasing and selling recurring commercial operations with Cable Onda (such as the sale of content costs, delivery of broadband services, etc.). Transactions and balances with Cable Onda Partners companies are disclosed under 'Other' in the tables below.

Expenses from transactions with related parties	2017		
	2019	2018 (US\$ millions)	
Purchases of goods and services from Miffin	(209)	(173)	(181)
Purchases of goods and services from EPM	(42)	(40)	(36)
Lease of towers and related services from HTA(i)	(146)	(28)	(28)
Other expenses	(15)	(3)	(4)
<b>Total</b>	<b>(412)</b>	<b>(244)</b>	<b>(250)</b>

(i) HTA ceased to be a related party on October 15, 2019. See note C.7.3. for further details.

Income and gains from transactions with related parties	2017		
	2019	2018 (US\$ millions)	2017
Sale of goods and services to Mifflin	306	284	277
Sale of goods and services to EPM	13	17	18
Other revenue	3	2	1
<b>Total</b>	<b>322</b>	<b>303</b>	<b>295</b>

As at December 31, the Company had the following balances with related parties:

	Year ended December 31	
	2019	2018 (US\$ millions)
<b>Non-current and current liabilities</b>		
Payables to Guatemala joint venture(i)	361	315
Payables to Honduras joint venture(ii)	133	143
Payables to EPM	37	14
Other accounts payable	—	9
Sub-total	531	482
(Finance) Lease liabilities to HTA (iii)	—	99
<b>Total</b>	<b>531</b>	<b>580</b>

- (i) Shareholder loans bearing interest. Out of the amount above, \$337 million are due over more than one year.  
(ii) Amount payable mainly consist of dividend advances for which dividends are expected to be declared later in 2020 and/or shareholder loans.  
(iii) HTA ceased to be a related party on October 15, 2019. See note C.7.3. for further details.

	Year ended December 31	
	2019	2018 (US\$ millions)
<b>Non-current and current assets</b>		
Receivables from EPM	3	5
Receivables from Guatemala and Honduras joint ventures	23	20
Advance payments to Helios Towers Tanzania(ii)	—	6
Receivables from Panama	—	—
Receivable from AirtelTigo Ghana (i)	43	41
Other accounts receivable	4	1
<b>Total</b>	<b>73</b>	<b>73</b>

- (i) Disclosed under Other non-current assets in the statement of financial position. See note A.2.2.  
(ii) Helios Towers ceased to be to be a related party on October 15, 2019.

## H. IPO – Millicom’s operations in Tanzania

In June 2016, an amendment to the Electronic and Postal Communications Act (“EPOCA”) in the Finance Act 2016 required all Tanzanian licensed telecom operators to sell 25% of the authorised share capital in a public offering on the Dar Es Salaam Stock Exchange. In December 2019, the Group filed the draft prospectus with the Tanzania Capital Market and Securities Authority with the view to initiate the listing process in H1 2020.

## I. Subsequent events

### *Pivot in shareholder remuneration*

On February 24, 2020, Millicom's Board approved to the Annual General Meeting of the shareholders a share buyback program to repurchase at least \$500 million over the next three years. The current shareholder authorization, which expires on May 5, 2020, allows for the repurchase of up to 5% of the outstanding share capital. In addition, the Board approved to the Annual General Meeting of the shareholders a dividend distribution of \$1.00 per share to be paid in 2020. The Annual General Meeting to vote on these matters is scheduled for May 5, 2020.

On February 25, 2020, Millicom announced a three year \$500 million share repurchase plan and on February 28, 2020 it initiated the first phase of this program comprising the purchase of not more than 350,000 shares and not more than a maximum total amount of SEK 107 million (approximately \$11 million). The purpose of the repurchase program is to reduce Millicom's share capital, or to use the repurchased shares for meeting obligations arising under Millicom's employee share based incentive programs. The repurchase program may take place during the period between February 28, 2020 and May 5, 2020. Payment for the shares will be made in cash.

### **Paraguay bond**

On January 28, 2020, Millicom's wholly-owned subsidiary Telefónica Celular del Paraguay S.A.E ("Telecel"), closed a \$250 million re-tap to its senior unsecured notes due 2027, representing an additional issuance of Telecel's outstanding \$300 million 5.875% senior notes due 2027 issued on April 5, 2019. The new notes will be treated as a single class with the initial notes, and they were priced at 106.375 for an implied yield to maturity of 4.817%.

## “MILlicom International Cellular S.A.”

société anonyme

siège social: L-1249 Luxembourg, 2, rue du Fort Bourbon

R.C.S. Luxembourg B 40630

(la “Société”)

La Société a été constituée suivant acte reçu par Maître Joseph **KERSCHEN**, alors notaire de résidence à Luxembourg-Eich (Grand-Duché de Luxembourg), le 16 juin 1992, publié au Mémorial C, Recueil Spécial des Sociétés et Associations, numéro 395, en date du 11 septembre 1992, et les statuts (les “Statuts”) ont été modifiés à plusieurs reprises et dernièrement suivant actes reçus par:

- Maître Danielle **KOLBACH**, notaire alors de résidence à Redange-sur-Attert (Grand-Duché de Luxembourg), en date du 4 mai 2018, publié au Recueil Electronique des Sociétés et Associations, (“RESA”), le 22 mai 2018 sous le numéro RESA\_2018\_112; et
- Maître Danielle **KOLBACH**, notaire de résidence à Junglinster (Grand-Duché de Luxembourg), en date du 7 janvier 2019, publié au RESA, le 6 février 2019 sous le numéro RESA\_2019\_031.

### STATUTS COORDONNES

basés sur les résolutions prises par l'assemblée générale extraordinaire  
datée du 7 janvier 2019  
(actuellement en vigueur)

### UPDATED ARTICLES OF ASSOCIATION

based on the resolutions taken by the extraordinary general meeting  
dated January 7, 2019  
(currently in force)

#### CHAPTER I. FORM, NAME, REGISTERED OFFICE, OBJECT, DURATION

##### Article 1. Form, Name.

There is hereby established among the subscribers and all those who may become owners of the shares hereafter created the Company in the form of a public limited liability company (*société anonyme*) which will be governed by the laws of the Grand Duchy of Luxembourg (“**Luxembourg**”), notably the Luxembourg law of 10 August 1915 on commercial companies, as amended (the “**Law**”), article 1832 of the Luxembourg Civil Code, as amended, and the present articles of association (the “**Articles**”).

The Company will exist under the name of “**MILlicom International Cellular S.A.**”.

##### Article 2. Registered Office.

The Company will have its registered office in Luxembourg-City.

The registered office of the Company may be transferred to any other place within Luxembourg by a resolution of the board of directors of the Company (the “**Board**”, its members being the “**Director(s)**”).

In the event the Board determine that extraordinary political, economic or social developments have occurred or are imminent that would interfere with the normal activities of the Company at its registered office or with the ease of communications with such office or between such office and persons abroad, the registered office may be temporarily transferred abroad until the complete cessation of the abnormal circumstances. Such temporary measures will have no effect on the nationality of the Company, which, notwithstanding the temporary transfer of the registered office, will remain a Luxembourg company. Such temporary measures will be taken and notified to any interested parties by one of the bodies or persons entrusted with the daily management of the Company.



### **Article 3. Purposes.**

The Company's purpose is to engage in all transactions pertaining directly or indirectly to the acquisition and holding of participating interests, in any form whatsoever, in any Luxembourg or foreign business enterprise, including but not limited to, the administration, management, control and development of any such enterprise.

The Company may, in connection with the foregoing purposes, (i) acquire or sell by way of subscription, purchase, exchange or in any other manner any equity or debt securities or other financial instruments representing ownership rights, claims or assets issued by, or offered or sold to, any public or private issuer, (ii) issue any debt instruments exercise any rights attached to the foregoing securities or financial instruments, and (iii) grant any type of direct or indirect assistance, in any form, to or for the benefit of subsidiaries, affiliates or other companies in which it holds a participation directly or indirectly, including but not limited to loans, guarantees, credit facilities, technical assistance.

In a general fashion the Company may carry out any commercial, industrial or financial operation and engage in such other activities as the Company deems necessary, advisable, convenient, incidental to, or not inconsistent with, the accomplishment and development of the foregoing.

### **Article 4. Duration.**

The Company is formed for an unlimited duration.

## **CHAPTER II.- CAPITAL, SHARES.**

### **Article 5. Corporate Capital.**

The Company has an authorised capital of one hundred and ninety-nine million nine hundred and ninety-nine thousand, eight hundred United States Dollars (USD 199,999,800.-) divided into one hundred and thirty-three million, three hundred and thirty three thousand two hundred (133,333,200) shares with a par value of one dollar fifty cents (USD 1.50). The Company has an issued capital of one hundred and fifty-two million, six hundred and eight thousand, eight hundred and twenty-five dollars and fifty cents (United states Dollars) (USD 152,608,825.50) represented by one hundred and one million, seven hundred and thirty-nine thousand. two hundred and seventeen (101,739,217) shares with a par value of one dollar and fifty cents (USD 1.50) each, fully paid-in.

The authorized capital of the Company may be increased or reduced by a resolution of the shareholders of the Company (the “**Shareholder(s)**”) adopted in the manner required by the Law for amendment of these Articles.

The Board is authorized and empowered to:

- (i) realize any increase of the issued capital within the limits of the authorized capital in one or several successive tranches, by issuing of new shares, against payment in cash or in kind, by conversion of claims, integration of distributable reserves or premium reserves, or in any other manner;
- (ii) determine the place and date of the issue or the successive issues, the issue price, the terms and conditions of the subscription of and paying up on the new shares; and
- (iii) remove or limit the preferential subscription right of the Shareholders in case of issue of shares against payment in cash to a maximum of new shares representing 5% of the then outstanding shares (including shares held in treasury by the Company itself).

This authorization is valid for a period of 5 (five) years from 4 May 2018, and it may be renewed by an extraordinary general meeting of the Shareholders for those shares of the authorized corporate capital which up to then will not have been issued by the Board.

Following each increase of the corporate capital realized and duly stated in the form provided for by the Law, the first paragraph of this article 5 will be modified so as to reflect the actual increase; such modification will be recorded in authentic form by the Board or by any person duly authorized and empowered by it for this purpose.

### **Article 6. Shares.**

The shares will be in the form of registered shares.

The Company's shares may be held in electronic format in accordance with the requirements of the stock exchanges on which the Company's shares may be listed from time to time or may be represented by physical share certificates.

Every holder of shares shall be entitled, without payment, to receive one registered certificate for all such shares or to receive several certificates for one or more of such shares upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board may from time to time determine. A registered holder who has transferred part of the shares comprised in his registered holding shall be entitled to a certificate for the balance without charge.

Share certificates shall be signed by two Directors. But such signatures may be either manual, or printed, or by facsimile. The Company may issue temporary share certificates in such form as the Board may from time to time determine.

Shares of the Company shall be registered in the register of the Shareholders which shall be kept by the Company or by one or more persons designated therefor by the Company; such register shall contain the name of each holder, his residence or elected domicile and the number of shares held by him. Every transfer and devolution of a share shall be entered in the register of the Shareholders.

The shares shall be freely transferable.

Transfer of shares shall be effected by delivering the certificate or certificates representing the same to the Company along with an instrument of transfer satisfactory to the Company or by written declaration of transfer inscribed in the register of the Shareholders, dated and signed by the transferor, or by persons holding suitable powers of attorney to act therefor.

Every Shareholder must provide the Company with an address to which all notices and announcements from the Company may be sent. Such address will also be entered in the register of the Shareholders.

In the event that such Shareholder does not provide such an address, the Company may permit a notice to this effect to be entered in the register of the Shareholders and the Shareholder's address will be deemed to be at the registered office of the Company, or such other address as may be so entered by the Company from time to time, until another address shall be provided to the Company by such Shareholder. The Shareholder may, at any time, change his address as entered in the register of the Shareholders by means of a written notification to the Company at its registered office or at such other address as may be set by the Company from time to time and notice thereof given to the Shareholders.

The Company will recognise only one holder of a share of the Company. In the event of joint ownership, the Company may suspend the exercise of any right deriving from the relevant share until one person shall have been designated to represent the joint owners vis-a-vis the Company.

If any shareholder can prove to the satisfaction of the Company that his share certificate has been mislaid, lost, stolen or destroyed, then, at his request, a duplicate certificate may be issued under such conditions as the Company may determine subject to applicable provisions of the Law.

Mutilated share certificates may be exchanged for new ones on the request of any shareholder. The mutilated certificates shall be delivered to the Company and shall be annulled immediately.

The Company may repurchase its shares of common stock using a method approved by the Board of the Company in accordance with the Law and the rules of the stock exchange(s) on which the Company's common stock may be listed from time to time.

As required by the Luxembourg law on transparency obligations of 11 January 2008 (the “**Transparency Law**”), any person who acquires or disposes of shares in the Company's capital must notify the Company's Board of the proportion of shares held by the relevant person as a result of the acquisition or disposal, where that proportion reaches, exceeds or falls below the thresholds referred to in the Transparency Law. As per the Transparency Law, the above also applies to the mere entitlement to acquire or to dispose of, or to exercise, voting rights in any of the cases referred to in the Transparency Law. As per this article, the requirements of the Transparency Law also apply where the mentioned proportion reaches, exceeds or falls below a threshold of 5%. The penalties provided for in article 28 of the Transparency Law apply to any breach of the above mentioned obligation, including with respect to the 5% threshold.

### **CHAPTER III.- BOARD, STATUTORY AUDITORS.**

#### **Article 7. Board.**

The Company will be administered by a Board composed of at least 6 (six) members. Members of the Board need not be shareholders of the Company. The Directors, and the chairman of the Board (the “**Chairman**”), will be elected by the general meeting of shareholders (“**General Meeting**”), which will determine their number, for a period not exceeding 6 (six) years, and they will hold office until their successors are elected. Where a legal person is appointed as a director (the “**Legal Entity**”), the Legal Entity must designate a natural person as permanent representative (*représentant permanent*) who will represent the Legal Entity as a member of the Board in accordance with article 441-3 of the Law. In the event of a vacancy on the Board, the remaining Directors may meet and may elect by majority vote a director to fill such vacancy until the next General Meeting.

In proposing persons to be elected as Directors at the General Meeting, the Company shall comply with the nomination committee rules of the Swedish Code of Corporate Governance, so long as such compliance does not conflict with applicable mandatory law or regulation or the mandatory rules of any stock exchange on which the Company's shares are listed.

In the event that the Company does not comply with the nomination committee rules of the Swedish Code of Corporate Governance and a committee of the Board is established to propose persons to be elected as Directors at the General Meeting, any Shareholder holding at least 20% of the issued and outstanding shares of the Company, excluding treasury shares, shall have the right to designate:

1. one of the then-serving Directors to be a member of such committee, so long as such designation and the Director so designated meet the requirements of any applicable mandatory law or regulation or the mandatory rules of any stock exchange on which the Company's shares are listed, and
2. one person, who may or may not be a Director, to attend any meeting of such committee as an observer, without the right to vote at such meeting, so long as such attendance does not conflict with applicable mandatory law or regulation or the mandatory rules of any stock exchange on which the Company's shares are listed.

Any designation made pursuant to the provisions of the immediately preceding paragraph shall lapse upon such designating Shareholder holding less than 20% of the issued and outstanding shares of the Company, excluding treasury shares.

#### **Article 8. Meetings of the Board.**

The Board may choose a secretary, who need not be a director, and who shall be responsible for keeping minutes of the meetings of the Board and of the resolutions passed at the General Meeting.

The Board will meet upon call by the Chairman. A meeting of the board must be convened if any two Directors so require.

The Chairman shall preside at all meetings of the Board of the Company, except that in his absence the Board may elect by a simple majority of the Directors present another Director or a duly qualified third party as Chairman of the relevant meeting.

Except in cases of urgency or with the prior consent of all those entitled to attend, at least 3 (three) days' written notice of board meetings shall be given. Any such notice shall specify the time and place of the meeting and the nature of the business to be transacted. No such written notice is required if all the members of the Board are present or represented during the meeting and if they state to have been duly informed, and to have had full knowledge of the agenda of the meeting. The written notice may be waived by the consent in writings, whether in original, by telefax, or e-mail to which an electronic signature

(which is valid under the Law) is affixed, of each member of the Board. Separate written notice shall not be required for meetings that are held at times and places determined in a schedule previously adopted by resolution of the Board.

Every Board meeting shall be held in Luxembourg or at such other place as the Board may from time to time determine.

Any member of the Board may act at any meeting of the Board by appointing in writing, whether in original, by telefax, or e-mail to which an electronic signature (which is valid under the Law) is affixed, another Director as his or her proxy.

A quorum of the Board shall be the presence of 4 (four) of the Directors holding office. Decisions will be taken by the affirmative votes of a simple majority of the Directors present or represented.

Notwithstanding the foregoing, a resolution of the Board may also be passed in writing, in case of urgency or where other exceptional circumstances so require. Such resolution shall be unanimously approved by the Directors and shall consist of one or several documents containing the resolutions either (i) signed manually or electronically by means of an electronic signature which is valid under Luxembourg law or (ii) agreed upon via a consent in writing by e-mail to which an electronic signature (which is valid under Luxembourg law) is affixed. The date of such a resolution shall be the date of the last signature or, if applicable, the last consent.

Any Director may participate in a meeting of the Board by conference call, video conference or similar means of communication equipment whereby (i) the Directors attending the meeting can be identified, (ii) all persons participating in the meeting can hear and speak to each other, (iii) the transmission of the meeting is performed on an on-going basis and (iv) the directors can properly deliberate, and participating in a meeting by such means shall constitute presence in person at such meeting. A meeting of the Board held by such means of communication will be deemed to be held in Luxembourg.

#### **Article 9. Minutes of meetings of the Board.**

The minutes of any meeting of the Board will be signed by the Chairman of the meeting. Any proxies will remain attached thereto.

Copies or extracts of such minutes of board meetings or written resolutions passed by the Board which may be produced in judicial proceedings or otherwise will be executed by the Chairman, any Chairman of the relevant meeting of the Board or any two members of the Board.

#### **Article 10. Powers of the Board.**

The Board is vested with the broadest powers to perform all acts necessary or useful for accomplishing the corporate object of the Company. All powers not expressly reserved by the Law or by the present Articles to the General Meeting are in the competence of the Board.

#### **Article 11. Delegation of Powers.**

The Board may delegate the daily management of the Company and the representation of the Company within such daily management to one or more Directors, officers, executives, employees or other persons who may but need not be Shareholders, or delegate special powers or proxies, or entrust determined permanent or temporary functions to persons or agents chosen by it.

#### **Article 12. Directors' Remuneration.**

Each of the Directors will be entitled to fees for acting as such at such rate as may from time to time be determined by resolution of the General Meeting. Any Director to whom is delegated daily management or who otherwise hold executive office will also be entitled to receive such remuneration (whether by way of salary, participation in profits or otherwise and including pension salary and including pension contributions) as the Board may from time to time decide.

#### **Article 13. Conflict of Interests.**

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 (x) such contract or transaction shall be negotiated on an arms' length basis on terms no less favourable 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 (y) 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, he 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.

#### **Article 14. Indemnification**

The Company shall indemnify any director or officer and his/her heirs, executors and administrators for any damages, compensations and costs to be paid by him/her and any expenses reasonably incurred by him/her as a consequence of, or in connection with any action, suit or proceeding to which he/she may be a party by reason of him/her being or having been a director or officer of the Company, or, at the request of the Company, of any other company of which the Company is a shareholder or creditor, except in relation to matters as to which he/she shall be finally judged in such action, suit or proceeding to be liable for gross negligence or wilful misconduct; in the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Company is advised by its legal counsel that the person to be indemnified did not commit such breach of duty. The foregoing right of indemnification shall not exclude other rights to which he/she may be entitled.

The indemnification by the Company shall include the right of the Company to pay or reimburse a defendant's reasonable legal costs before any proceeding or investigation against the defendant shall have resulted in a final judgment, settlement or conclusion, provided the Company's Directors shall have determined in good faith that the defendant's actions did not constitute wilful and deliberate violations of the Law and shall have obtained the relevant legal advice to that effect.

#### **Article 15. Representation of the Company.**

The Company will be bound towards third parties by the joint signatures of any two Directors or by the individual signature of the person to whom the daily management of the Company has been delegated, within such daily management, or by the joint signatures or single signature of any persons to whom such signatory power has been delegated by the board, but only within the limits of such power.

#### **Article 16. Auditors.**

The supervision of the operations of the Company is entrusted to one or more auditors who need not be Shareholders.

The auditors will be elected by the General Meeting by a simple majority of the votes present or represented at such General Meeting, which will determine their number, for a period not exceeding (6) six years. They will hold office until their successors are elected. They are re-eligible, but they may be removed at any time, with or without cause, by a resolution adopted by a simple majority of the Shareholders present or represented at the General Meeting.

### **CHAPTER IV.- MEETINGS OF SHAREHOLDERS.**

#### **Article 17. Powers of the General Meeting.**

Any regularly constituted General Meeting of the Company represents the entire body of the Shareholders. It has the powers conferred upon it by the Law.

#### **Article 18.**

The Board will determine in the convening notice the formalities to be observed by each Shareholder for admission to a General Meeting.

#### **Article 19. Annual General Meeting.**

The annual General Meeting will be held in Luxembourg within six (6) months as of close of the relevant financial year, at the registered office of the Company or at such other place in Luxembourg as may be specified in the notice convening the annual General Meeting. The chairman of the annual General Meeting shall be elected by the Shareholders.

#### **Article 20. Other General Meetings.**

Such General Meetings must be convened by the Board of the Company if the Shareholders representing at least ten percent (10%) of the Company's issued share capital so require.

#### **Article 21. Procedure, Vote.**

The Shareholders will meet upon call by the Board or the auditor or the auditors made in the forms provided for by the Law. The notice will contain the agenda of the General Meeting.

If all the Shareholders are present or represented at the General Meeting and if they state that they have been informed of the agenda of the General Meeting, the General Meeting may be held without prior notice.

A Shareholder may act at any General Meeting by appointing another person who need not be a Shareholder as its proxy in writing whether in original, by telefax, or e-mail to which an electronic signature (which is valid under the Law) is affixed.

The Shareholders may vote in writing (by way of voting bulletins) on resolutions submitted to the General Meeting provided that the written voting bulletins include (i) the last name, first name, address and the signature of the relevant Shareholder, (ii) the indication of the shares for which the shareholder will exercise such right, (iii) the agenda as set forth in the convening notice and (iv) the voting instructions (approval, refusal, abstention) for each point of the agenda. In order to be taken into account, the original or electronic copy of the voting bulletins must be received by the Company within the time period set by the Company's Board, or, absent any time period set by the Board, at least 72 (seventy-two) hours before the relevant General Meeting.

The Board may authorise and arrange for the Shareholders to exercise, in accordance with article 6 of the law of 24 May 2011 on shareholders' rights in listed companies, their voting rights and participate in a General Meeting by electronic means, ensuring, notably, any some or all of the following forms of participation:

- a) a real-time transmission of the Shareholders' General Meeting;
- b) a real-time two-way communication enabling Shareholders to address the General Meeting from a remote location; and
- c) a mechanism for casting votes, whether before or during the General Meeting, without the need to appoint a proxy who is physically present at the General Meeting.

Any Shareholder who participates in a General Meeting through such means shall be deemed to be present at the place of the General Meeting for the purposes of the quorum and majority requirements. The use of electronic means allowing the Shareholders to take part in the General Meeting may be subject only to such requirements as are necessary to ensure the identification of the Shareholders and the security of the electronic communication, and only to the extent that they are proportionate to achieving that objective.

The Board may determine the electronic means referred to above in this Article 21 para. 5 and all other conditions that must be fulfilled in order to take part in the General Meeting in accordance with Luxembourg law.

The Shareholders shall be entitled at each General Meeting to one vote for every share.

No quorum is required for the General Meeting and resolutions are adopted at such General Meeting by a simple majority of the votes cast. Unless otherwise required under the Law, an extraordinary General Meeting convened to amend any provisions of the Articles or the withdrawal of the Company's shares from public listing in going-private transaction, shall not validly deliberate unless at least one half of the share capital is represented and the agenda indicates the proposed amendments to the Articles. If the first of these conditions is not satisfied, a second extraordinary General Meeting may be convened,

in the manner prescribed by the Articles or by the Law. The second extraordinary General Meeting shall validly deliberate regardless of the proportion of capital represented. At both extraordinary General Meetings, resolutions, in order to be adopted, must be adopted by a two-third majority of the votes cast. Copies or extract of the minutes of the General Meetings to be produced in court will be signed by the Chairman or by any two Directors.

## **CHAPTER V. FINANCIAL YEAR, DISTRIBUTION OF PROFITS**

**Article 22. Financial Year.**

The Company's financial year begins on the first day of January and ends on the last day of December in every year, except that the first financial year will begin on the date of formation of the Company and will end on the last day of December 1992.

The Board shall prepare annual accounts in accordance with the requirements of the Law and accounting practice.

**Article 23. Appropriation of Profits.**

From the annual net profits of the Company, five per cent (5%) shall be allocated to the reserve required by the Law. That allocation will cease to be required as soon and for as long as such reserve amounts to ten per cent (10%) of the aggregate par value of the issued capital of the Company.

Upon recommendation of the Board, the General Meeting determines how the remainder of the annual net profits will be disposed of. It may decide to allocate the whole or part of the remainder to a reserve or to a provision reserve, to carry it forward to the next following financial year or to distribute it to the Shareholders as dividend.

Subject to the conditions fixed by the Law, the Board may pay out an advance payment on dividends. The Board fixes the amount and the date of payment of any such advance payment.

Dividends may also be paid out of unappropriated net profits brought forward from prior years. Dividends shall be paid in United States Dollars or by free allotment of shares of the Company or otherwise in specie as the Directors may determine, and may be paid at such times as may be determined by the Board. Payment of dividends shall be made to holders of shares at their addresses in the register of Shareholders. No interest shall be due against the Company on dividends declared but unclaimed.

The Shareholders are entitled to share in the profits of the Company pro rata to the paid up par value of their shareholding.

## CHAPTER VI.- DISSOLUTION, LIQUIDATION.

**Article 24. Dissolution, Liquidation.**

The Company may be dissolved by a decision taken in a General Meeting resolving at the same conditions as to a quorum of presence and majority as those imposed by article 20 of the Articles.

Should the Company be dissolved, the liquidation will be carried out by one or more liquidators appointed by the General Meeting, which will determine their powers and their compensation.

The shares carry a right to a repayment (from the assets available for distribution to the Shareholders) of the nominal capital paid up in respect of such shares and the right to share in surplus assets on a winding up of the Company pro rata to the par value paid up on such shares.

## **CHAPTER VII.- APPLICABLE LAW**

**Article 25. Applicable Law.**

All matters not governed by these Articles shall be determined in accordance with the Law.

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**Follows the French version of the foregoing text, being understood that in case of discrepancies, the English text will prevail**

**Suit la version française du texte qui précède, étant entendu qu'en cas de divergences le texte anglais prévaudra**

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**CHAPITRE Ier.- FORME, DENOMINATION, SIEGE, OBJET, DUREE.**

**Article 1. Forme, Dénomination.**

Il est formé par les présentes entre les souscripteurs et tous ceux qui deviendront propriétaires des actions ci-après créées une société sous forme de société anonyme qui sera régie par les lois du Grand-Duché de Luxembourg (“**Luxembourg**”), notamment la loi du 10 août 1915 sur les sociétés commerciales, telle que modifiée (la “**Loi**”), l'article 1832 du Code civil, tel que modifié et les présents statuts (les “**Statuts**”).

La Société adopte la dénomination “**MILLICOM INTERNATIONAL CELLULAR S.A.**”.

**Article 2. Siège social.**

Le siège social de la Société est établi à Luxembourg-ville.

Il peut être transféré dans tout autre endroit du Luxembourg par une décision du conseil d'administration (le “**Conseil**”, ses membres étant les “**Administrateurs**” et individuellement l’“**Administrateur**”).

Au cas où le Conseil estimerait que des événements extraordinaires d'ordre politique, économique ou social de nature à compromettre l'activité normale au siège social ou la communication aisée avec ce siège ou entre ce siège et l'étranger se sont produits ou sont imminents, il pourra transférer temporairement

le siège social à l'étranger jusqu'à cessation complète de ces circonstances anormales. Ces mesures provisoires n'auront aucun effet sur la nationalité de la Société, laquelle, nonobstant ce transfert provisoire du siège, restera luxembourgeoise. Pareilles mesures temporaires seront prises et portées à la connaissance des tiers par l'un des organes exécutifs de la Société ayant qualité de l'engager pour les actes de gestion courante et journalière.

### **Article 3. Objet.**

L'objet pour lequel la Société est constituée est de s'engager dans toute opération relevant directement ou indirectement de l'acquisition de participations dans toute entreprise commerciale, y compris, mais sans que cette énumération soit limitative, l'administration, la gestion, le contrôle et le développement de toute entreprise, et de s'engager dans toutes autres opérations dans lesquelles une société de droit luxembourgeois peut s'engager.

La Société peut, en relation avec l'objet susmentionné, (i) acquérir ou vendre par la souscription, l'achat, l'échange ou tout autre procédé, des actions ou obligations ou tout autre instrument financier représentant des droits de propriété, créances ou actifs émis par, offerts ou vendus au public ou à un émetteur privé, (ii) émettre des instruments de dette et émettre des droits attachés aux actions et obligations mentionnées ci-dessus ou aux instruments financiers, et (iii) accorder tout type d'assistance directe ou indirecte, sous toute forme, à ou pour le bénéfice de succursales, filiales, ou tout autre type de société dans lesquelles elle détient directement ou indirectement une participation, y compris de manière non-exhaustive des prêts, garanties, facilités de crédit, assistance technique.

D'une manière générale, la Société peut effectuer toutes les opérations commerciales, industrielles ou financières et accomplir toute autre activité qu'elle jugera utiles à l'accomplissement et au développement de son objet social susmentionné.

### **Article 4. Durée.**

La Société est constituée pour une durée illimitée.

## **CHAPITRE II.- CAPITAL, ACTIONS.**

### **Article 5. Capital social.**

Le capital autorisé de la Société est fixé à cent quatre-vingt-dix-neuf millions neuf cent quatre-vingt-dix-neuf mille huit cent dollars des États Unis d'Amérique (USD 199.999.800) divisé en cent trente-trois millions trois cent trente-trois mille deux cents (133.333.200) actions d'une valeur nominale de un dollar des États Unis d'Amérique cinquante cents (USD 1,50). La Société a un capital social émis de cent cinquante-deux million six cent huit mille huit cent vingt-cinq dollars Américains et cinquante cents (USD 152.608.825,50) représentés par cent un million sept cent trente-neuf mille deux cent dix-sept (101.739.217) actions d'une valeur nominale d'un dollar Américain et cinquante cents (USD 1,50) chacune, entièrement libérées.

Le capital autorisé de la Société peut être augmenté ou réduit par décision des actionnaires de la Société (les “**Actionnaires**”) adoptée de la manière requise par la Loi pour la modification de ces Statuts.

Le Conseil est autorisé à et mandaté pour :

(i) procéder à toute augmentation du capital émis dans les limites du capital autorisé en une ou plusieurs tranches successives, par émission de nouvelles actions, ayant pour contrepartie le paiement en espèces ou en nature, par la conversion de dettes, l'intégration de réserves distribuables ou de réserves de prime d'émission, ou de toute autre manière;

(ii) fixer le lieu et la date d'émission ou des émissions successives, le prix d'émission, les conditions et modalités de souscription et de libération des actions nouvelles; et

(iii) supprimer ou limiter le droit préférentiel de souscription des Actionnaires en cas d'émission d'actions contre paiement en espèces, jusqu'à un nombre total maximum d'actions nouvelles représentant 5% des actions déjà émises (ce y compris les actions propres détenues par la Société).

Cette autorisation est valable pour une période de 5 (cinq) ans à compter du 4 mai 2018 et elle pourra être renouvelée par décision de l'assemblée générale extraordinaire des Actionnaires pour les actions du capital social autorisé qui n'auront pas jusqu'alors été émises par le Conseil.

À la suite de chaque augmentation de capital réalisée et dûment constatée dans la forme prévue par la Loi, le premier alinéa de cet article 5 sera modifié de manière à refléter l'augmentation; une telle modification sera constatée par acte notarié par le Conseil ou par toute personne dûment autorisée et mandatée par celui-ci à cette fin.

### **Article 6. Actions.**

Les actions sont sous forme nominative.

Les actions de la Société peuvent être détenues sous forme électronique en accord avec les règles des bourses de valeurs sur lesquelles les actions de la Société peuvent être cotées de temps à autre, ou peuvent être représentées par des certificats physiques.

Chaque Actionnaire aura le droit de recevoir gratuitement un certificat nominatif représentant ses actions ou de recevoir plusieurs certificats représentant une ou plusieurs de ses actions après paiement, pour chaque certificat émis après l'établissement du premier certificat, des frais raisonnables que le Conseil arrête de temps à autres. Un actionnaire nominatif qui transfère une partie des actions comprises dans sa participation nominative aura droit sans frais à un certificat représentant le solde de ses actions.

Les certificats d'actions seront signés par deux Administrateurs. Les signatures peuvent être soit manuelles, soit imprimées, soit par facsimile. La Société peut émettre des certificats d'actions temporaires dans la forme que le Conseil détermine de temps à autre.

Les actions de la Société seront enregistrées dans le registre des Actionnaires qui sera tenu par la Société ou par une ou plusieurs personnes désignées à cet effet par la Société ; ce registre renseigne le nom de chaque actionnaire, son adresse ou domicile élu et le nombre d'actions détenues par lui. Toute cession ou dévolution d'une action sera inscrite dans le registre des Actionnaires.

Les actions seront librement cessibles.

La cession d'actions sera effectuée par la délivrance à la Société du ou des certificats représentant celles-ci à l'appui du document de cession dans une forme satisfaisant la Société ou par une déclaration de cession écrite inscrite au registre des Actionnaires, datée et signée par le cessionnaire, ou par les personnes détenant les pouvoirs de représentation appropriés à cet effet.

Tout Actionnaire est tenu de fournir à la Société une adresse à laquelle toute notification et tout avis de la Société pourront être envoyés. Cette adresse sera inscrite dans le registre des Actionnaires.

Au cas où un Actionnaire ne fournirait pas une telle adresse, la Société pourra autoriser l'inscription d'une mention à cet effet dans le registre des Actionnaires et l'adresse de l'Actionnaire sera censée être au siège social de la Société, ou à toute autre adresse que la Société mentionnera de temps à autre dans le registre des Actionnaires, jusqu'à ce qu'une autre adresse soit fournie à la Société par cet Actionnaire. L'Actionnaire pourra, à tout moment, changer son adresse inscrite au registre des Actionnaires au moyen d'une communication écrite envoyée à la Société à son siège social ou à toute autre adresse indiquée de temps à autre par la Société par avis donné aux Actionnaires.

La Société ne reconnaîtra qu'un propriétaire par action émise par la Société. Dans le cas d'une copropriété, la Société pourra suspendre l'exercice de tout droit lié à l'action concernée jusqu'à ce qu'une personne soit désignée pour représenter les copropriétaires envers la Société.

Si un Actionnaire peut établir à suffisance de droit envers la Société que son certificat d'action a été détourné, perdu, volé ou détruit, un duplicata pourra lui être délivré à sa demande aux conditions déterminées par la Société sous réserve des dispositions applicables de la Loi.

Les certificats d'actions endommagés pourront être échangés contre des certificats nouveaux à la demande de tout Actionnaire. Les certificats endommagés seront remis à la Société et annulés immédiatement.

La Société peut racheter ses propres actions selon une méthode approuvée par le Conseil en accord avec la Loi et les règles des bourses de valeurs auxquelles les actions de la Société peuvent être cotées de temps à autre.

Comme requis par la loi luxembourgeoise relative aux obligations de transparence du 11 janvier 2008 (la **“Loi Transparence”**), toute personne qui acquiert ou dispose des actions dans le capital de la Société est tenue de notifier au Conseil le pourcentage d'actions détenues par la personne concernée suite à l'acquisition ou la cession, lorsque ce pourcentage atteint, passe au-dessus ou en dessous des seuils mentionnées par la Loi Transparence. Selon la Loi Transparence, ce qui précède s'applique aussi au seul droit d'acquérir ou de céder ou d'exercer des droits de vote dans chacun des cas auxquels la Loi Transparence fait référence. Selon cet Article, les conditions de la Loi Transparence s'appliquent aussi quand le pourcentage mentionné atteint, passe au-dessus ou en dessous de 5%. Les sanctions édictées par l'article 28 de la Loi Transparence s'appliquent à toute violation de l'obligation susmentionnée, y inclus par rapport au seuil de 5%.

### **CHAPITRE III.- CONSEIL, COMMISSAIRE AUX COMPTES.**

#### **Article 7. Conseil.**

La Société est administrée par un Conseil composé de 6 (six) membres au moins. Les membres du Conseil n'ont pas besoin d'être actionnaires de la Société. Les Administrateurs et le président du Conseil (le **“Président”**) seront élus par l'assemblée générale des actionnaires (l'**“Assemblée Générale”**), qui déterminera leur nombre, pour une période n'excédant pas 6 (six) années, et ils resteront en fonction jusqu'à ce que leurs successeurs soient élus. Quand une personne morale sera nommée administrateur (la **“Personne Morale”**), la Personne Morale devra désigner une personne physique (représentant permanent) qui devra représenter la Personne Morale comme membre du Conseil conformément à l'article 441-3 de la Loi. En cas de vacance d'une ou de plusieurs places d'Administrateurs, les Administrateurs restants ont le droit d'élire par un vote majoritaire un autre Administrateur jusqu'à la prochaine Assemblée Générale.

Lorsqu'elle proposera la nomination de personnes en tant qu'Administrateurs à l'Assemblée Générale, la Société devra se conformer aux règles et procédures du comité de nomination du Code de Gouvernance d'Entreprise suédois, pour autant que l'observation desdites règles ne soit pas en contradiction avec la loi ou la réglementation impérative applicable, ni avec les règles impératives de tout marché boursier sur laquelle les actions de la société sont cotées.

Dans le cas où la Société ne se conformerait pas aux règles du comité de nomination du Code de Gouvernance d'Entreprise suédois et lorsqu'un comité du Conseil est créé pour proposer la nomination de personnes en tant qu'Administrateurs à l'Assemblée Générale, tout Actionnaire détenant au moins 20% des actions émises et en circulation de la Société, à l'exclusion des actions propres, a le droit de nommer :

1. un des Administrateurs en fonction, pour devenir membre de ce comité, à condition que cette nomination et l'Administrateur ainsi désigné, respectent les exigences de toute loi ou réglementation impérative applicable ainsi que les règles impératives de tout marché boursier sur laquelle les actions de la société sont cotées, et
2. une personne, qui peut être ou non un Administrateur, qui assistera aux réunions de ce comité en tant qu'observateur, sans disposer du droit de vote lors de ces réunions, pour autant que cette participation n'entre pas en conflit avec la loi ou la réglementation impérative applicable ou avec les règles impératives de tout marché boursier sur laquelle les actions de la Société sont cotées.

Toute nomination faite en application du paragraphe précédent deviendra caduque à partir du moment où l'actionnaire qui a procédé à la nomination détient moins de 20% des actions émises et en circulation de la Société, à l'exclusion des actions propres.

#### **Article 8. Réunions du Conseil.**

Le Conseil peut choisir un secrétaire, qui ne doit pas être Administrateur et qui sera responsable de la rédaction des procès-verbaux des réunions du Conseil et des résolutions prises lors des Assemblées Générales.

Le Conseil se réunira sur convocation du Président. Une réunion du Conseil doit être convoquée si deux Administrateurs le demandent.

Le président présidera toutes les réunions du Conseil, mais en son absence le Conseil désignera à la majorité simple des Administrateurs présents un autre Administrateur ou un tiers dûment qualifié pour présider la réunion.

Avis écrit de toute réunion du Conseil sera donné à tous les Administrateurs au moins 3 (trois) jours avant la date prévue pour la réunion, sauf s'il y a urgence ou avec l'accord de tous ceux qui ont droit d'assister à cette réunion. La convocation indiquera le lieu de la réunion et en contiendra l'ordre du jour. Une telle convocation n'est pas requise si tous les membres du Conseil sont présents ou représentés à l'occasion de la réunion et s'ils précisent qu'ils ont été dûment informés, et avoir eu pleine connaissance de l'ordre du jour de la réunion. La nécessité d'une convocation peut être supprimée si les membres y consentent par écrit, que ce soit par un original, un fax, ou un e-mail sur lequel une signature électronique (valide selon le droit luxembourgeois) est apposée, de chaque membre du Conseil. Une convocation écrite séparée ne sera pas requise pour les réunions qui sont tenues à des moments et des lieux déterminés dans une annexe adoptée antérieurement par une résolution du Conseil.

Toute réunion du Conseil se tiendra à Luxembourg ou à tout autre endroit que le Conseil peut de temps à autres arrêter.

Tout membre du Conseil peut agir à n'importe quelle réunion du Conseil en nommant par écrit, que ce soit par un original, un fax, ou un courriel sur lequel une signature électronique (valide selon le droit luxembourgeois) est apposée, un autre Administrateur comme son mandataire.

Le Conseil ne pourra délibérer et agir valablement que si 4 (quatre) Administrateurs sont présents. Les décisions sont prises à la majorité simple des voix des Administrateurs présents ou représentés.

Nonobstant ce qui précède, une résolution du Conseil pourra aussi être adoptée en cas d'urgence ou si d'autres circonstances exceptionnelles le justifient. Une telle résolution devra être approuvée unanimement par les Administrateurs et consistera en un ou plusieurs documents contenant les résolutions soit (i) signées manuellement ou électroniquement par le biais d'une signature électronique valable en droit luxembourgeois ou (ii) convenues par un consentement écrit par email auquel une signature électronique (valable en droit luxembourgeois) est apposée. La date de cette résolution sera la date de la dernière signature ou, selon le cas, du dernier accord.

Chaque Administrateur pourra participer à une réunion du Conseil par conférence téléphonique, visio-conférence ou tout autre moyen de communication similaire par lequel (i) les Administrateurs présents à la réunion peuvent être identifiés, (ii) toutes les personnes participant à la réunion peuvent entendre et parler à chacun d'entre eux, (iii) la transmission de la réunion est réalisée de manière ininterrompue et (iv) les Administrateurs peuvent débattre comme il se doit, et participent à une réunion par tout moyen qui équivaut à une présence physique à la réunion. Une réunion du Conseil tenue par de tels moyens de communication sera réputée avoir été tenue à Luxembourg.

#### **Article 9. Procès-verbaux des réunions du Conseil.**

Les procès-verbaux de toute réunion du Conseil seront signés par le Président. Les procurations resteront annexées aux procès-verbaux.

Les copies ou extraits de ces procès-verbaux ainsi que des résolutions circulaires adoptées par le Conseil, destinés à servir en justice ou ailleurs, seront signés par le Président, tout Président de la réunion du Conseil concernée ou par deux membres du Conseil.

#### **Article 10. Pouvoirs du Conseil.**

Le Conseil a les pouvoirs les plus larges pour accomplir tous les actes nécessaires ou utiles à la réalisation de l'objet social de la Société. Tous les pouvoirs qui ne sont pas réservés expressément à l'Assemblée Générale par la Loi ou les présents statuts sont de la compétence du Conseil.

#### **Article 11. Délégation de pouvoirs.**

Le Conseil peut déléguer la gestion journalière de la Société ainsi que la représentation de la Société en ce qui concerne cette gestion à un ou plusieurs Administrateurs, directeurs, fondés de pouvoirs, employés ou autres agents qui n'auront pas besoin d'être Actionnaires, ou conférer des pouvoirs ou mandats spéciaux ou des fonctions permanentes ou temporaires à des personnes ou agents de son choix.

#### **Article 12. Rémunération des Administrateurs.**

Chaque Administrateur aura droit à une rémunération pour l'exercice de ses fonctions d'Administrateur au taux qui sera déterminé de temps à autre par l'Assemblée Générale. Un Administrateur à qui est déléguée la gestion journalière ou qui exerce par ailleurs des fonctions exécutives aura également droit à une rémunération (que ce soit sous la forme d'un salaire, d'une participation aux profits ou autrement y compris une pension de retraite, et une contribution à une pension de retraite) telle que le Conseil pourra arrêter de temps à autre.

#### **Article 13. Conflits d'Intérêts.**

Aucun contrat ni aucune transaction que la Société pourra conclure avec un tiers ne pourra être affecté ou invalide par le fait qu'un Administrateur, directeur ou employé de la Société ait un intérêt personnel ou soit un Administrateur, directeur ou employé de ce tiers, tant que (x) ce contrat ou transaction sera négocié de plein gré à des termes non moins favorables pour la Société que ceux qui auraient pu être obtenus d'une partie tierce, et dans le cas d'un administrateur, celui-ci devra s'abstenir de voter sur tout sujet qui concerne ce contrat ou cette transaction à toute réunion du Conseil de la Société, et (y) tout intérêt personnel sera notifié à la Société par l'Administrateur, le directeur ou l'employé concerné.

Au cas où un Administrateur ou fondé de pouvoirs aurait un intérêt personnel dans une transaction de la Société, il en avisera le Conseil et il ne pourra prendre part aux délibérations ou émettre un vote au sujet de cette opération, et cette transaction ainsi que l'intérêt personnel de l'Administrateur ou du fondé de pouvoir seront portés à la connaissance de la prochaine Assemblée Générale.

#### **Article 14. Indemnisation.**

La Société indemniserà tout Administrateur ou fondé de pouvoirs et leurs héritiers, exécuteurs testamentaires et administrateurs de biens pour tous dommages-intérêts, compensations et dépenses à leur charge ainsi que tous frais raisonnables qu'ils auraient encouru par suite ou en conséquence de leur comparution en tant que défendeurs dans des actions en justice, des procès ou des poursuites judiciaires que leur auront été intentés de par leur fonctions



actuelles ou anciennes d'administrateur ou de fondé de pouvoirs de la Société, ou à la demande de la Société, de toute autre société dans laquelle la Société est actionnaire ou créancier exception faite pour les cas où ils auraient été déclarés coupables de négligence grave ou pour avoir volontairement manqué à leurs devoirs envers la Société; en cas d'arrangement transactionnel, l'indemnisation ne portera que sur les matières couvertes par l'arrangement transactionnel et dans ce cas seulement si la Société est informée par son conseiller juridique que la personne à indemniser n'aura pas manqué à ses devoirs envers la Société. Le droit à indemnisation qui précède n'exclut pas pour les personnes susnommées le recours à d'autres droits auxquels elles pourraient prétendre.

L'indemnisation par la Société inclura le droit pour la Société de payer ou rembourser les frais légaux raisonnables d'un défendeur avant que toute procédure ou investigation contre le défendeur ait résulté en un jugement final, une transaction ou conclusion, à condition que les Administrateurs de la Société aient décidé de bonne foi que les actions du défendeur ne constituaient pas des violations intentionnelles et délibérées de la loi et qu'ils ont repo un avis juridique pertinent à ce sujet.

#### **Article 15. Représentation de la Société.**

Vis-à-vis des tiers, la Société sera engagée par les signatures conjointes de deux Administrateurs, ou par la signature individuelle de la personne à laquelle la gestion journalière de la Société a été déléguée, dans le cadre de cette gestion journalière, ou par la signature conjointe ou par la signature individuelle de toutes personnes à qui un tel pouvoir de signature aura été délégué par le Conseil, mais seulement dans les limites de ce pouvoir.

#### **Article 16. Commissaire aux comptes.**

Les opérations de la Société seront surveillées par un ou plusieurs commissaires aux comptes, Actionnaires ou non.

Le ou les commissaires aux comptes seront nommés par l'Assemblée Générale à la majorité simple des actions présentes ou représentées, qui déterminera leur nombre, pour une durée qui ne peut dépasser 6 (six) ans. Ils resteront en fonction jusqu'à ce que leurs successeurs soient élus. Ils sont rééligibles mais ils peuvent être révoqués à tout moment, avec ou sans motif, par une décision adoptée à une majorité simple des Actionnaires présents ou représentés.

### **CHAPITRE IV.- ASSEMBLEE GENERALE DES ACTIONNAIRES.**

#### **Article 17. Pouvoirs de l'Assemblée Générale.**

Toute Assemblée Générale régulièrement constituée représente l'ensemble des Actionnaires. Elle a tous les pouvoirs qui lui sont réservés par la Loi.

#### **Article 18.**

Le Conseil déterminera dans l'avis de convocation les formalités devant être observées par chaque Actionnaire pour être admis à l'Assemblée Générale.

#### **Article 19. Assemblée Générale annuelle.**

L'Assemblée Générale annuelle se réunit au Grand-Duché de Luxembourg endéans six (6) mois à compter de la clôture de l'exercice social approprié, au siège social de la Société ou à tel autre endroit au Luxembourg indiqué dans l'avis convoquant l'Assemblée Générale annuelle. Le Président de l'Assemblée Générale annuelle sera élu par les Actionnaires.

#### **Article 20. Autres Assemblées Générales.**

De telles Assemblées Générales doivent être convoquées par le Conseil si les Actionnaires représentant au moins 10% du capital social de la Société le demandent.

#### **Article 21. Procédure, vote.**

Les Actionnaires seront convoqués par le Conseil ou par le ou le(s) commissaire(s) aux comptes conformément aux conditions fixées par la Loi. La convocation contiendra l'ordre du jour de l'Assemblée Générale.

Si tous les Actionnaires sont présents ou représentés à l'Assemblée Générale et déclarent avoir eu connaissance de l'ordre du jour de l'Assemblée Générale, celle-ci peut se tenir sans convocations préalables.

Un Actionnaire peut agir à une Assemblée Générale en nommant une autre personne qui ne doit pas nécessairement être Actionnaire comme son mandataire, par écrit, que ce soit par un original, un fax, ou un courriel auquel une signature électronique (valide selon le droit luxembourgeois) est apposée.

Les Actionnaires ont la possibilité de voter par écrit (par le biais de bulletins de vote) sur les résolutions soumises à l'Assemblée Générale à la condition que les bulletins de vote écrits incluent (i) le nom, le prénom, l'adresse et la signature de l'Actionnaire concerné, (ii) l'indication des actions pour lesquelles l'Actionnaire exercera ce droit, (iii) l'agenda tel qu'indiqué dans la convocation écrite et (iv) les instructions de vote (approbation, refus, abstention) pour chaque point de l'agenda. Afin d'être pris en compte, les originaux ou copies électroniques des bulletins de vote doivent être reçus par la Société dans un délai décidé par le Conseil ou, en l'absence d'un délai prévu par le Conseil, au moins 72 (soixante-douze) heures avant l'Assemblée Générale en question.

Le Conseil pourra autoriser les Actionnaires à exercer, conformément à l'article 6 de la loi du 24 mai 2011 sur les droits des actionnaires dans les sociétés cotées, leurs droits de vote et participer à une Assemblée Générale par le biais de moyens électroniques, en s'assurant notamment que tout ou partie des formes suivantes de participations soient respectées:

- a) Une transmission en temps réel de l'Assemblée Générale;
- b) Une communication réciproque permettant aux Actionnaires de s'adresser à l'Assemblée Générale à distance; et
- c) Un mécanisme de vote, soit avant ou pendant l'Assemblée Générale, ne nécessitant pas la nomination d'un mandataire physiquement présent à l'Assemblée Générale.

Tout Actionnaire participant à une Assemblée Générale par ces moyens sera considéré présent au lieu de l'Assemblée Générale pour les besoins de quorum et de majorité. L'utilisation de moyens électroniques permettant aux Actionnaires de participer à l'Assemblée Générale pourront être soumis

seulement à ces exigences car elles sont nécessaires pour assurer l'identification des Actionnaires et la sécurité de la communication électronique, et seulement dans la mesure où ils sont proportionnels pour atteindre cet objectif.

Le Conseil pourra déterminer les moyens électroniques référencés ci-dessus à l'article 21 paragraphe 5 et toutes les autres conditions qui devront être remplies afin de participer à l'Assemblée Générale conformément au droit luxembourgeois.

Les Actionnaires auront à chaque Assemblée Générale droit à un vote pour chaque action.

Aucun quorum n'est exigé pour une réunion de l'Assemblée Générale et les résolutions sont adoptées à une telle Assemblée Générale à la majorité simple des voix. Sauf disposition contraire de la Loi, une Assemblée Générale extraordinaire convoquée pour modifier toute disposition des Statuts ou pour le retrait des actions de la Société de la cotation dans une transaction de retrait de marché ne délibèrera pas valablement à moins qu'au moins la moitié du capital social ne soit représenté et que l'ordre du jour indique les modifications des Statuts proposées. Si la première de ces conditions n'est pas remplie, une deuxième Assemblée Générale extraordinaire peut être convoquée, de la manière prescrite par les Statuts ou la Loi. La deuxième Assemblée Générale extraordinaire délibèrera valablement indépendamment de la proportion du capital représentée. A l'occasion de ces deux Assemblées Générales extraordinaires, les résolutions, afin d'être valables, doivent être adoptées à la majorité des deux-tiers des votes exprimés. Les copies ou extraits des minutes des Assemblées Générales à produire devant la Cour seront signées par le président ou par deux Administrateurs.

## **CHAPITRE V.- ANNEE SOCIALE, REPARTITION DES BENEFICES**

### **Article 22. Année sociale.**

L'année sociale de la Société commence le premier janvier et finit le dernier jour de décembre de chaque année sauf la première année sociale qui commence à la date de constitution de la Société et finit le dernier jour de décembre 1992.

Le Conseil prépare les comptes annuels suivant les dispositions de la Loi et les pratiques comptables.

### **Article 23. Affectation des bénéfices.**

Sur les bénéfices nets de la Société, il sera prélevé cinq pour cent (5%) pour la formation d'un fonds de réserve légale requis par la Loi. Ce prélèvement cesse d'être obligatoire lorsque et aussi longtemps que la réserve légale atteindra dix pour cent (10%) de la totalité de la valeur nominale du capital social émis de la Société.

Sur recommandation du Conseil, l'Assemblée Générale décidera de l'affectation du solde des bénéfices annuels nets. Elle peut décider de verser la totalité ou une partie du solde à un compte de réserve ou de provision, de le reporter à nouveau au prochain exercice social ou de le distribuer aux Actionnaires comme dividendes.

Le Conseil peut procéder à un versement d'acomptes sur dividendes dans les conditions fixées par la Loi. Il déterminera le montant ainsi que la date de paiement de ces acomptes.

Des dividendes peuvent être distribués à partir des profits nets non distribués reportés en avant des années précédentes. Les dividendes seront payés en dollars des États-Unis d'Amérique ou par distribution gratuite d'actions de la Société ou autrement en nature tel que déterminé par les Administrateurs, et peuvent être payés aux dates arrêtées par le Conseil. Le paiement de dividendes sera fait aux Actionnaires à leur adresse indiquée dans le registre des Actionnaires. Aucun intérêt ne sera dû par la société sur des dividendes déclarés mais non réclamés.

Les Actionnaires ont le droit de participer au profit de la société proportionnellement au montant libéré de valeur nominale de leurs actions.

## **CHAPITRE VI.- DISSOLUTION, LIQUIDATION.**

### **Article 24. Dissolution, liquidation.**

La Société peut être dissoute par décision prise lors d'une Assemblée Générale statuant aux mêmes conditions de présence et de majorité que celles requises par l'article 20 des Statuts.

Lors de la dissolution de la Société, la liquidation s'effectuera par les soins d'un ou de plusieurs liquidateurs nommés par l'Assemblée Générale qui déterminera leurs pouvoirs et leurs émoluments.

Les actions comportent un droit au remboursement (à partir des avoirs disponibles pour la distribution aux Actionnaires) du montant du capital nominal libéré de ces actions et le droit de partager les avoirs supplémentaires dans le cadre d'une liquidation de la Société proportionnellement au montant libéré de la valeur nominale de ces actions.

## **CHAPITRE VII.- LOI APPLICABLE.**

### **Article 25. Loi applicable.**

Toutes les matières qui ne sont pas régies par les présents Statuts seront réglées conformément à la Loi.

Junglinster, April 3, 2019  
On behalf of the Company:  
M<sup>e</sup> Danielle **KOLBACH**  
(notary)

Junglinster, le 3 avril 2019  
Pour le compte de la Société:  
Maître Danielle **KOLBACH**  
(notaire)

## DESCRIPTION OF COMMON SHARES

*The following is a description of the common shares of Millicom International Cellular S.A. (the “Company,” “we,” “us,” “our” and “MIC S.A.”). Such description does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of our articles of association.*

### Registration and Object

Millicom International Cellular S.A. is a public limited 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 articles of association of MIC S.A. define its purpose inter alia as follows: “... to engage in all transactions pertaining directly or indirectly to the acquisition and holding of participating interests, in any form whatsoever, in any Luxembourg or foreign business enterprise, including but not limited to, the administration, management, control and development of any such enterprise”. At the extraordinary general meeting of shareholders held on January 7, 2019, the shareholders adopted the Amended and Restated Articles of Association.

### Common Shares

As of December 31, 2019, the Company’s authorized and registered share capital comprised 133,333,200 common shares.

### Directors

#### *Restrictions on Voting*

If a director has a personal material interest in a proposal, arrangement or contract to be decided by MIC S.A., the amended and restated articles of association provide that the validity of the decision of MIC S.A. is not affected by a conflict of interest existing with respect to a director. However, any such personal interest must be disclosed to the Board of Directors ahead of the vote and the relevant director shall abstain from considering and voting on the relevant issue. Such conflict of interest must be reported to the next general meeting of shareholders.

#### *Compensation and Nomination*

The decision on annual remuneration of directors (“*tantièmes*”) is reserved by the amended and restated 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 own, including the shares allotted under any share based compensation scheme.

The Nominations Committee makes recommendations for the election of directors to the annual general meeting of shareholders (the “AGM”). At the AGM, shareholders may vote for or against the directors proposed or may abstain. The Nominations Committee reviews and recommends the directors’ fees which are approved by the shareholders at the AGM.

In proposing persons to be elected as directors at the AGM, the Company must comply with the nomination committee rules of the Swedish Code of Corporate Governance, so long as such compliance does not conflict with applicable mandatory law or regulation or the mandatory rules of any stock exchange on which the Company’s shares are listed. In the event that the Company does not comply with the nomination committee rules of the Swedish Code of Corporate Governance and a committee of the Board is established to propose persons to be elected as directors at the AGM, any Shareholder holding at least 20% of the issued and outstanding shares of the Company, excluding treasury shares, has the right to designate: (1) one of the then-serving directors to be a member of such committee, so long as such designation and the director so designated meet the requirements of any applicable mandatory law or regulation or the mandatory rules of any stock exchange on which the Company’s shares are listed, and (2) one person, who may or may not be a director, to attend any meeting of such committee as an observer, without the right to vote at such meeting, so long as such attendance does not conflict with applicable mandatory law or regulation or the mandatory rules of any stock exchange on which the Company’s shares are listed. Any designation made pursuant to this provision lapses upon such designating Shareholder holding less than 20% of the issued and outstanding shares of the Company, excluding treasury shares.

### *Borrowing Powers*

The directors generally have unrestricted borrowing powers on behalf of and for the benefit of MIC S.A.

### *Age Limit*

There is no age limit for being a director of MIC S.A. Directors could be elected for a maximum period of six years, but the Company has followed the practice of electing them annually at the AGM.

### *Share Ownership Requirements*

Directors need not be shareholders in MIC S.A.

## **Shares**

### *Rights Attached to the Shares*

MIC S.A. has only one class of shares, common shares, and each share entitles its holder to:

- one vote at the general meeting of shareholders,
- receive dividends when such distributions are decided, and
- share in any surplus left after the payment of all the creditors in the event of liquidation. There is a preferential subscription right pursuant to Luxembourg corporate law under any share or rights issue for cash, unless the Board of Directors, within the limits specified in the amended and restated articles of association, or an extraordinary general meeting of shareholders, as the case may be, restricts the exercise thereof.

#### *Redemption of Shares*

The amended and restated articles of association provide for the possibility and set out the terms for the repurchase by MIC S.A. of its own shares, which repurchase must be approved in accordance with applicable law and the rules of any exchange on which MIC S.A.'s shares are listed.

#### *Sinking Funds*

MIC S.A. shares are not subject to any sinking fund.

#### *Liability for Further Capital Calls*

All of the issued shares in MIC S.A.'s capital are fully paid up. Accordingly, none of MIC S.A.'s shareholders are liable for further capital calls.

#### *Principal Shareholder Restrictions*

There are no provisions in the amended and restated articles of association that discriminate against any existing or prospective holder of MIC S.A.'s shares as a result of such shareholder owning a substantial number of shares.

#### **Changes to Shareholder's Rights**

In order to change the rights attached to the shares of MIC S.A., an extraordinary general meeting of shareholders must be duly convened and held before a Luxembourg notary, as under Luxembourg law such change requires an amendment of the articles of association. A quorum of presence of at least 50% of the shares present or represented is required at a meeting held after the first convening notice, whereas there is no quorum of presence requirement at a meeting held after the second convening notice. Any decision must be taken by a majority of two thirds of the shares present or represented at the general meeting. Any change to the obligations attached to shares may be adopted only with the unanimous consent of all shareholders.

## **Shareholders' Meetings**

General meetings of shareholders are convened by convening notice published in the Luxembourg Official Gazette (Journal des Publications, Recueil Electronique des Sociétés et Associations), in a Luxembourg newspaper, in short version in the Swedish newspaper SvD, as a press release and on the Millicom website. According to article 18 of the amended and restated articles of association of MIC S.A., the Board of Directors determines in the convening notice the formalities to be observed by each shareholder for admission to the AGM. An AGM must be convened every year within six months of the end of the financial year, at the registered office of the Company or any other place in Luxembourg as may be specified in the convening notice. Other meetings can be convened as necessary.

## **Limitation on Securities Ownership**

There are no limitations imposed under Luxembourg law or the amended and restated articles of association on the rights of non-resident or foreign entities to own shares of the Company or to hold or exercise voting rights on shares of the Company.

## **Change of Control**

There are no provisions in the amended and restated articles of association of the Company that would have the effect of delaying, deferring or preventing a change in control of MIC S.A. and that would operate only with respect to a merger, acquisition or corporate restructuring involving the Company, or any of its subsidiaries.

Luxembourg laws impose the mandatory disclosure of an important participation in Millicom and any change in such participation.

## **Disclosure of Shareholder Ownership**

As required by the Luxembourg law on transparency obligations of January 11, 2008, as amended (the “Transparency Law”), a shareholder who acquires or disposes of shares, including depositary receipts representing shares in the Company’s capital must notify the Company’s Board of Directors of the proportion of shares held by the relevant person as a result of the acquisition or disposal, where that proportion reaches, exceeds or falls below the thresholds referred to in the Transparency Law. As per the Transparency Law, the above also applies to the mere entitlement to acquire or to dispose of, or to exercise, voting rights in any of the cases referred to in the Transparency Law.

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MILLICOM INTERNATIONAL CELLULAR S.A.  
as the Issuer

\$750,000,000 6.25% SENIOR NOTES DUE 2029

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INDENTURE

Dated as of March 25, 2019

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CITIBANK, N.A., LONDON BRANCH  
as Trustee, Transfer Agent and Paying Agent

CITIGROUP GLOBAL MARKETS EUROPE AG  
as Registrar

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## TABLE OF CONTENTS

	<b>Page</b>
ARTICLE 1 DEFINITIONS AND INCORPORATION BY REFERENCE	1
Section 1.01	1
Section 1.02	29
Section 1.03	29
Section 1.04	29
ARTICLE 2 THE NOTES	30
Section 2.01	30
Section 2.02	31
Section 2.03	32
Section 2.04	32
Section 2.05	32
Section 2.06	33
Section 2.07	41
Section 2.08	41
Section 2.09	42
Section 2.10	42
Section 2.11	42
Section 2.12	42
Section 2.13	43
Section 2.14	43
Section 2.15	43
Section 2.16	43
ARTICLE 3 REDEMPTION AND PREPAYMENT	44
Section 3.01	44
Section 3.02	44
Section 3.03	45
Section 3.04	46
Section 3.05	46
Section 3.06	46
Section 3.07	46
Section 3.08	47
Section 3.09	49
Section 3.10	50
Section 3.11	50
Section 3.12	50
Section 3.13	52
ARTICLE 4 COVENANTS	52
Section 4.01	52
Section 4.02	53
Section 4.03	54
Section 4.04	55
Section 4.05	55
Section 4.06	55



Section 4.07	[Reserved]	55
Section 4.08	[Reserved]	55
Section 4.09	Limitation on Debt	55
Section 4.10	Limitation on Asset Dispositions	58
Section 4.11	[Reserved]	60
Section 4.12	Limitation on Liens securing Debt	60
Section 4.13	Limitation on lines of business	61
Section 4.14	[Reserved]	61
Section 4.15	Change of Control	61
Section 4.16	Limitation on Guarantees of the Issuer's Debt by Subsidiaries	61
Section 4.17	[Reserved]	62
Section 4.18	Payments for consent	62
Section 4.19	[Reserved]	63
Section 4.20	Maintenance of listing	63
Section 4.21	Financial Calculations for Limited Condition Transactions	63
Section 4.22	Additional Amounts	64
Section 4.23	Suspension of certain covenants when Notes rated investment grade	66
Section 4.24	Limitation on Designation of Unrestricted Subsidiaries	66
Section 4.25	FATCA	68
ARTICLE 5 SUCCESSORS		69
Section 5.01	Merger, consolidations and certain sales of assets of the Issuer	69
Section 5.02	Successor Corporation Substituted	69
ARTICLE 6 DEFAULTS AND REMEDIES		70
Section 6.01	Events of Default	70
Section 6.02	Acceleration	71
Section 6.03	Other Remedies	71
Section 6.04	Waiver of Past Defaults	72
Section 6.05	Control by Majority	72
Section 6.06	Limitation on Suits	72
Section 6.07	Right of Holders of Notes to Receive Payment	73
Section 6.08	Collection Suit by Trustee	73
Section 6.09	Trustee May File Proofs of Claim	73
Section 6.10	Priorities	73
Section 6.11	Undertaking for Costs	74
Section 6.12	Restoration of Rights and Remedies	74
Section 6.13	Rights and Remedies Cumulative	74
Section 6.14	Delay or Omission Not Waiver	74
ARTICLE 7 TRUSTEE		75
Section 7.01	Duties of Trustee	75
Section 7.02	Rights of Trustee	76
Section 7.03	Individual Rights of Trustee	78
Section 7.04	Trustee's Disclaimer	78
Section 7.05	Notice of Defaults	78
Section 7.06	[Reserved]	78
Section 7.07	Compensation and Indemnity	78
Section 7.08	Replacement of Trustee	79
Section 7.09	Successor Trustee by Merger, etc.	80
Section 7.10	Eligibility; Disqualification	80

Section 7.11	Agents	81
ARTICLE 8 LEGAL DEFEASANCE AND COVENANT DEFEASANCE		81
Section 8.01	Option to Effect Legal Defeasance or Covenant Defeasance	81
Section 8.02	Legal Defeasance and Discharge	81
Section 8.03	Covenant Defeasance	82
Section 8.04	Conditions to Legal or Covenant Defeasance	82
Section 8.05	Deposited Money and Government Securities to be Held in Trust; Other Miscellaneous Provisions	83
Section 8.06	Repayment to Issuer	83
Section 8.07	Reinstatement	84
ARTICLE 9 AMENDMENT, SUPPLEMENT AND WAIVER		84
Section 9.01	Without Consent of Holders	84
Section 9.02	With Consent of Holders	85
Section 9.03	Revocation and Effect of Consents	86
Section 9.04	Notation on or Exchange of Notes	86
Section 9.05	Trustee to Sign Amendments, etc.	87
ARTICLE 10 [RESERVED]		87
ARTICLE 11 [RESERVED]		87
ARTICLE 12 [RESERVED]		87
ARTICLE 13 SATISFACTION AND DISCHARGE		87
Section 13.01	Satisfaction and Discharge	87
Section 13.02	Application of Trust Money	88
ARTICLE 14 MISCELLANEOUS		88
Section 14.01	Notices	88
Section 14.02	[Reserved]	90
Section 14.03	Certificate and Opinion as to Conditions Precedent	90
Section 14.04	Statements Required in Certificate or Opinion	90
Section 14.05	Rules by Trustee and Agents	90
Section 14.06	Agent for Service; Submission to Jurisdiction; Waiver of Immunities	90
Section 14.07	No Liability of Directors, Officers, Employees, Incorporators, Members and Stockholders	91
Section 14.08	Governing Law	91
Section 14.09	No Adverse Interpretation of Other Agreements	91
Section 14.10	Successors	91
Section 14.11	Severability	91
Section 14.12	Counterpart Originals	91
Section 14.13	Table of Contents, Headings, etc.	91
Section 14.14	Judgment Currency	92
Section 14.15	Prescription	92
Section 14.16	Contractual Recognition of Bail-In Powers	92

## EXHIBITS

Exhibit A	FORM OF NOTE
Exhibit B	FORM OF CERTIFICATE OF TRANSFER
Exhibit C	FORM OF CERTIFICATE OF EXCHANGE

INDENTURE (this “*Indenture*”), dated as of March 25, 2019, among Millicom International Cellular S.A. (the “*Issuer*”), a public limited liability company (*société anonyme*) organized under the laws of the Grand Duchy of Luxembourg, having its registered office at 2, rue du Fort Bourbon, L-1249 Luxembourg, Luxembourg and registered with the Luxembourg Trade and Companies Register under the number B 40630 and Citibank, N.A., London Branch, as Trustee, Transfer Agent and Paying Agent, and Citigroup Global Markets Europe AG as Registrar.

The Issuer and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders (as defined below) of the 6.25% Senior Notes due 2029 in an aggregate principal amount of \$750,000,000 (the “*Initial Notes*”) and the Holders of any Additional Notes (as defined below and, together with the Initial Notes, the “*Notes*”).

ARTICLE 1  
DEFINITIONS AND INCORPORATION  
BY REFERENCE

Section 1.01 *Definitions.*

“*Acquired Debt*” means Debt of a Person or its Subsidiary:

(a) Incurred and outstanding on the date on which such Person (i) was acquired by the Issuer or any of its Restricted Subsidiaries or (ii) is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or its Restricted Subsidiary; or

(b) Incurred to provide all or part of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary of the Issuer or was otherwise acquired by the Issuer or its Restricted Subsidiary; *provided* that, after giving *pro forma* effect to the transactions by which such Person became a Restricted Subsidiary of the Issuer or is merged, consolidated, amalgamated or otherwise combined with the Issuer or its Restricted Subsidiary, (i) the Issuer would have been able to Incur \$1.00 of additional Debt pursuant to Section 4.09(a) hereof; or (ii) the Net Leverage Ratio would not be greater than such ratio before giving effect to such transactions.

“*Additional Notes*” means additional Notes (other than the Initial Notes) issued under this Indenture in accordance with Section 2.02 hereof, as part of the same series as the Initial Notes.

“*Affiliate*” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“*Agent*” means any Registrar, co-registrar, Transfer Agent, Authenticating Agent, Paying Agent or additional paying agent.

“*Alternative Panama Financing*” means any Subsidiary or Affiliate of the Issuer, including Cable Onda, issuing securities or otherwise raising financing, for the purposes of financing the Telefonica Panama Acquisition, before or substantially concurrently with the closing of the Telefonica Panama Acquisition.

“*Applicable Procedures*” means, with respect to any transfer or exchange of or for Book-Entry Interests in any Global Note, the rules and procedures of DTC that apply to such transfer or exchange.

“Applicable Redemption Premium” means, with respect to any Note on any redemption date, the greater of:

- (a) 1% of the principal amount of such Note at such time; and
- (b) the excess of:

(i) the present value at such redemption date of: (x) the redemption price of such Note at March 25, 2024 (such redemption price being set forth in Section 3.07(e)); *plus* (y) all required interest payments that would otherwise be due to be paid on such Note during the period between the redemption date and March 25, 2024 (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate at such redemption date *plus* 50 basis points; over

- (ii) the outstanding principal amount of such Note.

For the avoidance of doubt, the calculation of the Applicable Redemption Premium shall not be a duty or obligation of the Trustee, the Registrar, the Transfer Agent or the Paying Agent and shall be notified by the Issuer to the Trustee, the Paying Agent and the Holders no less than two (2) Business Days prior to any redemption date.

“Asset Disposition” means any transfer, conveyance, sale, lease or other disposition by the Issuer or any of its Restricted Subsidiaries (including a consolidation or merger or other sale of any such Restricted Subsidiary with, into or to another Person in a transaction in which such Restricted Subsidiary ceases to be a Restricted Subsidiary of the Issuer, but excluding a disposition by a Restricted Subsidiary of the Issuer to the Issuer or a Restricted Subsidiary of the Issuer which is an 80% or more owned Restricted Subsidiary of the Issuer) of (i) shares of Capital Stock (other than directors’ qualifying shares and shares to be held by third parties to satisfy applicable legal requirements) or other ownership interests of a Restricted Subsidiary of the Issuer, (ii) substantially all of the assets of the Issuer or any of its Restricted Subsidiaries representing a division or line of business or (iii) other assets or rights of the Issuer or any of its Restricted Subsidiaries outside of the ordinary course of business; *provided* that the term “Asset Disposition” shall not include:

(a) any dispositions of assets in a single transaction or series of transactions with an aggregate Fair Market Value in any calendar year of not more than the greater of (x) \$25 million and (y) 1% of Total Assets (with unused amounts in any calendar year being carried over to the next succeeding year subject to a maximum of the greater of \$25 million and 1% of Total Assets of carried over amounts for any calendar year);

(b) any disposition of Tower Equipment, including any Sale/Leaseback Transaction; *provided* that any cash or Cash Equivalents received in connection with such disposition or Sale/Leaseback Transaction must be applied in accordance with Section 4.10.

(c) a transfer of assets between or among the Issuer and any of its Restricted Subsidiaries;

(d) the issuance of Capital Stock by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary of the Issuer;

(e) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or its Restricted Subsidiary) from whom such Restricted Subsidiary was acquired or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

- (f) the sale, lease or other transfer of products, services, accounts receivable, inventory or other assets in the ordinary course of business and any sale or other disposition of damaged, surplus, worn-out or obsolete assets;
- (g) dispositions in connection with Permitted Liens;
- (h) disposals of assets, rights or revenue not constituting part of the Related Business and other disposals of non-core assets acquired in connection with any acquisition permitted under this Indenture;
- (i) licenses and sublicenses of the Issuer or any of its Restricted Subsidiaries in the ordinary course of business;
- (j) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;
- (k) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings;
- (l) the granting of Liens not prohibited by Section 4.12 hereof;
- (m) a transfer or disposition of assets that is governed by the provisions of this Indenture described under Section 5.01 hereof;
- (n) the sale or other disposition of cash or Cash Equivalents;
- (o) the foreclosure, condemnation or any similar action with respect to any property or other assets;
- (p) sales of accounts receivable and related assets or an interest therein of the type specified in the definition of “Qualified Receivables Transaction” to a Receivables Entity, and Investments in a Receivables Entity consisting of cash or Securitization Obligations;
- (q) any disposition or expropriation of assets or Capital Stock which the Issuer or any Restricted Subsidiary is required by, or made in response to concerns raised by, a regulatory authority or court of competent jurisdiction;
- (r) any disposition of Capital Stock, Debt or other securities of an Unrestricted Subsidiary;
- (s) disposal of non-core assets acquired in connection with any acquisition permitted under this Indenture;
- (t) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Issuer or any Restricted Subsidiary to such Person;
- (u) any disposition of investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding agreements; *provided* that any cash or Cash Equivalents received in such disposition is applied in accordance with the requirements set forth in Section 4.10;
- (v) any sale or disposition with respect to property built, repaired, improved, owned or otherwise acquired by the Issuer or any Subsidiary pursuant to customary sale and leaseback transactions, asset securitizations and other similar financings permitted by this Indenture;

(w) any dispositions constituting the surrender of tax losses by the Issuer or a Restricted Subsidiary (i) to Issuer or a Restricted Subsidiary; (ii) in order to eliminate, satisfy or discharge any tax liability of any Person that was formerly a Subsidiary of the Issuer which has been disposed of pursuant to a disposal permitted by the terms of this Indenture, to the extent that the Issuer or a Restricted Subsidiary would have a liability (in the form of an indemnification obligation or otherwise) to one or more Persons in relation to such tax liability if not so eliminated, satisfied or discharged; and

(x) any other disposal of assets not described in clauses (a) to (w) above comprising in aggregate percentage value 10% or less of Total Assets.

*“Bankruptcy Law”* means (a) Title 11 of the U.S. Code (as may be amended from time to time) or (b) any other law of the United States (or any political subdivision thereof), the British Virgin Islands (or any political subdivision thereof), Curaçao (or any political subdivision thereof), the Netherlands (or any political subdivision thereof), Luxembourg (or any political subdivision thereof), England (or any political subdivision thereof), Chad (or any political subdivision thereof), Ghana (or any political subdivision thereof), Tanzania (or any political subdivision thereof), DRC (or any political subdivision thereof), Senegal (or any political subdivision thereof) or the laws of any other relevant jurisdiction or any political subdivision thereof relating to bankruptcy, insolvency, receivership, winding up, liquidation, reorganization or relief of debtors.

*“Beneficial Owner”* has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3) of the Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms *“Beneficially Owns”* and *“Beneficially Owned”* have a corresponding meaning.

*“Board of Directors”* means:

(a) with respect to any corporation, the board of directors or managers of the corporation (which, in the case of any corporation having both a supervisory board and an executive or management board, shall be the executive or management board) or any duly authorized committee thereof;

(b) with respect to any partnership, the board of directors of the general partner of the partnership or any duly authorized committee thereof;

(c) with respect to a limited liability company, the managing member or members (or analogous governing body) or any controlling committee of managing members thereof; and

(d) with respect to any other Person, the board or any duly authorized committee thereof or committee of such Person serving a similar function.

*“Book-Entry Interest”* means a beneficial interest in a Global Note held by or through a Participant.

*“Business Day”* means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York, London or Luxembourg, are authorized or obligated by law or executive order to close.

*“Cable Onda”* means Cable Onda S.A., a company incorporated under the laws of Panama.

*“Capital Lease Obligation”* of any Person means the obligation to pay rent or other payment amounts under a lease of real or personal property of such Person which is required to be classified and accounted for as a capital lease on the face of a statement of financial position of such Person in accordance with IFRS. The Stated Maturity of such obligation shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. The principal amount of Debt represented by such obligation shall be the capitalized amount thereof that would appear on the face of a statement of financial position of such Person in accordance with IFRS.

“*Capital Stock*” of any Person means any and all shares, interests, participation or other equivalents (however designated) of corporate stock or other equity participation, including partnership interests, whether general or limited, of such Person.

“*Cash Equivalents*” means, with respect to any Person:

(a) (i) Government Securities and (ii) any direct obligations of, or obligations guaranteed by, a member of the European Union for the payment of which obligations or guarantee the full faith and credit of such member of the European Union is pledged and which have a remaining weighted average life to maturity of not more than one year from the date of Investment therein;

(b) term deposit accounts (excluding current and demand deposit accounts), certificates of deposit and Eurodollar time deposits and money market deposits and bankers’ acceptances, in each case, issued by or with (i) Banco Itaú BBA, BBVA, Barclays Bank, BNP Paribas, Citigroup, Credit Agricole CIB, DNB, Goldman Sachs International, J.P. Morgan, ICBC, Bank of China, Nordea Standard Bank, Standard Chartered Bank, Scotiabank, and their respective Affiliates, (ii) a bank or trust company which is organized under the laws of the United States of America, any state thereof, the United Kingdom, Switzerland, Canada, Australia or any member state of the European Union, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of \$100 million (or the foreign currency equivalent thereof) and has outstanding debt which is rated “A3/A-” (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act), or (iii) any money market fund sponsored by a U.S. registered broker dealer or mutual fund distributor;

(c) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (b)(i) and (ii) entered into with any financial institution meeting the qualifications specified in clause (b)(ii) above;

(d) commercial paper having one of the two highest ratings obtainable from Fitch or Moody’s and in each case maturing within 365 days after the date of acquisition;

(e) money market funds mutual funds at least 95% of the assets of which constitute Cash Equivalents of the types described in clauses (a) through (d) of this definition; and

(f) with respect to any Person organized under the laws of, or having its principal business operations in, a jurisdiction outside the United States, the United Kingdom or the European Union, those investments that are of the same type as investments in clauses (a), (c) and (d) of this definition except that the obligor thereon is organized under the laws of the country (or any political subdivision thereof) in which such Person is organized or conducting business.

“*Change of Control*” means the occurrence of any of the following events:

(a) any Person (other than a Permitted Holder) becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Issuer, measured by voting power rather than number of shares;

(b) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its respective subsidiaries taken as a whole to any Person (other than a Permitted Holder) occurs; or



(c) a plan relating to the liquidation or dissolution of the Issuer is adopted.

“*Change of Control Triggering Event*” will be deemed to have occurred if a Change of Control has occurred and a Rating Decline occurs.

“*Clearstream*” means Clearstream Banking, S.A. and its successors.

“*Consolidated EBITDA*” means, for any period, operating profit of the Issuer and its Restricted Subsidiaries, as such amount is determined on a consolidated basis in accordance with IFRS, *plus* the sum of the following amounts, in each case, without duplication. Losses shall be added (as a positive number) and gains shall be deducted, in each case, to the extent such amounts were included in calculating operating profit:

(a) depreciation and amortization expenses;

(b) the net loss or gain on the disposal and impairment of assets;

(c) share-based compensation expenses;

(d) at the Issuer’s option, other non-cash charges reducing operating profit (*provided* that if any such non-cash charge represents an accrual of or reserve for potential cash charges in any future period, the cash payment in respect thereof in such future period shall reduce operating profit to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period) *less* other non-cash items of income increasing operating income (excluding any such non-cash item of income to the extent it represents (x) a receipt of cash payments in any future period, (y) the reversal of an accrual or reserve for a potential cash item that reduced operating income in any prior period and (z) any non-cash gains with respect to cash actually received in a prior period so long as such cash did not increase operating income in such prior period);

(e) any material extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs, acquisition costs, disposition costs, business optimization, information technology implementation or development costs, costs related to governmental investigations and curtailments or modifications to pension or postretirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);

(f) at the Issuer’s option, the effects of adjustments in its consolidated financial statements pursuant to IFRS (including inventory, property, equipment, software, goodwill, intangible assets, in process research and development, deferred revenue and debt line items) attributable to the application of recapitalization accounting or acquisition accounting, as the case may be, in relation to any consummated acquisition or joint venture investment or the amortization or write-off or write-down of amounts thereof, net of taxes;

(g) any reasonable expenses, charges or other costs related to any Equity Offering, Investment, acquisition, disposition, recapitalization or the Incurrence, waiver or amendment of any Debt (or the refinancing thereof) (whether or not successful or consummated), in each case, as determined in good faith by a responsible financial or accounting officer of the Issuer;

(h) any gains or losses on associates;

(i) any unrealized gains or losses due to changes in the fair value of equity Investments;

- (j) any unrealized gains or losses due to changes in the fair value of Permitted Interest Rate, Currency or Commodity Price Agreements;
- (k) any unrealized gains or losses due to changes in the carrying value of put options in respect of Capital Stock of, or voting rights with respect to, any Subsidiary, joint venture or associate;
- (l) any unrealized gains or losses due to changes in the carrying value of call options in respect of Capital Stock of, or voting rights with respect to, any Subsidiary, joint venture or associate;
- (m) any net foreign exchange gains or losses;
- (n) at the Issuer's option, any adjustments to reduce the impact of the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies;
- (o) accruals and reserves that are established or adjusted within twelve months after the closing date of any acquisition that are so required to be established or adjusted as a result of such acquisition that are so required to be established as a result of such acquisition in accordance with IFRS;
- (p) any expenses, charges or losses to the extent covered by insurance or indemnity and actually reimbursed, or, so long as the Issuer or a Restricted Subsidiary has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer or indemnifying party and only to the extent that such amount is in fact reimbursed within 365 days of the date of the insurable or indemnifiable event (net of any amount so added back in any prior period to the extent not so reimbursed within the applicable 365-day period);
- (q) the amount of proceeds received from business interruption insurance and reimbursements of any expenses and charges that are covered by indemnification or other reimbursement provisions in connection with any acquisition, Investment or any sale, conveyance, transfer or other disposition of assets;
- (r) any net gain (or loss) realized upon any Sale/Leaseback Transaction that is not sold or otherwise disposed of in the ordinary course of business, determined in good faith by a responsible financial or accounting officer of the Issuer;
- (s) the amount of loss on the sale or transfer of any assets in connection with an asset securitization program, receivables factoring transaction or other receivables transaction (including, without limitation, a Qualified Receivables Transaction); and
- (t) Specified Legal Expenses.

For the purposes of calculating Consolidated EBITDA for any period, as of such date of determination:

- (i) if, since the beginning of such period the Issuer or any Restricted Subsidiary has made any Asset Disposition or disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a "Sale"), including any Sale occurring in connection with a transaction causing a calculation to be made hereunder, then Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period;

(ii) if, since the beginning of such period the Issuer or any Restricted Subsidiary (by merger or otherwise) will have made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise acquires any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a “Purchase”), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, then Consolidated EBITDA for such period will be calculated after giving *pro forma* effect thereto as if such Purchase occurred on the first day of such period;

(iii) if, since the beginning of such period any Person (that became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clauses (i) or (ii) above if made by the Issuer or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving *pro forma* effect thereto as if such Sale or Purchase occurred on the first day of such period, including anticipated synergies and cost savings as if such Sale or Purchase occurred on the first day of such period;

(iv) whenever *pro forma* effect is applied, the *pro forma* calculations will be as determined in good faith by a responsible financial or accounting officer of the Issuer (including in respect of anticipated synergies and cost savings) as though the full effect of synergies and cost savings were realized on the first day of the relevant period and shall also include the reasonably anticipated full run rate cost savings effect (as calculated in good faith by a responsible financial or chief accounting officer of the Issuer) of cost savings programs that have been initiated by the Issuer or its Restricted Subsidiaries as though such cost savings programs had been fully implemented on the first day of the relevant period; and

(v) for the purposes of determining the amount of Consolidated EBITDA under this definition denominated in a foreign currency, the Issuer may, at its option, calculate the U.S. Dollar equivalent amount of such Consolidated EBITDA based on either (i) the weighted average exchange rates for the relevant period used in the consolidated financial statements of the Issuer for such relevant period or (ii) the relevant currency exchange rate in effect on the Issue Date.

For the purpose of calculating the Consolidated EBITDA of the Issuer, any Joint Venture Consolidated EBITDA shall be added to the amount determined in accordance with the foregoing.

“*Consolidated Net Debt*” means, as of any date of determination, the sum without duplication of (1) the total amount of Debt of the Issuer and its Restricted Subsidiaries on a consolidated basis, *minus* (2) the sum without duplication of (i) all Debt outstanding under Minority Shareholder Loans, (ii) any Debt which is a contingent obligation of the Issuer or its Restricted Subsidiaries on such date, (iii) all Debt permitted by clause (3) of Section 4.09(b), (iv) all Debt permitted by clause (17) of Section 4.09(b) and (v) all Debt outstanding under any Capital Lease Obligation or operating lease; *minus* (3) the amount of cash and Cash Equivalents (other than cash or Cash Equivalents received from the Incurrence of Debt by the Issuer or any of its Restricted Subsidiaries to the extent such cash or Cash Equivalents has not been subsequently applied or used for any purpose not prohibited by this Indenture) of the Issuer and its Restricted Subsidiaries on a consolidated basis that would be stated on the statement of financial position of the Issuer as of such date in accordance with IFRS, excluding, for the avoidance of doubt, Restricted Cash.

“*Credit Facility*” means, a debt facility, arrangement, instrument, trust deed, note purchase agreement, indenture, purchase money financing, commercial paper facility or overdraft facility with banks or other institutions or investors providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Debt, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended, in whole or in part from time to time, and in each case, including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including, but not limited to, any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term “Credit Facility” shall include any agreement or instrument (i) changing the maturity of any Debt Incurred thereunder or contemplated thereby, (ii) adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder, (iii) increasing the amount of Debt Incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

“*Custodian*” means Citibank N.A., London Branch, and any and all successors thereto appointed as Custodian hereunder and having become such pursuant to the applicable provision of this Indenture.

“*Debt*” means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

- (a) the principal of and premium, if any, in respect of every obligation of such Person for money borrowed;
- (b) the principal of and premium, if any, in respect of every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (c) every reimbursement obligation of such person with respect to letters of credit, bankers’ acceptances or similar facilities issued for the account of such Person (but only to the extent such obligations are not reimbursed within 30 days following receipt by such Person of a demand for reimbursement); and
- (d) the principal component of every obligation of the type referred to in clauses (a) through (c) of another Person and all dividends of another Person the payment of which, in either case, such Person has Guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise to the extent not otherwise included in the Debt of such Person.

The “amount” or “principal amount” of Debt at any time of determination as used herein represented by (x) any Debt issued at a price that is less than the principal amount at maturity thereof, shall be the amount of the liability in respect thereof determined in accordance with IFRS, (y) any Redeemable Stock, shall be the maximum fixed redemption or repurchase price in respect thereof; and (z) any amount of Debt that has been cash-collateralized, to the extent so cash-collateralized, shall be excluded from any calculation of Debt. Notwithstanding anything else to the contrary, for all purposes under this Indenture, the amount of Debt Incurred, repaid, redeemed, repurchased or otherwise acquired by a Restricted Subsidiary of the Issuer shall equal the liability in respect thereof determined in accordance with IFRS and reflected on the Issuer’s consolidated statement of financial position.

The term “Debt” shall not include:

- (i) obligations described in clauses (a) or (b) of the first paragraph of this definition of Debt that are Incurred by a Restricted Subsidiary of the Issuer (the “*Proceeds Recipient*”) and owed to a bank or other lending institution (the “*On-Lend Bank*”) to facilitate the substantially concurrent on-lending of proceeds (the “*Proceeds On-Loan*”) from Debt Incurred by the Issuer or any of its Restricted Subsidiaries (other than the Proceeds Recipient) as permitted by Section 4.09 hereof (the “*Initial Debt*”) to the extent (i) the principal obligations in respect of the Proceeds On-Loan are secured by security over cash granted in favor of the On-Lend Bank or any of its affiliates in an amount not less than the principal amount of the Proceeds On-Loan or (ii) the Proceeds On-Loan is put in place substantially concurrently with a loan by the Issuer or any of its Restricted Subsidiaries (other than the Proceeds Recipient) to the On-Lend Bank (the “*On-Lend Bank Borrowing*”) pursuant to which the Proceeds Recipient is entitled to reduce the principal amount of the Proceeds On-Loan by an amount equal to the principal amount of the On-Lend Bank Borrowing if a default or acceleration occurs with respect to such On-Lend Bank Borrowing or (iii) the substantial risks and rewards of the Proceeds On-Loan are transferred, using a synthetic instrument or any other arrangement or agreement, from the On-Lend Bank to the Issuer or any of its Restricted Subsidiaries (other than the Proceeds Recipient) in exchange for an amount not less than (x) the amount of cash granted in favor of the On-Lend Bank or any of its Affiliates or (y) the outstanding amount of the On-Lend Bank Borrowing, as applicable, in each case as at the effective date of such transfer;

(ii) any liability of the Issuer or any of its Restricted Subsidiaries (other than the Proceeds Recipient) attributable to a synthetic instrument or any other arrangement or agreement described in paragraph (i)(iii) above to the extent such obligation under the relevant instrument, arrangement or agreement has not come due but is classified as a financial liability in accordance with IFRS and recorded as a current liability on the Issuer's consolidated statement of financial position;

(iii) any Restricted MFS Cash;

(iv) any liability of the Issuer attributable to a put option or similar instrument, arrangement or agreement entered into after the Issue Date granted by the Issuer relating to an interest in any other entity, in each case to the extent such option has not been exercised or such obligation under the relevant instrument, arrangement or agreement has not come due but is classified as a financial liability in accordance with IFRS, and recorded as a current liability on the Issuer's consolidated statement of financial position;

(v) any standby letter of credit, performance bond or surety bond provided by the Issuer or any Restricted Subsidiary that are customary in the Related Business to the extent such letters of credit or bonds are not drawn upon or, if and to the extent drawn upon, are honored in accordance with their terms;

(vi) any deposits or prepayments received by the Issuer or a Restricted Subsidiary from a customer or subscriber for its service and any other deferred or prepaid revenue;

(vii) any obligations to make payments in relation to earn outs;

(viii) Debt which is in the nature of equity (other than redeemable shares) or equity derivatives;

(ix) Capital Lease Obligations or operating leases;

(x) receivables sold or discounted, whether recourse or non-recourse, including for the avoidance of doubt any debt in respect of Qualified Receivables Transactions, including without limitation guarantees by a Receivables Entity of the obligations of another Receivables Entity;

(xi) pension obligations or any obligation under employee plans or employment agreements;

(xii) any "parallel debt" obligations to the extent that such obligations mirror other Debt;

(xiii) any payments or liability for assets acquired or services supplied deferred (including Trade Payables) in accordance with the terms pursuant to which the relevant assets were or are to be acquired or services were or are to be supplied;

(xiv) the principal component or liquidation preference of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (including, in each case, any accrued dividends); and

(xv) the net obligations of such Person under any Permitted Interest Rate, Currency or Commodity Price Agreement.

“Default” means an event that with the passing of time or the giving of notice, or both would constitute an Event of Default.

“Definitive Registered Note” means a certificated Note registered in the name of the Holder thereof and issued in accordance with Sections 2.06, 2.07 and 2.09 hereof, substantially in the form of Exhibit A hereto and bearing the Private Placement Legend, except that such Note shall not bear the Global Note Legend and shall not have the “Schedule of Exchanges of Interests in the Global Note” attached thereto.

“Depository” means, with respect to the Notes issuable or issued in whole or in part in global form, DTC, including any and all successors thereto appointed as Depository hereunder and having become such pursuant to the applicable provision(s) of this Indenture.

“Disqualified Stock” means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

(a) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;

(b) is convertible or exchangeable for Debt or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Issuer or a Restricted Subsidiary); or

(c) is redeemable at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of the date (a) of the Stated Maturity of the Notes or (b) on which there are no Notes Outstanding, *provided* that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; *provided, further* that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Issuer to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (each defined in a substantially identical manner to the corresponding definitions in this Indenture) shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) provide that the Issuer may not repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) pursuant to such provision prior to compliance by the Issuer with Sections 4.15 and 4.10 hereof.

“DTC” means The Depository Trust Company and its successors.

“Equity Investor” means Investment Kinnevik AB.

“Equity Offering” means a sale of Qualified Capital Stock of the Issuer or a Holding Company of the Issuer pursuant to which the net cash proceeds are contributed to the Issuer in the form of a subscription for, or a capital contribution in respect of, Qualified Capital Stock of the Issuer.

“*Escrow Account*” means the segregated trust account opened in the name of the Issuer, but controlled by the Escrow Agent and into which \$500,000,000 of the gross proceeds from the offering of the Initial Notes will be deposited on the Issue Date in accordance with the terms of the Escrow Agreement.

“*Escrow Agent*” means, initially, BGL BNP Paribas S.A., in its capacity as Escrow Agent under the Escrow Agreement, and any and all successors thereto.

“*Escrow Agreement*” means the escrow agreement entered into on the Issue Date among the Escrow Agent, the Issuer and the Trustee, governed by, and construed in accordance with, the laws of the Grand Duchy of Luxembourg.

“*Escrow Longstop Date*” means June 30, 2020.

“*Escrowed Property*” means the initial funds (being \$500,000,000) deposited in the Escrow Account, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Account (less any property or funds paid in accordance with the Escrow Agreement).

“*Euro MTF Market*” means the Euro MTF Market, the alternative market of the Luxembourg Stock Exchange.

“*Euroclear*” means Euroclear Bank, SA/NV and its successors.

“*European Union*” means the European Union as of January 1, 2004, including the countries of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom, but not including any country which became or becomes a member of the European Union after January 1, 2004.

“*Fair Market Value*” means, with respect to any asset or property, the sale value that would be obtained in an arm’s length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Issuer’s Chief Executive Officer, Chief Financial Officer or responsible accounting or financial officer.

“*Fitch*” means Fitch Rating, Ltd. and its successors.

“*GAAP*” means generally accepted accounting principles in the United States.

“*Government Securities*” means direct obligations of, or obligations Guaranteed by, the United States of America for the payment of which obligations or Guarantee the full faith and credit of the United States is pledged and which have a remaining Weighted-Average Life to Maturity of not more than one year from the date of Investment therein.

“*Global Notes*” means, individually and collectively, each of the global notes, substantially in the form of Exhibit A hereto, bearing the Private Placement Legend and the Global Note Legend, issued in accordance with Sections 2.01 and 2.06 hereof.

“*Global Note Legend*” means the legend set forth in Section 2.06(f)(2) hereof, which is required to be placed on all Global Notes issued under this Indenture.

“*Gradation*” means a gradation within a Rating Category or a change to another Rating Category, which shall include: (i) “+” and “-” in the case of Fitch’s current Rating Categories (e.g., a decline from BB+ to BB would constitute a decrease of one gradation), (ii) 1, 2 and 3 in the case of Moody’s current Rating Categories (e.g., a decline from Ba1 to Ba2 would constitute a decrease of one gradation), or (iii) the equivalent in respect of successor Rating Categories of Fitch or Moody’s or Rating Categories used by Rating Agencies other than Fitch and Moody’s.

“*Guarantee*” by any Person means any obligation, contingent or otherwise, of such Person guaranteeing, or having the economic effect of guaranteeing, any Debt of any other Person (the “*primary obligor*”) in any manner, whether directly or indirectly, and including, without limitation, any obligation of such Person:

(a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Debt;

(b) to purchase property, securities or services for the purpose of assuring the holder of such Debt of the payment of such Debt; or

(c) to maintain working capital, equity capital or other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Debt (and “*Guaranteed*” and “*Guaranteeing*” shall have meanings correlative to the foregoing); *provided, however*, that the Guarantee by any Person shall not include endorsements by such Person for collection or deposit, in either case, in the ordinary course of business.

“*Holder*” means the Person in whose name a Note is recorded on the Registrar’s books.

“*Holding Company*” means any Person (other than a natural person) which legally and Beneficially Owns more than 50% of the Voting Stock and/or Capital Stock of another Person, either directly or through one or more Subsidiaries.

“*IFRS*” means the International Financial Reporting Standards promulgated by the International Accounting Standards Board or any successor board or agency (and, at the irrevocable option of the Issuer, as adopted by the European Union), as in effect on the Issue Date; *provided* that the Issuer may, at any time, irrevocably elect by written notice to the Trustee to use IFRS as in effect from time to time, and, upon such notice, references herein to IFRS shall thereafter be construed to mean IFRS as in effect from time to time. The Issuer also may, at any time, irrevocably elect by written notice to the Trustee to use GAAP as in effect from time to time in lieu of IFRS and, upon such notice, references herein to IFRS shall thereafter be construed to mean GAAP as in effect from time to time; *provided* that upon first reporting its fiscal year results under GAAP, the Issuer shall restate the financial statements required to be delivered under Section 4.03, on the basis of GAAP for the fiscal year ending immediately prior to the first fiscal year for which financial statements have been prepared on the basis of GAAP.

“*Incur*” means, with respect to any Debt or other obligation of any Person, to create, issue, incur (by conversion, exchange or otherwise), assume, Guarantee or otherwise become liable in respect of such Debt or other obligation, including by acquisition of Subsidiaries (the Debt of any other Person becoming a Subsidiary of such Person being deemed for this purpose to have been incurred at the time such other Person becomes a Subsidiary), or the recording, as required pursuant to IFRS or otherwise, of any such Debt or other obligation on the statement of financial position of such Person (and “*Incurrence*,” “*Incurred*,” “*Incurable*” and “*Incurring*” shall have meanings correlative to the foregoing); *provided, however*, that a change in IFRS that results in an obligation of such Person that exists at such time becoming Debt shall not be deemed an Incurrence of such Debt. If any Person becomes a Restricted Subsidiary on any date after the date of this Indenture (including by Redesignation of an Unrestricted Subsidiary), the Debt of such Person outstanding on such date will be deemed to have been Incurred by such Person on such date for purposes of Section 4.09.

“*Indenture*” means this Indenture, as amended or supplemented from time to time.



*“Indirect Participant”* means a Person who holds a Book-Entry Interest in a Global Note through a Participant.

*“Interest Rate, Currency or Commodity Price Agreement”* of any Person means any forward contract, futures contract, swap, option or other financial agreement or arrangement (including, without limitation, caps, floors, collars and similar agreements) relating to, or the value of which is dependent upon, interest rates, currency exchange rates or commodity prices or indices (excluding contracts for the purchase or sale of goods in the ordinary course of business).

*“Investment”* by any Person means any direct or indirect loan, advance or other extension of credit or capital contribution (by means of transfers of cash or other property to others or payments for property or services for the account or use of others, or otherwise) to, or purchase or acquisition of Capital Stock, bonds, notes, debentures or other securities or evidence of Debt issued by, any other Person, including any payment on a Guarantee of any obligation of such other Person, together with all items that are or would be classified as Investments on a statement of financial position (excluding the footnotes thereto) prepared in accordance with IFRS, but shall not include (a) trade accounts receivable in the ordinary course of business on credit terms made generally available to the customers of such Person, or (b) commission, travel, payroll, entertainment, relocation and similar advances to officers and employees and profit sharing and other employee benefit plan contributions made in the ordinary course of business. Except as otherwise provided in this Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to a subsequent change in value and, to the extent applicable, shall be determined based on the equity value of such Investment.

*“Investment Grade”* means (i) BBB- or above in the case of Fitch (or its equivalent under any successor Rating Categories of Fitch), (ii) Baa3 or above, in the case of Moody’s (or its equivalent under any successor Rating Categories of Moody’s), and (iii) the equivalent in respect of the Rating Categories of any Rating Agencies.

*“Issue Date”* means March 25, 2019.

*“Issuer”* means Millicom International Cellular S.A.

*“Joint Venture Consolidated EBITDA”* means an amount equal to the product of (i) the Consolidated EBITDA of any joint venture (determined in good faith by a responsible financial or accounting officer of the Issuer on the same basis as provided for in the definition of “Consolidated EBITDA” (with the exception of clause (i) and the last sentence thereof) as if each reference to the “Issuer and its Restricted Subsidiaries” in such definition was to such joint venture) whose financial results are not consolidated with those of the Issuer in accordance with IFRS and (ii) a percentage equal to the direct or indirect equity ownership percentage of the Issuer and/or its Restricted Subsidiaries in the Capital Stock of such joint venture and its Subsidiaries.

*“Lien”* means, with respect to any property or assets, any mortgage, pledge, security interest, lien, charge, encumbrance, priority or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such property or assets (including, without limitation, any conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing).

*“Limited Condition Transaction”* means (i) any Investment or acquisition, including by way of merger, amalgamation or consolidation, in each case, by one or more of the Issuer and its Restricted Subsidiaries of any assets, business or Person whose consummation is not conditioned on the availability of, or on obtaining, third party financing and (ii) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Debt requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment.

*“Luxembourg”* means the Grand Duchy of Luxembourg.

“*Minority Shareholder Loan*” means Debt of a Restricted Subsidiary of the Issuer that is issued to and held by an equity owner of such Restricted Subsidiary, other than the Issuer or a subsidiary of the Issuer.

“*Moody’s*” means Moody’s Investor Service, Inc. and its successors.

“*Net Available Proceeds*” from any Asset Disposition means cash or readily marketable cash equivalents received (including by way of sale or discounting of a note, installment receivable or other receivable, but excluding any assets described in clauses (4) and (5) of Section 4.10(b) hereof and other consideration received in the form of assumption by the acquiror of Debt or other obligations relating to such properties or assets) therefrom by the Issuer or any of its Restricted Subsidiaries, net of:

(a) all legal, title and recording tax expenses, commissions and other fees and expenses incurred, including, without limitation, legal, consultant, accounting and investment banking fees, sales commissions, discounts and brokerage costs, and all federal, state, provincial, foreign and local taxes required to be accrued as a liability as a consequence of such Asset Disposition;

(b) all payments made by the Issuer or any of its Restricted Subsidiaries, on any Debt which is secured by such assets in accordance with the terms of any Lien upon or with respect to such assets or which must by the terms of such Debt or Lien, or in order to obtain a necessary consent to such Asset Disposition or by applicable law, be repaid out of the proceeds from such Asset Disposition;

(c) all distributions and other payments made to other equity holders in the Issuer’s Subsidiaries or joint ventures as a result of such Asset Disposition; and

(d) appropriate amounts to be provided by the Issuer or any of its Restricted Subsidiaries, as the case may be, as a reserve in accordance with IFRS, against any liabilities associated with such assets and retained by the Issuer or any of its Restricted Subsidiaries, as the case may be, after such Asset Disposition, including, without limitation, liabilities under any indemnification obligations, relocation costs and severance and other employee termination costs associated with such Asset Disposition, in each case as determined by the Issuer’s Board of Directors, in its reasonable good faith judgment.

“*Net Leverage Ratio*” means, as of any date of determination, the ratio of (1) the Consolidated Net Debt outstanding on such date to (2) the Consolidated EBITDA for the four most recent full fiscal quarters ending immediately prior to such date for which consolidated financial statements are available, determined, in each case, on a pro forma basis as if any such Debt had been Incurred, or such other Debt had been repaid, redeemed or repurchased, as applicable, at the beginning of such four fiscal quarter period; provided, however, that the pro forma calculation shall not give effect to (i) any Debt Incurred on such determination date pursuant to Section 4.09(b) hereof (other than Debt Incurred pursuant to clause (6) of Section 4.09(b) hereof), or (ii) the discharge on such determination date of any Debt to the extent that such discharge results from the proceeds Incurred pursuant to Section 4.09(b) hereof (other than the discharge of Debt using proceeds of Debt Incurred pursuant to clause (6) of Section 4.09(b) hereof). For the avoidance of doubt, in determining Net Leverage Ratio, no cash or Cash Equivalents shall be included that are the proceeds of Debt in respect of which the pro forma calculation is to be made.

“*Offer to Purchase*” means a written offer (the “*Offer*”) sent by the Issuer by first class mail, postage prepaid, to each Holder at his address appearing on the Registrar’s books on the date of the Offer offering to purchase up to the principal amount of Notes specified in such Offer at the purchase price specified in such Offer (as determined pursuant to this Indenture). Unless otherwise required by applicable law, the Offer shall specify an expiration date (the “*Expiration Date*”) of the Offer to Purchase which shall be, subject to any contrary requirements of applicable law, not less than 10 days or more than 60 days after the date of such Offer and a settlement date (the “*Purchase Date*”) for purchase of Notes within five Business Days after the Expiration Date. The Issuer shall notify the Trustee at least 15 Business Days (or such shorter period as is acceptable to the Trustee) prior to the mailing of the Offer of the Issuer’s obligation to make an Offer to Purchase, and the Offer shall be mailed by the Issuer or, at the Issuer’s request, by the Trustee in the name and at the expense of the Issuer. The Offer shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase. The Offer shall also state:

- (a) the Section of this Indenture pursuant to which the Offer to Purchase is being made;
- (b) the Expiration Date and the Purchase Date;
- (c) the aggregate principal amount of the Outstanding Notes offered to be purchased by the Issuer pursuant to the Offer to Purchase (including, if less than 100%, the manner by which such has been determined pursuant to the Section of this Indenture requiring the Offer to Purchase) (the “*Purchase Amount*”);
- (d) the purchase price to be paid by the Issuer for each \$1,000 aggregate principal amount of Notes accepted for payment (as specified pursuant to this Indenture) (the “*Purchase Price*”);
- (e) that each Holder may tender all or any portion of the Notes registered in the name of such Holder and that any portion of a Note tendered must be tendered in minimum amounts of \$200,000 and integral multiples of \$1,000 in excess thereof;
- (f) the place or places where Notes are to be surrendered for tender pursuant to the Offer to Purchase;
- (g) that interest on any Note not tendered or tendered but not purchased by the Issuer pursuant to the Offer to Purchase will continue to accrue;
- (h) that on the Purchase Date the Purchase Price will become due and payable upon each Note being accepted for payment pursuant to the Offer to Purchase and that interest thereon shall cease to accrue on and after the Purchase Date;
- (i) that each Holder electing to tender a Note pursuant to the Offer to Purchase will be required to surrender such Note at the place or places specified in the Offer prior to the close of business on the Expiration Date (such Note being, if the Issuer or the Trustee so requires, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing);
- (j) that Holders will be entitled to withdraw all or any portion of Notes tendered if the Issuer (or their paying agent) receives, not later than the close of business on the Expiration Date, telex, facsimile transmission or letter setting forth the name of such Holder, the principal amount of the Note such Holder tendered, the certificate number of such Note and a statement that such Holder is withdrawing all or a portion of his tender;
- (k) that (a) if Notes in an aggregate principal amount less than or equal to the Purchase Amount are duly tendered and not withdrawn pursuant to the Offer to Purchase, the Issuer shall purchase all such Notes and (b) if Notes in an aggregate principal amount in excess of the Purchase Amount are tendered and not withdrawn pursuant to the Offer to Purchase, the Issuer shall purchase Notes having an aggregate principal amount equal to the Purchase Amount on a *pro rata* basis (with such adjustments as may be deemed appropriate so that only Notes in denominations of \$1,000 or integral multiples thereof shall be purchased and provided that Notes of \$200,000 or less may only be purchased in whole and not in part); and
- (l) that in the case of any Holder whose Note is purchased only in part, the Issuer shall execute, and the Trustee shall authenticate and deliver to the Holder of such Note without service charge, a new Note or Notes, of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unpurchased portion of the Note so tendered.

Any Offer to Purchase shall be governed by and effected in accordance with the Offer for such Offer to Purchase.

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market, and the rules of the Luxembourg Stock Exchange so require, the Issuer will, to the extent and in the manner permitted by such rules, post notices relating to the Offer to Purchase on the official website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

“*Offering Memorandum*” means the offering memorandum dated March 14, 2019 relating to the offering of the Initial Notes.

“*Officer*” means the Chief Executive Officer or the Chief Financial Officer of the Issuer or a responsible accounting, financial officer or any authorized signatory of the Issuer.

“*Officer’s Certificate*” means a certificate signed by the Chairman of the Board of Directors, any Vice Chairman of the Board of Directors, any Director or Manager as the case may be, the Chief Executive Officer, the Chief Financial Officer, any Executive or Senior Vice President, or the Secretary of the Board of the Issuer, and delivered to the Trustee and, where applicable, the paying agent.

“*Opinion of Counsel*” means a written opinion from legal counsel (in form and substance reasonably acceptable to the Trustee, where such opinion is addressed to, or is for the benefit of the Trustee) that meets the requirements of Section 14.04 hereof. The counsel may be an employee of or counsel to the Issuer or any of its Subsidiaries.

“*Outstanding*,” when used with respect to the Notes, means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, *except*:

(a) Notes theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Notes for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee in trust or any paying agent (other than the Issuer) or set aside and segregated in trust by the Issuer (if the Issuer shall act as its own paying agent) for the Holders of such Notes; *provided* that, if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; and

(c) Notes which have been paid or in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture, other than any such Notes in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Notes are held by a *bona fide* purchaser in whose hands such Notes are valid obligations of the Issuer; *provided, however*, that in determining whether the Holders of the requisite principal amount of the Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Issuer or any other obligor upon the Notes or any Affiliate of the Issuer or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which the Trustee knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee’s right so to act with respect to such Notes and that the pledgee is not the Issuer or any other obligor upon the Notes or any Affiliate of the Issuer or of such other obligor.

*“Pari Passu Debt”* means any Debt of the Issuer that ranks *pari passu* in right of payment to the Notes.

*“Participant”* means, with respect to the Depositary, a Person who has an account with the Depositary, which shall include Euroclear and Clearstream.

*“Permitted Asset Swap”* means the concurrent purchase and sale or exchange of related business assets or a combination of related business assets, cash and Cash Equivalents between the Issuer or any of its Restricted Subsidiaries and another Person.

*“Permitted Holders”* means the Equity Investor and its Related Parties.

*“Permitted Interest Rate, Currency or Commodity Price Agreement”* of any Person means any Interest Rate, Currency or Commodity Price Agreement entered into with one or more financial institutions in the ordinary course of business that is designed to protect such Person against fluctuations in interest rates or currency exchange rates or with respect to Debt Incurred and which shall have a notional amount no greater than the payments due with respect to the Debt being hedged thereby, or in the case of currency or commodity protection agreements against currency exchange or commodity price fluctuations in the ordinary course of business relating to then existing financial obligations and not for purposes of speculation.

*“Permitted Investments”* means (1) loans or advances to employees and officers (or loans to any direct or indirect parent, the proceeds of which are used to make loans or advances to employees or officers, or Guarantees of third-party loans to employees or officers) in the ordinary course of business; and (2) customary cash management, cash pooling or netting or setting off arrangements; and (3) the granting of Liens pursuant to clause (II) of the definition of Permitted Liens.

*“Permitted Liens”* means:

(a) Liens for taxes, assessments or governmental charges or levies on the property of the Issuer or any of its Restricted Subsidiaries if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceeds promptly instituted and diligently concluded; *provided* that any reserve or other appropriate provision that shall be required in conformity with IFRS shall have been made therefor;

(b) Liens imposed by law, such as statutory Liens of landlords', carriers', materialmen's, repairmen's, construction, warehousemen's and mechanics' Liens and other similar Liens, on the property of the Issuer or any of its Restricted Subsidiaries arising in the ordinary course of business or Liens arising solely by virtue of any statutory or common law provisions relating to attorney's liens or bankers' liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution;

(c) Liens on the property of the Issuer or any of its Restricted Subsidiaries Incurred in the ordinary course of business to secure performance of obligations with respect to statutory or regulatory requirements, performance bids, trade contracts, letters of credit, performance or return-of-money bonds, surety bonds or other obligations of a like nature and Incurred in a manner consistent with industry practice, in each case which are not Incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property and which do not in the aggregate impair in any material respect the use of property in the operation of the business of the Issuer and its Restricted Subsidiaries taken as a whole;

(d) Liens on property at the time the Issuer or any of its Restricted Subsidiaries acquired such property and Liens Incurred in anticipation of or in connection with the transaction or series of transactions pursuant to which such property was acquired by the Issuer or its Restricted Subsidiaries; *provided, however*, that any such Lien may not extend to any other property of the Issuer or any of its Restricted Subsidiaries;

(e) Liens on the property of a Person at the time such Person becomes a Restricted Subsidiary (including Liens created, incurred or assumed in connection with or in contemplation of such acquisition or transaction); *provided, however*, that any such Lien may not extend to any other property of the Issuer or any other Restricted Subsidiary that is not a Restricted Subsidiary of such Person (other than pursuant to after-acquired property clauses in effect with respect to such Lien at the time of acquisition on property of the type that would have been subject to such Lien notwithstanding the occurrence of such acquisition);

(f) pledges or deposits by the Issuer or any of its Restricted Subsidiaries under workmen's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Debt) or leases to which the Issuer or any of its Restricted Subsidiaries is party, or deposits to secure public or statutory obligations of the Issuer or any of its Restricted Subsidiaries or deposits for the payment of rent, in each case Incurred in the ordinary course of business;

(g) utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character;

(h) any provision for the retention of title to any property by the vendor or transferor of such property which property is acquired by the Issuer or a Restricted Subsidiary in a transaction entered into in the ordinary course of business of the Issuer or a Restricted Subsidiary and for which kind of transaction it is customary market practice for such retention of title provision to be included;

(i) Liens arising by means of any judgment, decree or order of any court, to the extent not otherwise resulting in a Default hereunder so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree or order have not been fully terminated or the period within which such proceedings may be initiated has not expired and any Liens that are required to protect or enforce rights in any administrative, arbitration or other court proceeding in the ordinary course of business;

(j) Liens securing any Credit Facility or any Permitted Interest Rate, Currency or Commodity Price Agreement;

(k) [Reserved];

(l) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Issuer or any of its Restricted Subsidiaries has easement rights or on any real property leased by the Issuer or any of its Restricted Subsidiaries or similar agreements relating thereto and any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;

(m) Liens existing on the Issue Date;

(n) Liens in favor of the Issuer or any Restricted Subsidiary;

(o) Liens on insurance policies and the proceeds thereof, or other deposits, to secure insurance premium financings in respect of the Issuer or any of its Restricted Subsidiaries;

(p) Liens arising from financing statement filings (or other similar filings in any applicable jurisdiction) regarding operating leases entered into by any Restricted Subsidiary of the Issuer in the ordinary course of business;

(q) Liens on goods (and the proceeds thereof) and documents of title and the property covered thereby securing Debt in respect of commercial letters of credit issued to facilitate the purchase, shipment or storage of such inventory or other goods;

(r) Liens on property of any Restricted Subsidiary of the Issuer to secure Debt Incurred by such Restricted Subsidiary pursuant to Section 4.09(a) hereof or clauses (9), (10), (11), (12) or (13) of Section 4.09(b) hereof;

(s) Liens for the purpose of securing the payment of all or a part of the purchase price of Capital Lease Obligations or payments Incurred by the Issuer or its Restricted Subsidiaries to finance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that such Liens do not encumber any other assets or property of the Issuer or its Restricted Subsidiaries other than such assets or property and assets affixed or appurtenant thereto;

(t) Liens on the property of the Issuer or any of its Restricted Subsidiaries to replace in whole or in part, any Lien described in the foregoing clauses (a) through (s); *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Debt being refinanced or in respect of property that is the security for a Permitted Lien hereunder;

(u) any interest or title of a lessor under any Capital Lease Obligation or operating lease;

(v) Liens on any escrow account used in connection with an acquisition of property or Capital Stock of any Person or pre-funding a refinancing of Debt otherwise permissible by this Indenture;

(w) Liens on the Issuer's and any of its Restricted Subsidiaries' deposits in favor of financial institutions arising from any netting or set-off arrangement substantially consistent with its current practice for the purpose of netting debt and credit balances substantially consistent with the Issuer's or the Restricted Subsidiaries' existing cash pooling arrangements;

(x) Liens incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries with respect to obligations that do not exceed the greater of \$250 million or 4% of Total Assets at any one time outstanding and that do not in the aggregate materially detract from the value of the property of the Issuer, or materially impair the use thereof in the operation of business by the Issuer and its Restricted Subsidiaries;

(y) Liens over cash or other assets that secure collateralized obligations Incurred as Permitted Debt; *provided* that the amount of cash collateral does not exceed the principal amount of the Permitted Debt;

(z) Liens on Restricted MFS Cash in favor of the customers or dealers of, or third parties in relation to, one or more of the Issuer's Restricted Subsidiaries engaged in the provision of mobile financial services, in each case who provided such Restricted MFS Cash to the relevant Restricted Subsidiary;

(aa) Liens on Receivables and related assets of the type described in the definition of "Qualified Receivables Transaction" Incurred in connection with a Qualified Receivables Transaction, and Liens on Investments in Receivables Entities;

(bb) Liens consisting of any right of set-off granted to any financial institution acting as a lockbox bank in connection with a Qualified Receivables Transaction;

- (cc) Liens for the purpose of perfecting the ownership interests of a purchaser of Receivables and related assets pursuant to any Qualified Receivables Transaction;
- (dd) [Reserved];
- (ee) Liens arising in connection with other sales of Receivables permitted hereunder without recourse to the Issuer or any of its Restricted Subsidiaries;
- (ff) Liens on Receivables and related assets of the type specified in the definition of “Qualified Receivables Transaction” pursuant to any Qualified Receivables Transaction;
- (gg) Liens for the purpose of securing the payment of all or a part of the purchase price of, or Capital Lease Obligations, Purchase Money Obligations or other payments Incurred to finance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business (including Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business), *provided* that such Liens do not encumber any other assets or property of the Issuer or any Restricted Subsidiary other than such assets or property and assets affixed or appurtenant thereto;
- (hh) Liens securing Debt or other obligations of a Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary;
- (ii) Liens in respect of the ownership interests in, or assets owned by, any joint ventures or similar arrangements, other than joint ventures and similar arrangements that are Restricted Subsidiaries, securing obligations of such joint ventures or similar agreements;
- (jj) any encumbrance or restriction (including, but not limited to, put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;
- (kk) Liens over rights under loan agreements relating to, or over notes or similar instruments evidencing, the on-loan of proceeds received by a Restricted Subsidiary from the issuance of Debt, which Liens are created to secure payment of such Debt; and
- (ll) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Debt of such Unrestricted Subsidiary.

“*Permitted Refinancing Debt*” means any renewals, extensions, substitutions, defeasances, discharges, refinancings or replacements (each, for purposes of this definition and clause (8) of Section 4.09(b) hereof, a “*refinancing*”) of any Debt of the Issuer or a Restricted Subsidiary of the Issuer or pursuant to this definition, including any successive refinancings, as long as:

- (a) such Permitted Refinancing Debt is in an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) not in excess of the sum of: (i) the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value plus all accrued interest) then outstanding of the Debt being refinanced; and (ii) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such refinancing;
- (b) such Permitted Refinancing Debt has (i) a Stated Maturity that is either (X) no earlier than the Stated Maturity of the Debt being refinanced or (Y) after the Stated Maturity of the Notes and (ii) a Weighted-Average Life to Maturity that is equal to or greater than the Weighted-Average Life to Maturity of the Debt being refinanced; and
- (c) if the Debt being refinanced is subordinated in right of payment to the Notes, such Permitted Refinancing Debt is subordinated in right of payment to, the Notes on terms at least as favorable to the Holders of Notes as those contained in the documentation governing the Debt being refinanced; and



(d) if the Issuer was the obligor on the Debt being refinanced, such Permitted Refinancing Debt is Incurred by the Issuer.

Permitted Refinancing Debt in respect of any Credit Facility or any other Debt may be Incurred from time to time after the termination, discharge or repayment of all or any part of such Credit Facility or other Debt. Permitted Refinancing Debt shall not include any Debt of the Issuer or any Restricted Subsidiary that refinances Debt of an Unrestricted Subsidiary.

“*Person*” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, limited liability company or government or other entity.

“*Preferred Stock*” of any Person means Capital Stock of such Person of any class or classes (however designated) that ranks prior, as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of such Person, to shares of Capital Stock of any other class of such Person.

“*Private Placement Legend*” means the legend set forth in Section 2.06(f)(1) hereof to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

“*Purchase Money Note*” means a promissory note of a Receivables Entity evidencing the deferred purchase price of Receivables (and related assets) and/or a line of credit, which may be irrevocable, from the Issuer or any Restricted Subsidiary in connection with a Qualified Receivables Transaction with a Receivables Entity, which note is intended to finance that portion of the purchase price that is not paid in cash or a contribution of equity and which is (a) repayable from cash available to the Receivables Entity, other than (i) amounts required to be established as reserves pursuant to agreements, (ii) amounts paid to investors in respect of interest, (iii) principal and other amounts owing to such investors and (iv) amounts owing to such investors and amounts paid in connection with the purchase of newly generated Receivables and (b) may be subordinated to the payments described in clause (a).

“*Purchase Money Obligations*” means any Debt Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

“*QIB*” means a “qualified institutional buyer” as defined in Rule 144A.

“*Qualified Capital Stock*” of any Person means any and all Capital Stock of such Person other than Redeemable Stock.

“*Qualified Receivables Transaction*” means any transaction or series of transactions that may be entered into by the Issuer or any of its Restricted Subsidiaries pursuant to which the Issuer or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to (1) a Receivables Entity (in the case of a transfer by the Issuer or any of the Restricted Subsidiaries) and (2) any other Person (in the case of a transfer by a Receivables Entity), or may grant a Lien in, any Receivables (whether now existing or arising in the future) of the Issuer or any of the Restricted Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such Receivables, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such Receivables and other assets which are customarily transferred, or in respect of which Liens are customarily granted, in connection with asset securitization involving Receivables and any Interest Rate, Currency or Commodity Price Agreement entered into by the Issuer or any such Restricted Subsidiary in connection with such Receivables.

“*Rating Agency*” means each of (i) Fitch, Moody’s and S&P or (ii) if any of Fitch, Moody’s or S&P are not making ratings of the Notes publicly available, an internationally recognized rating agency or agencies, as the case may be, selected by the Issuer, which will be substituted for any of Fitch, Moody’s, S&P, as the case may be.

“*Rating Category*” means (i) with respect to Fitch, any of the following categories (any of which may include a “+” or “-”): AAA, AA, A, BBB, BB, B, CCC, CC, C, R, SD and D (or equivalent successor categories); (ii) with respect to Moody’s, any of the following categories (any of which may include a “1,” “2” or “3”): Aaa, Aa, A, Baa, Ba, B, Caa, Ca, and C (or equivalent successor categories), and (iii) the equivalent of any such categories of Fitch or Moody’s used by another Rating Agency, if applicable.

“*Rating Date*” means the date which is the earlier of (i) 120 days prior to the occurrence of an event specified in clauses (a), (b) or (c) of the definition of Change of Control and (ii) the date of the first public announcement of the possibility of such event.

“*Rating Decline*” means the occurrence of, at any time within the earlier of (i) 90 days after the date of public notice of a Change of Control, or of the Issuer’s intention or the intention of any Person to effect a Change of Control and (ii) the occurrence of the Change in Control (which period shall in either event be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by a Rating Agency), a Rating Agency withdrawal of its rating of the Notes or a decrease in the rating of the Notes by a Rating Agency as follows:

- (a) if the Notes are not rated Investment Grade by at least two of the three Rating Agencies on the Rating Date, by one or more Gradations; or
- (b) if the Notes are rated Investment Grade by at least two of the three Rating Agencies on the Rating Date, either (i) by two or more Gradations or (ii) such that the Notes are no longer rated Investment Grade, *provided* that, when announcing the relevant decision(s) to withdraw or decrease the rating, each such Rating Agency announces publicly or confirms in writing that such decision(s) resulted, in whole or in part, from the occurrence (or expected occurrence) of the Change of Control or the Issuer’s announcement of the intention to effect a Change of Control.

“*Receivable*” means a right to receive payment arising from a sale or lease of goods or the performance of services by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit and shall include, in any event, any items of property that would be classified as an “account,” “chattel paper,” “payment intangible” or “instrument” under the Uniform Commercial Code as in effect in the State of New York and any “supporting obligations” as so defined.

“*Receivables Entity*” means a Wholly-Owned Subsidiary of the Issuer (or another Person in which the Issuer or any Restricted Subsidiary makes an Investment or to which the Issuer or any Restricted Subsidiary transfers Receivables and related assets) which engages in no activities other than in connection with the financing of Receivables and which is designated by the Board of Directors or senior management of the Issuer (as provided below) as a Receivables Entity:

- (a) no portion of the Debt or any other obligations (contingent or otherwise) of which:
  - (i) is Guaranteed by the Issuer or any Restricted Subsidiary (excluding guarantees of obligations (other than the principal of, and interest on, Debt) pursuant to Standard Securitization Undertakings);

(ii) is recourse to or obligates the Issuer or any Restricted Subsidiary in any way other than pursuant to Standard Securitization Undertakings; or

(iii) subjects any property or asset of the Issuer or any Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings, except, in each such case, Permitted Liens as defined in clauses (aa) through (ff) of the definition thereof;

(b) with which neither the Issuer nor any Restricted Subsidiary has any material contract, agreement, arrangement or understanding (except in connection with a Purchase Money Note or Qualified Receivables Transaction) other than on terms not materially less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer, other than fees payable in the ordinary course of business in connection with servicing Receivables; and

(c) to which neither the Issuer nor any Restricted Subsidiary has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results (other than those related to or incidental to the relevant Qualified Receivables Transaction).

Any such designation by the Board of Directors or senior management of Issuer shall be evidenced to the Trustee by promptly filing with the Trustee a certified copy of the resolution of the Board of Directors of Issuer giving effect to such designation or an Officer's Certificate certifying that such designation complied with the foregoing conditions.

*"Receivables Fees"* means reasonable distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Receivables Entity in connection with, any Qualified Receivables Transaction.

*"Receivables Repurchase Obligation"* means any obligation of a seller of Receivables in a Qualified Receivables Transaction to repurchase Receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

*"Redeemable Stock"* of any Person means any Capital Stock of such Person that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or otherwise (including upon the occurrence of an event) matures or is required to be redeemed (pursuant to any sinking fund obligation or otherwise) or is convertible into or exchangeable for Debt or is redeemable at the option of the holder thereof, in whole or in part, at any time prior to the final Stated Maturity of the Notes.

*"Regulation S"* means Regulation S promulgated under the U.S. Securities Act.

*"Regulation S Global Note"* means a Global Note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with the Custodian and registered in the name of Cede & Co., as nominee for DTC, that will be issued in an initial amount equal to the principal amount of the Notes initially resold in reliance on Regulation S.

*"Related Business"* means (i) any business, services or activities engaged in by the Issuer or any of its Subsidiaries on the Issue Date and (ii) any business, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing, or are extensions or developments thereof, including, without limitation, broadband internet, network-related services, cable television, broadcast content, network neutral services, electronic transactional, financial and commercial services related to provision of telephony or internet services.

“*Related Party*” means:

- (a) any controlling stockholder, partner or member, or any 50% (or more) owned Subsidiary, of the Equity Investor; and
- (b) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Person Beneficially Owning a majority or a controlling interest of which consists of the Equity Investor and/or such other Persons referred to in clause (a).

“*Relevant Telefonica CAM Acquisition*” means each of the Telefonica Costa Rica Acquisition, the Telefonica Nicaragua Acquisition or the Telefonica Panama Acquisition, as the context requires.

“*Relevant Telefonica CAM Acquisition Agreement*” means each of the Telefonica Costa Rica Stock Purchase Agreement, the Telefonica Nicaragua Stock Purchase Agreement or the Telefonica Panama Stock Purchase Agreement, as the context requires.

“*Relevant Target Company*” means each of Telefonica de Costa Rica TC, S.A., Telefonica de Celular de Nicaragua, S.A. or Telefonica Móviles Panama, S.A., as the context requires.

“*Responsible Officer*,” when used with respect to the Trustee, means any officer within the corporate trust department of the Trustee (or any successor of the Trustee) including any managing director, director, vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject and, in each case, who shall have direct responsibility for the administration of this Indenture.

“*Restricted Cash*” means the sum of (i) Restricted MFS Cash and (ii) without duplication, the amount of cash that would be stated as “restricted cash” on the consolidated statement of financial position of the Issuer as of such date in accordance with IFRS.

“*Restricted MFS Cash*” means, as of any date of determination, an amount equal to any cash paid in or deposited by or held on behalf of any customer or dealer of, or any other third party in relation to, one or more of the Issuer’s Restricted Subsidiaries engaged in the provision of mobile financial services and designated as “restricted cash” on the consolidated statement of financial position of the Issuer, together with any interest thereon.

“*Restricted Period*” means the 40-day distribution compliance period as defined in Regulation S.

“*Restricted Subsidiary*” means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

“*Rule 144*” means Rule 144 promulgated under the U.S. Securities Act.

“*Rule 144A*” means Rule 144A promulgated under the U.S. Securities Act.

“*Rule 144A Global Note*” means a Global Note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with the Custodian and registered in the name of Cede & Co., as nominee for DTC, that will be issued in an initial amount equal to the principal amount of the Notes initially resold in reliance on Rule 144A.

“*Rule 903*” means Rule 903 promulgated under the U.S. Securities Act.

“Rule 904” means Rule 904 promulgated under the U.S. Securities Act.

“S&P” means Standard & Poor’s Ratings Services.

“Sale/Leaseback Transaction” means an arrangement relating to property now owned or hereafter acquired whereby the Issuer or its Restricted Subsidiary transfers such property to a Person and the Issuer or any of its Restricted Subsidiaries leases it from such Person.

“SEC” means the U.S. Securities and Exchange Commission.

“Senior Secured Debt” means, as of any date of determination, any Debt of (a) the Issuer that is secured by a security interest in any assets of the Issuer or any of its Restricted Subsidiaries and/or (b) any Restricted Subsidiary of the Issuer, other than Debt Incurred pursuant to clauses (5) (to the extent such Guarantee is in respect of Debt otherwise permitted to be secured by a security interest in any assets of the Issuer or any of its Restricted Subsidiaries and/or Incurred by a Restricted Subsidiary of the Issuer, as applicable), (9), (10), (11), (12) and (13) of Section 4.09(b) hereof.

“Significant Subsidiary” means, at the date of determination, any Restricted Subsidiary of the Issuer that (1) for the most recent fiscal year, accounted for more than 10% of Consolidated EBITDA of the Issuer and its Restricted Subsidiaries or (2) as of the end of the most recent fiscal year, was the owner of more than 10% of the consolidated assets of the Issuer and its Restricted Subsidiaries.

“Specified Legal Expenses” means, to the extent not constituting an extraordinary, non-recurring or unusual loss, charge or expense, all attorneys’ fees and expenses and all other costs, liabilities (including all damages, penalties, fines and indemnification and settlement payments) and expenses paid or payable in connection with any threatened, pending, completed or future claim, demand, action, suit, proceeding, inquiry or investigation (whether civil, criminal, administrative, governmental or investigative).

“Specified Subsidiary Sale” means the sale, transfer or other disposition of all of the Capital Stock, or all of the assets or properties of, (a) any Person, the primary purpose of which is to own Tower Equipment located in any market in which the Issuer or its Restricted Subsidiaries operate; (b) any Person which operates the Issuer’s or any Restricted Subsidiary of the Issuer’s mobile financial services business; (c) Latin America Internet Holding GmbH (or any successor in interest thereto); or (d) Africa Internet Holding GmbH (or any successor in interest thereto).

“Standard Securitization Undertakings” means representations, warranties, covenants and indemnities entered into by the Issuer or any Restricted Subsidiary which are reasonably customary in a securitization of Receivables transactions, including, without limitation, those relating to the servicing of the assets of a Receivables Entity, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

“Stated Maturity” when used with respect to any security or any installment of interest thereon, means the date specified in such security as the fixed date on which the principal of such security or such installment of interest is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

“Subsidiary” of any Person means (i) a corporation more than 50% of the combined voting power of the outstanding Voting Stock of which is owned, directly or indirectly, by such Person or by one or more other Subsidiaries of such Person or by such Person and one or more Subsidiaries thereof or (ii) any other Person (other than a corporation) in which such Person, or one or more other Subsidiaries of such Person or such Person and one or more other Subsidiaries thereof, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

*“Telefonica CAM Acquisition Agreements”* means, collectively, the Telefonica Costa Rica Stock Purchase Agreement, the Telefonica Nicaragua Stock Purchase Agreement and the Telefonica Panama Stock Purchase Agreement.

*“Telefonica CAM Acquisitions”* means, collectively, the Telefonica Costa Rica Acquisition, the Telefonica Nicaragua Acquisition and the Telefonica Panama Acquisition.

*“Telefonica Costa Rica Acquisition”* means the acquisition of a 100% stake of Telefonica de Costa Rica TC, S.A. by the Issuer, pursuant to the Telefonica Costa Rica Stock Purchase Agreement.

*“Telefonica Costa Rica Acquisition Completion Date”* means the date on which the Telefonica Costa Rica Acquisition is completed pursuant to the terms of the Telefonica Costa Rica Stock Purchase Agreement.

*“Telefonica Costa Rica Stock Purchase Agreement”* means the stock purchase agreement entered into on February 20, 2019, between the Issuer and the sellers named therein pursuant to which, among other things, the Issuer will complete the Telefonica Costa Rica Acquisition on the Telefonica Costa Rica Acquisition Completion Date.

*“Telefonica Nicaragua Acquisition”* means the acquisition of a 100% stake of Telefonica de Celular de Nicaragua, S.A. by the Issuer, pursuant to the Telefonica Nicaragua Stock Purchase Agreement.

*“Telefonica Nicaragua Acquisition Completion Date”* means the date on which the Telefonica Nicaragua Acquisition is completed pursuant to the terms of the Telefonica Nicaragua Stock Purchase Agreement.

*“Telefonica Nicaragua Stock Purchase Agreement”* means the stock purchase agreement entered into on February 20, 2019, between the Issuer and the sellers named therein pursuant to which, among other things, the Issuer will complete the Telefonica Nicaragua Acquisition on the Telefonica Nicaragua Acquisition Completion Date.

*“Telefonica Panama Acquisition”* means the acquisition of a 100% stake of Telefonica Móviles Panama, S.A. by the Issuer, pursuant to the Telefonica Panama Stock Purchase Agreement.

*“Telefonica Panama Acquisition Completion Date”* means the date on which the Telefonica Panama Acquisition is completed pursuant to the terms of the Telefonica Panama Stock Purchase Agreement.

*“Telefonica Panama Stock Purchase Agreement”* means the stock purchase agreement entered into on February 20, 2019, between the Issuer and the sellers named therein pursuant to which, among other things, the Issuer will complete the Telefonica Panama Acquisition on the Telefonica Panama Acquisition Completion Date.

*“Total Assets”* means the consolidated total assets of the Issuer and its Restricted Subsidiaries as shown on the Issuer’s most recent consolidated statement of financial position prepared on the basis of IFRS prior to the relevant date of determination calculated to give *pro forma* effect to any acquisitions (including through mergers or consolidations) and dispositions that have occurred subsequent to such period, including any such acquisitions to be made with the proceeds of Debt giving rise to the need to calculate Total Assets.

*“Tower Equipment”* means passive infrastructure related to telecommunications services, excluding telecommunications equipment, but including, without limitation, towers (including tower lights and lightning rods), power breakers, deep cycle batteries, generators, voltage regulators, main AC power, rooftop masts, cable ladders, grounding, walls and fences, access roads, shelters, air conditioners and BTS batteries owned by the Issuer or any of its Subsidiaries.

“*Treasury Rate*” means, as at any redemption date, the yield to maturity as at such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H. 15 (519) that has become publicly available at least two Business Days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to March 25, 2024; *provided, however*, that if the period from the redemption date to March 25, 2024 is less than one year, the weekly average yield on actually traded United States securities adjusted to a constant maturity of one year will be used.

“*Trustee*” means Citibank, N.A., London Branch, until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

“*Unrestricted Subsidiary*” means any Subsidiary of the Issuer Designated as such pursuant to Section 4.24.

“*U.S. Dollar Equivalent*” means with respect to any monetary amount in a currency other than U.S. Dollars, at any time of determination thereof, the amount of U.S. Dollars obtained by translating such other currency involved in such computation into U.S. Dollars at the spot rate for the purchase of U.S. Dollars with the applicable other currency as published in the *Financial Times* on the date that is two Business Days prior to such determination.

“*U.S. Dollars*” or “\$” means and/or refers to the lawful currency of the United States.

“*U.S. Exchange Act*” means the U.S. Securities Exchange Act of 1934, as amended and the rules and regulations promulgated pursuant thereto.

“*U.S. Government Securities*” means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

“*U.S. Securities Act*” means the U.S. Securities Act of 1933, as amended and the rules and regulations promulgated pursuant thereto.

“*U.S. Person*” means a U.S. Person as defined in Rule 902(k) promulgated under the U.S. Securities Act.

“*Voting Stock*” of any person means Capital Stock of such Person which ordinarily has voting power for the election of directors (or persons performing similar functions) of such Person, whether at all times or only so long as no senior class of securities has such voting power by reason of any contingency.

“*Weighted-Average Life to Maturity*” means, when applied to any Debt or Preferred Stock at any date, the number of years obtained by dividing (a) the then outstanding principal amount of such Debt or liquidation preference of such Preferred Stock, as the case may be, into (b) the total of the product obtained by multiplying (x) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal or upon mandatory redemption, including payment at final maturity, in respect thereof, by (y) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment.

“*Wholly-Owned Subsidiary*” means (1) in respect of any Person, a Person, all of the Capital Stock of which (other than (a) directors’ qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law, regulation or to ensure limited liability and (b) in the case of a Receivables Entity, shares held by a Person that is not an Affiliate of the Issuer solely for the purpose of permitting such Person (or such Person’s designee) to vote with respect to customary major events with respect to such Receivables Entity, including without limitation the institution of bankruptcy, insolvency or other similar proceedings, any merger or dissolution, and any change in charter documents or other customary events) is owned by that Person directly or (2) indirectly by a Person that satisfies the requirements of clause (1).

Section 1.02      *Other Definitions.*

<i>Additional Amounts</i>	Section 4.22(a)
<i>Authenticating Agent</i>	Section 2.02
<i>Authentication Order</i>	Section 2.02
<i>Authorized Agent</i>	Section 14.06
<i>Change in Tax Law</i>	Section 3.08(a)
<i>Change of Control Offer</i>	Section 4.15(a)
<i>Covenant Defeasance</i>	Section 8.03
<i>Designation</i>	Section 4.24(a)
<i>Excess Proceeds</i>	Section 4.10(d)
<i>Excess Proceeds Offer</i>	Section 4.10(e)
<i>Indenture</i>	Preamble
<i>Initial Notes</i>	Preamble
<i>Issuer</i>	Preamble
<i>Judgment Currency</i>	Section 14.14
<i>LCT Election</i>	Section 4.21(b)(2)
<i>LCT Test Date</i>	Section 4.21(b)(2)
<i>Legal Defeasance</i>	Section 8.02
<i>Liability</i>	Section 14.16(b)(1)
<i>Notes</i>	Preamble
<i>Offer Amount</i>	Section 3.12(b)
<i>Offer Period</i>	Section 3.12(b)
<i>Paying Agent</i>	Section 2.03
<i>Permitted Debt</i>	Section 4.09(b)
<i>Purchase Date</i>	Section 3.12(b)
<i>Redesignation</i>	Section 4.24(c)
<i>Register</i>	Section 2.03
<i>Registrar</i>	Section 2.03
<i>Relevant Taxing Jurisdiction</i>	Section 4.22(a)
<i>Required Currency</i>	Section 14.14
<i>Resolution Authority</i>	Section 14.16(b)(1)
<i>Suspension Period</i>	Section 4.23(a)(2)
<i>Taxes</i>	Section 4.22(a)
<i>Transfer Agent</i>	Section 2.03
<i>Trustee</i>	Section 8.05
<i>Write-down and Conversion Powers</i>	Section 14.16(b)(1)

Section 1.03      *[Reserved].*

Section 1.04      *Rules of Construction.*

Unless the context otherwise requires:

- (a) a term has the meaning assigned to it;
- (b) an accounting term not otherwise defined has the meaning assigned to it in accordance with IFRS;



- (c) “or” is not exclusive;
- (d) words in the singular include the plural, and in the plural include the singular;
- (e) “will” shall be interpreted to express a command;
- (f) provisions apply to successive events and transactions;
- (g) references to sections of or rules under the U.S. Securities Act will be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to time;
- (h) all references to the principal, premium, interest or any other amount payable pursuant to this Indenture shall be deemed also to refer to any Additional Amounts which may be payable hereunder in respect of payments of principal, premium, interest and any other amounts payable pursuant to this Indenture or any undertakings given in addition thereto or in substitution therefor pursuant to this Indenture and express reference to the payment of Additional Amounts in any provisions hereof shall not be construed as excluding Additional Amounts in those provisions hereof where such express reference is not made;
- (i) except as otherwise provided, whenever an amount is denominated in euro, it shall be deemed to include the Euro Equivalent amounts denominated in other currencies, and, whenever an amount is denominated in dollars, it shall be deemed to include the Dollar Equivalent amounts denominated in other currencies;
- (j) any reference herein to a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company, limited partnership or trust, or an allocation of assets to a series of a limited liability company, limited partnership or trust (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale or transfer, or similar term, as applicable, to, of or with a separate Person; any division of a limited liability company, limited partnership or trust shall constitute a separate Person hereunder (and each division of any limited liability company, limited partnership or trust that is a Subsidiary, Restricted Subsidiary, Unrestricted Subsidiary, joint venture or any other like term shall also constitute such a Person or entity); and
- (k) unsecured or unguaranteed Debt shall not be deemed to be subordinate or junior to secured Debt or guaranteed Debt merely by virtue of its nature as unsecured or unguaranteed Debt.

## ARTICLE 2 THE NOTES

### Section 2.01 *Form and Dating.*

(a) *General.* The Notes and the Trustee’s or Authenticating Agent’s certificate of authentication will be substantially in the form of Exhibit A hereto with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage and as provided herein. The Issuer shall approve the form of the Notes and any notation, legend or endorsement thereon. Each Note will be dated the date of its authentication. The terms and provisions contained in the Notes will constitute, and are hereby expressly made, a part of this Indenture and the Issuer and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) *Global Notes.* Notes issued in global form will be substantially in the form of Exhibit A hereto (including the Global Note Legend thereon and the “Schedule of Exchanges of Interests in the Global Note” attached thereto). Each Global Note will represent such of the Outstanding Notes as will be specified therein and each shall provide that it represents the aggregate principal amount of Outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of Outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions and purchases and cancellations. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of Outstanding Notes represented thereby will be made by the Trustee or the Custodian or the Paying Agent at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

(c) *144A Global Notes and Regulation S Global Notes.* Notes sold within the United States to QIBs pursuant to Rule 144A under the U.S. Securities Act shall be issued initially in the form of a Rule 144A Global Note. Notes offered and sold in reliance on Regulation S shall be issued initially in the form of a Regulation S Global Note. The Global Notes shall be deposited with the Custodian for DTC and registered in the name of Cede & Co., the nominee of DTC, duly executed by the Issuer and authenticated by the Trustee or the Authenticating Agent as hereinafter provided. The aggregate principal amount of each Global Note may from time to time be increased or decreased by adjustments made on the “Schedule of Exchanges of Interests in the Global Note” to each such Global Note, as hereinafter provided.

(d) *Definitive Registered Notes.* Definitive Registered Notes issued upon transfer of a Book-Entry Interest or a Definitive Registered Note, or in exchange for a Book-Entry Interest or a Definitive Registered Note, shall be issued in accordance with this Indenture. Notes issued in definitive registered form will be substantially in the form of Exhibit A hereto (excluding the Global Note Legend thereon and without the “Schedule of Exchanges of Interests in the Global Note” attached thereto).

(e) *Book-Entry Provisions.* The Applicable Procedures shall be applicable to Book-Entry Interests in the Global Notes that are held by Participants through the Depository.

(f) *Denomination.* The Notes shall be in denominations of \$200,000 and integral multiples of \$1,000 above \$200,000.

#### Section 2.02 *Execution and Authentication.*

At least one Officer must sign the Notes for the Issuer by manual or facsimile signature. If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note will nevertheless be valid.

A Note will not be valid until authenticated by the manual signature of the authorized signatory of the Trustee or the Authenticating Agent. The signature will be conclusive evidence that the Note has been authenticated under this Indenture. Notwithstanding the foregoing, if any Note shall have been authenticated and delivered hereunder but never issued and sold by the Issuer, the Issuer shall deliver such Note to the Trustee for cancellation pursuant to Section 2.11 hereof.

The Trustee will, upon receipt of a written order of the Issuer signed by an authorized representative (an “*Authentication Order*”), authenticate or cause the Authenticating Agent to authenticate the Notes for original issue that may be validly issued under this Indenture, including any Additional Notes. The aggregate principal amount of Notes outstanding at any time may not exceed the aggregate principal amount of Notes authorized for issuance by the Issuer pursuant to one or more Authentication Orders, except as provided in Section 2.07 hereof.

The Trustee may appoint one or more authentication agents (each, an “*Authenticating Agent*”) acceptable to the Issuer to authenticate Notes. Such an agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An Authenticating Agent has the same rights as an Agent to deal with Holders or an Affiliate of the Issuer.

### Section 2.03 *Paying Agent, Registrars and Transfer Agents.*

The Issuer will maintain one or more paying agents (each, a “*Paying Agent*”) for the Notes. The Issuer will also maintain one or more transfer agents (each, a “*Transfer Agent*”). The initial Paying Agent and initial Transfer Agent will be Citibank, N.A., London Branch, who hereby accepts such appointment.

The Issuer will also maintain one or more registrars (each, a “*Registrar*”) for so long as the Notes are listed on the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market. The Issuer hereby appoints Citigroup Global Markets Europe AG as initial Registrar, who hereby accepts such appointment. The Registrar will maintain a register (the “*Register*”) reflecting ownership of Definitive Registered Notes Outstanding from time to time and facilitate transfers of Definitive Registered Notes on behalf of the Issuer and will send a copy of the Register to the Issuer on the Issue Date and after any change to the Register made by the Registrar.

Upon written notice to the Trustee, the Issuer may change the Paying Agents, the Registrars or the Transfer Agents without prior notice to the Holders. For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, the Issuer will, to the extent and in the manner permitted by such rules, post a notice of any change of Paying Agent, Registrar or Transfer Agent on the official website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) in accordance with Section 14.01 hereof.

### Section 2.04 *Paying Agent to Hold Money.*

The Issuer will require each Paying Agent other than the Trustee and the initial Paying Agent to agree in writing that each Paying Agent will hold for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal of (and premium or Additional Amounts, if any) or interest on the Notes, and will notify the Trustee in writing of any Default by the Issuer in making any such payment. While any such Default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Issuer or a Subsidiary of the Issuer) will have no further liability for the money. If the Issuer or a Subsidiary of the Issuer acts as Paying Agent, it will segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any insolvency, bankruptcy or reorganization proceedings relating to the Issuer (including, without limitation, its bankruptcy, voluntary or judicial liquidation, composition with creditors, reprieve from payment, controlled management, fraudulent conveyance, general settlement with creditors, reorganization or similar laws affecting the rights of creditors generally), the Trustee will serve as Paying Agent for the Notes. The Issuer shall provide funds to the Paying Agent no later than 10:00 a.m. (New York time) on the Business Day prior to the day on which the Paying Agent is to make payment. A Paying Agent shall not be obliged to pay the Holders of the Notes (or make any other payment) unless and until such time as it has confirmed receipt of cleared funds sufficient to make the relevant payment.

### Section 2.05 *Holder Lists.*

The Registrar will preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders. If the Trustee or the Paying Agent is not the Registrar, the Issuer will furnish or cause the Registrar to furnish, to the Trustee and the Paying Agent at least seven Business Days before each interest payment date and at such other times as the Trustee or the Paying Agent may request in writing, a list of the names and addresses of the Holders of Notes in such form and as of such date as the Trustee or the Paying Agent may reasonably require.

Section 2.06 *Transfer and Exchange.*

(a) *Transfer and Exchange of Global Notes.* A Global Note may not be transferred except as a whole by the Depositary to the Custodian or a nominee of such Custodian, by the Custodian or a nominee of such Custodian to the Depositary or to another nominee or Custodian of the Depositary, or by such Custodian or Depositary or any such nominee to a successor Depositary or Custodian or a nominee thereof.

All Global Notes will be exchanged by the Issuer for Definitive Registered Notes:

- (1) If the Depositary notifies the Issuer that it is unwilling or unable to continue to act as Depositary and a successor Depositary is not appointed by the Issuer within 120 days;
- (2) in whole, but not in part, if the Issuer so requests; or
- (3) if the owner of a Book-Entry Interest requests such exchange in writing delivered through the Depositary following a Default by the Issuer under this Indenture.

Upon the occurrence of any of the preceding events in clauses (1) through (3) above, the Issuer shall issue or cause to be issued Definitive Registered Notes in such names as the Depositary shall instruct the Trustee.

Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10 hereof. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a). Book-Entry Interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b) or (c) hereof.

(b) *General Provisions Applicable to Transfer and Exchange of Book-Entry Interests in the Global Notes.*

The transfer and exchange of Book-Entry Interests shall be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. In connection with all transfers and exchanges of Book-Entry Interests (other than transfers of Book-Entry Interests in connection with which the transferor takes delivery thereof in the form of a Book-Entry Interest in the same Global Note), the Transfer Agent (copied to the Trustee) must receive: (i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to debit from the transferor a Book-Entry Interest in an amount equal to the Book-Entry Interest to be transferred or exchanged; (ii) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a Book-Entry Interest in another Global Note in an amount equal to the Book-Entry Interest to be transferred or exchanged; and (iii) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited or debited with such increase or decrease, if applicable.

In connection with a transfer or exchange of a Book-Entry Interest for a Definitive Registered Note, the Transfer Agent (copied to the Trustee and the Registrar) must receive: (i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to debit from the transferor a Book-Entry Interest in an amount equal to the Book-Entry Interest to be transferred or exchanged; (ii) a written order from a Participant directing the Registrar to cause to be issued a Definitive Registered Note in an amount equal to the Book-Entry Interest to be transferred or exchanged; and (iii) instructions containing information regarding the Person in whose name such Definitive Registered Note shall be registered to effect the transfer or exchange referred to above.

In connection with any transfer or exchange of Definitive Registered Notes, the Holder of such Notes shall present or surrender to the Registrar the Definitive Registered Notes duly endorsed or accompanied by a written instruction of transfer in a form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, in connection with a transfer or exchange of a Definitive Registered Note for a Book-Entry Interest, the Transfer Agent (copied to the Trustee) must receive a written order directing the Depositary to credit the account of the transferee in an amount equal to the Book-Entry Interest to be transferred or exchanged.

Upon satisfaction of all of the requirements for transfer or exchange of Book-Entry Interests in Global Notes contained in this Indenture, the Transfer Agent (copied to the Trustee or the Registrar), as specified in this Section 2.06, shall endorse the relevant Global Note(s) with any increase or decrease and instruct the Depositary to reflect such increase or decrease in its systems.

Transfers of Book-Entry Interests shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the U.S. Securities Act. Transfers and exchanges of Book-Entry Interests for Book-Entry Interests also shall require compliance with either subparagraph (b)(1) or (b)(2) below, as applicable, as well as subparagraph (b)(3) below, if applicable:

(1) *Transfer of Book-Entry Interests in the Same Global Note.* Book-Entry Interests in a Global Note may be transferred to Persons who take delivery thereof in the form of a Book-Entry Interest in a Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; *provided, however*, that prior to the expiration of the Restricted Period, Book-Entry Interests in the Regulation S Global Notes will be limited to persons that have accounts with DTC, or its Participants including, Euroclear or Clearstream, and any sale or transfer of such interest to U.S. persons shall not be permitted during the Restricted Period unless such resale or transfer is made pursuant to Rule 144A. No written orders or instructions shall be required to be delivered to the Trustee to effect the transfers described in this Section 2.06(b)(1).

(2) *All Other Transfers and Exchanges of Book-Entry Interests in Global Notes.* A holder may transfer or exchange a Book-Entry Interest in Global Notes in a transaction not subject to Section 2.06(b)(1) above only if the Trustee and the Registrar or the Transfer Agent (copied to the Trustee) receives either:

(A) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a Book-Entry Interest in another Global Note in an amount equal to the Book-Entry Interest to be transferred or exchanged; and (ii) instructions given by the Depositary in accordance with the Applicable Procedures containing information regarding the Participant's account to be credited with such increase; or

(B) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Registered Note in an amount equal to the Book-Entry Interest to be transferred or exchanged; and

(ii) instructions given by the Depositary to the Registrar containing information specifying the identity of the Person in whose name such Definitive Registered Note shall be registered to effect the transfer or exchange referred to in (1) above, the principal amount of such securities and the CUSIP, ISIN, Common Code or other similar number identifying the Notes,

*provided* that any such transfer or exchange is made in accordance with the transfer restrictions set forth in the Private Placement Legend.

(3) *Transfer of Book-Entry Interests to Another Global Note.* A Book-Entry Interest in any Global Note may be transferred to a Person who takes delivery thereof in the form of a Book-Entry Interest in another Global Note if the transfer complies with the requirements of Section 2.06(b)(2) above and the Transfer Agent and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a Book-Entry Interest in a Rule 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof; and

(B) if the transferee will take delivery in the form of a Book-Entry Interest in a Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof.

(c) *Transfer or Exchange of Book-Entry Interests in Global Notes for Definitive Registered Notes.* If any holder of a Book-Entry Interest in a Global Note proposes to exchange such Book-Entry Interest for a Definitive Registered Note or to transfer such Book-Entry Interest to a Person who takes delivery thereof in the form of a Definitive Registered Note, then, upon receipt by the Trustee, the Transfer Agent and the Registrar of the following documentation:

(1) in the case of a transfer on or before the expiration of the Restricted Period by a holder of a Book-Entry Interest in a Regulation S Global Note, the Trustee and the Transfer Agent shall have received a certificate to the effect set forth in Exhibit B hereto, including the certifications in either item (1) or item (2) thereof;

(2) in the case of an exchange by a holder of a Book-Entry Interest in a Global Note of such Book-Entry Interest for a Definitive Registered Note, the Trustee and the Transfer Agent shall have received a certificate from such holder in the form of Exhibit C hereto, including the certifications in items (1) thereof;

(3) in the case of a transfer after the expiration of the Restricted Period by a holder of a Book-Entry Interest in a Regulation S Global Note, the transfer complies with Section 2.06(b);

(4) in the case of a transfer by a holder of a Book-Entry Interest in a Rule 144A Global Note to a QIB in reliance on Rule 144A, the Trustee and the Transfer Agent shall have received a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(5) in the case of a transfer by a holder of a Book-Entry Interest in a Rule 144A Global Note in reliance on Regulation S, the Trustee and the Transfer Agent shall have received a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof; or

(6) in the case of a transfer by a holder of a Book-Entry Interest in a Rule 144A Global Note in reliance on Rule 144, the Trustee and the Transfer Agent shall have received a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(g) hereof, and the Issuer shall execute and the Trustee or the Authenticating Agent shall authenticate and deliver to the Person designated in the instructions a Definitive Registered Note in the appropriate principal amount. Any Definitive Registered Note issued in exchange for a Book-Entry Interest in a Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such Book-Entry Interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Registrar shall deliver such Definitive Registered Notes to the Persons in whose names such Notes are so registered. Any Definitive Registered Note issued in exchange for a Book-Entry Interest in a Global Note pursuant to this Section 2.06(c) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(d) *Transfer and Exchange of Definitive Registered Notes for Book-Entry Interests in the Global Notes.* If any Holder of a Definitive Registered Note proposes to exchange such Note for a Book-Entry Interest in a Global Note or to transfer such Definitive Registered Notes to a Person who takes delivery thereof in the form of a Book-Entry Interest in a Global Note, then, upon receipt by the Trustee, the Transfer Agent and the Registrar of the following documentation:

(1) if the Holder of such Definitive Registered Note proposes to exchange such Note for a Book-Entry Interest in a Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2) thereof;

(2) if such Definitive Registered Note is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(3) if such Definitive Registered Note is being transferred in reliance on Regulation S or Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) or (3) thereof, as applicable;

(4) if such Definitive Registered Note is being transferred to the Issuer or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3) thereof;

and the Trustee will cancel the Definitive Registered Note, and the Trustee will increase or cause to be increased the aggregate principal amount of, in the case of clause (1) above, the appropriate Global Note, in the case of clause (2) above, the appropriate Rule 144A Global Note, in the case of clause (3) above, the appropriate Global Note, and in the case of clause (4) above, the appropriate Global Note.

(e) *Transfer and Exchange of Definitive Registered Notes for Definitive Registered Notes.*

Definitive Registered Notes may be transferred or exchanged in whole or in part, in minimum denominations of \$200,000 in principal amount and integral multiples of \$1,000 in excess thereof, to persons who take delivery thereof in the form of Definitive Registered Notes in accordance with this Section 2.06(e). Upon request by a Holder of Definitive Registered Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Transfer Agent or the Registrar will register the transfer or exchange of Definitive Registered Notes of which registration the Issuer will be informed by the Transfer Agent or the Registrar (as the case may be) upon request. Prior to such registration of transfer or exchange, the requesting Holder must present or surrender to the Transfer Agent or the Registrar the Definitive Registered Notes duly endorsed and accompanied by a written instruction of transfer in a form satisfactory to the Transfer Agent or the Registrar duly executed by such Holder or its attorney, duly authorized to execute the same in writing. In the event that the Holder of such Definitive Registered Notes does not transfer the entire principal amount of Notes represented by any such Definitive Registered Note, the Transfer Agent or the Registrar will cancel or cause to be cancelled such Definitive Registered Note and the Issuer (who has been informed of such cancellation) shall execute and the Trustee or the Authenticating Agent shall authenticate and deliver to the requesting Holder and any transferee Definitive Registered Notes in the appropriate principal amounts. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e).

Any Definitive Registered Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Definitive Registered Note if the Registrar receives the following:

(1) if the transfer will be made pursuant to Rule 144A, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof; and

(2) if the transfer will be made in reliance on Regulation S, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof.

(f) *Legends.* The following legends will appear on the face of all Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(1) *Private Placement Legend.* Each Global Note and each Definitive Registered Note (and all Notes issued in exchange therefor or in substitution thereof) shall bear the legend in substantially the following form:

“THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.



THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN “OFFSHORE TRANSACTION” PURSUANT TO RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND (2) AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE “RESALE RESTRICTION TERMINATION DATE”) WHICH IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE)] [IN THE CASE OF REGULATION S NOTES: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S) IN RELIANCE ON REGULATION S] ONLY (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT (“RULE 144A”), TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER’S AND THE TRUSTEE’S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

BY ACCEPTING THIS NOTE (OR AN INTEREST IN THE NOTES REPRESENTED HEREBY) EACH ACQUIROR AND EACH TRANSFEREE IS DEEMED TO REPRESENT, WARRANT AND AGREE THAT AT THE TIME OF ITS ACQUISITION AND THROUGHOUT THE PERIOD THAT IT HOLDS THIS NOTE OR ANY INTEREST HEREIN (1) EITHER (A) IT IS NOT, AND IT IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS SUCH NOTES OR ANY INTEREST THEREIN IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”)), SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED, (“CODE”), APPLIES, OR ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE “PLAN ASSETS” (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3- 101, AS MODIFIED BY SECTION 3(42) OF ERISA) BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN’S AND/OR PLAN’S INVESTMENT IN SUCH ENTITY (EACH, A “BENEFIT PLAN INVESTOR”), OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR THE PROHIBITED TRANSACTION PROVISIONS OF ERISA AND/OR SECTION 4975 OF THE CODE (“SIMILAR LAWS”), AND NO PART OF THE ASSETS USED BY IT TO ACQUIRE OR HOLD THIS NOTE OR ANY INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (I) ITS ACQUISITION AND HOLDING OF THE NOTES OR ANY INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NONEXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION UNDER SIMILAR LAWS, AND (II) NEITHER ISSUER NOR ANY OF ITS AFFILIATES IS A “FIDUCIARY” (WITHIN THE MEANING OF ANY DEFINITION OF “FIDUCIARY” UNDER SIMILAR LAWS) WITH RESPECT TO THE PURCHASER OR HOLDER IN CONNECTION WITH ANY PURCHASE OR HOLDING OF THE NOTES, OR AS A RESULT OF ANY EXERCISE BY THE ISSUER OR ANY OF ITS AFFILIATES OF ANY RIGHTS IN CONNECTION WITH THE NOTES, AND NO ADVICE PROVIDED BY THE ISSUER OR ANY OF ITS AFFILIATES HAS FORMED A PRIMARY BASIS FOR ANY INVESTMENT DECISION BY OR ON BEHALF OF THE PURCHASER OR HOLDER IN CONNECTION WITH THE NOTES AND THE TRANSACTIONS CONTEMPLATED WITH RESPECT TO THE NOTES; AND (2) IT WILL NOT SELL OR OTHERWISE TRANSFER THIS NOTE OR ANY INTEREST HEREIN OTHERWISE THAN TO A PURCHASER OR TRANSFEREE THAT IS DEEMED TO MAKE THESE SAME REPRESENTATIONS, WARRANTIES AND AGREEMENTS WITH RESPECT TO ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE.”

(2) *Global Note Legend.* Each Global Note will bear a legend in substantially the following form:

“THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE INDENTURE, (2) THIS GLOBAL NOTE MAY BE TRANSFERRED OR EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, AND (3) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE.”

(g) *Cancellation and/or Adjustment of Global Notes.* At such time as all Book-Entry Interests in a particular Global Note have been exchanged for Definitive Registered Notes or a particular Global Note has been redeemed, repurchased or cancelled in whole and not in part, each such Global Note will be returned to or retained and cancelled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any Book-Entry Interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a Book-Entry Interest in another Global Note or for Definitive Registered Notes, the principal amount of Notes represented by such Global Note will be reduced accordingly and an endorsement will be made on such Global Note by the Trustee or the Custodian, at the direction of the Trustee, to reflect such reduction; and if the Book-Entry Interests is being exchanged for or transferred to a Person who will take delivery thereof in the form of a Book-Entry Interests in another Global Note, such other Global Note will be increased accordingly and an endorsement will be made on such Global Note by the Trustee or the Custodian at the direction of the Trustee to reflect such increase.

(h) *General Provisions Relating to Transfers and Exchanges.*

(1) To permit registrations of transfers and exchanges, the Issuer will execute and the Trustee or the Authenticating Agent will authenticate Global Notes and Definitive Registered Notes upon receipt of an Authentication Order in accordance with Section 2.02 hereof or at the Registrar's request.

(2) No service charge will be made by the Issuer or the Registrar to a Holder of a Book-Entry Interest in a Global Note, a Holder of a Global Note or a Holder of a Definitive Registered Note for any registration of transfer or exchange, but the Issuer may require payment of a sum sufficient to cover any stamp duty, stamp duty reserve, documentary or other similar tax or governmental charge that may be imposed in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.10, 3.06, 4.10 and 4.15 hereof).

(3) No Transfer Agent or Registrar will be required to register the transfer of or exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(4) All Global Notes and Definitive Registered Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Registered Notes will be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Registered Notes surrendered upon such registration of transfer or exchange.

(5) [Reserved].

(6) The Trustee, any Agent and the Issuer may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of (and premium or Additional Amounts, if any) or interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Issuer shall be affected by notice to the contrary.

(7) All certifications, certificates and Opinions of Counsel required to be submitted to the Issuer, the Trustee, the Transfer Agent or the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted initially by facsimile with originals to be delivered promptly thereafter to the Trustee.

#### Section 2.07 *Replacement Notes.*

(a) If any mutilated Note is surrendered to the Registrar, the Trustee or the Issuer and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Issuer will issue and the Trustee, upon receipt of an Authentication Order, will authenticate or cause the Authenticating Agent to authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Issuer, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Issuer to protect the Issuer, the Trustee, any Agent from any loss that any of them may suffer if a Note is replaced. The Issuer and the Trustee may charge the Holder for its expenses in replacing a Note, including but not limited to reasonable fees and expenses of counsel.

(b) Every replacement Note is an additional obligation of the Issuer and will be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

#### Section 2.08 *Outstanding Notes.*

The Notes outstanding at any time are all the Notes authenticated by the Trustee or the Authenticating Agent except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section 2.08 as not outstanding. Except as set forth in Section 2.09 hereof, a Note does not cease to be outstanding because the Issuer or an Affiliate of the Issuer holds the Note; however, Notes held by the Issuer or any of its Subsidiaries shall not be deemed to be outstanding for the purposes of Section 3.07(b) hereof.

If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a protected purchaser. If the principal amount of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue. If a Paying Agent (other than the Issuer, a Subsidiary of the Issuer or an Affiliate of any thereof) holds, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes will be deemed to be no longer outstanding and will cease to accrue interest.

#### Section 2.09 *Treasury Notes.*

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Issuer or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer, will be considered as though not Outstanding, except that for the purposes of determining whether the Trustee will be protected in relying on any such direction, waiver or consent, only Notes that the Trustee knows are so owned will be so disregarded.

#### Section 2.10 *Temporary Notes.*

Until certificates representing Notes are ready for delivery, the Issuer may prepare and the Trustee, upon receipt of an Authentication Order, will authenticate or cause the Authenticating Agent to authenticate temporary Notes. Temporary Notes will be substantially in the form of certificated Notes but may have variations that the Issuer considers appropriate for temporary Notes and as may be reasonably acceptable to the Trustee. Without unreasonable delay, the Issuer will prepare and the Trustee or the Authenticating Agent will authenticate definitive Notes in exchange for temporary Notes.

Holders of temporary Notes will be entitled to all of the benefits of this Indenture.

#### Section 2.11 *Cancellation.*

The Issuer at any time may deliver Notes to the Trustee for cancellation. The Registrar, each Paying Agent and any Transfer Agent will forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee, in accordance with its customary procedures, or at the direction of the Trustee, the Registrar or the Paying Agent and no one else will cancel (subject to the Trustee's retention policy) all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and will destroy canceled Notes (subject to the record retention requirement of the U.S. Exchange Act). Certification of the destruction of all canceled Notes will be delivered to the Issuer following a written request from the Issuer. The Issuer may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation. The Issuer undertakes to promptly inform the Luxembourg Stock Exchange (as long as the Notes are admitted to trading on the Euro MTF Market and listed on the Official List of the Luxembourg Stock Exchange) of any such cancellation.

#### Section 2.12 *Defaulted Interest.*

If the Issuer defaults in a payment of interest on the Notes, it will pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Issuer will notify the Trustee as soon as practicable in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Issuer will fix or cause to be fixed each such special record date and payment date; *provided* that no such special record date may be less than ten (10) days prior to the related payment date for such defaulted interest. At least fifteen (15) days before the special record date, the Issuer (or, upon the written request of the Issuer, the Trustee in the name and at the expense of the Issuer) will mail or cause to be mailed to the Holders in accordance with Section 14.01 hereof a notice that states the special record date, the related payment date and the amount of such interest to be paid. The Issuer undertakes to promptly inform the Luxembourg Stock Exchange (as long as the Notes are admitted to trading on the Euro MTF Market and listed on the Official List of the Luxembourg Stock Exchange) of any such special record date.

Section 2.13 *Further Issues.*

(a) Subject to compliance with Section 4.09 hereof, the Issuer may from time to time issue Additional Notes, which shall have identical terms and conditions as the Initial Notes (save for payment of interest accruing prior to the issue date of such Additional Notes or for the first payment of interest following the issue date of such Additional Notes). The Initial Notes and any Additional Notes will be treated as a single class for all purposes under this Indenture, including, without limitation, with respect to waivers, amendments, redemptions, and offers to purchase except as otherwise specified with respect to each series of Notes, provided, however, that any such Additional Notes that are not fungible with the Initial Notes for U.S. federal income tax purposes will be issued under a different CUSIP, ISIN, Common Code or other identifying number.

(b) Whenever it is proposed to create and issue any Additional Notes, the Issuer shall give to the Trustee not less than three Business Days' notice in writing of its intention to do so, stating the amount of Additional Notes proposed to be created and issued.

Section 2.14 *CUSIP, ISIN or Common Code Number.*

The Issuer in issuing the Notes may use a "CUSIP", "ISIN" or "Common Code" number and, if so, such CUSIP, ISIN or Common Code number shall be included in notices of redemption or exchange as a convenience to Holders; *provided, however*, that any such notice may state that no representation is made as to the correctness or accuracy of the CUSIP, ISIN or Common Code number printed in the notice or on the Notes, and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption or exchange shall not be affected by any defect in or omission of such numbers.

The Issuer will promptly notify the Trustee in writing of any change in the CUSIP, ISIN or Common Code number.

Section 2.15 *Deposit of Moneys.*

No later than 10:00 a.m. (New York time), on the Business Day prior to each Interest Payment Date, the maturity date of the Notes and each payment date relating to an Excess Proceeds Offer or a Change of Control Offer, and on the Business Day immediately following any acceleration of the Notes pursuant to Section 6.02 hereof, the Issuer shall deposit with the Paying Agent, in immediately available same-day freely transferrable funds, money in U.S. Dollars sufficient to make cash payments, if any, due on such day or date, as the case may be. Subject to actual receipt of such funds as provided by this Section 2.15 by the designated Paying Agent, such Paying Agent shall remit such payment in a timely manner to the Holders on such day or date, as the case may be, to the Persons and in the manner set forth in paragraph 2 of the Notes. The Issuer shall promptly notify the Trustee and the Paying Agent of its failure to so act.

Section 2.16 *Agents.*

(a) The rights, powers, duties and obligations and actions of each Agent under this Indenture are several and not joint or joint and several.

(b) The Issuer and the Agents acknowledge and agree that in the event of a Default or Event of Default, the Trustee may, by notice in writing to the Issuer and the Agents, require that the Agents act as agents of, and take instructions exclusively from, the Trustee.

(c) The Issuer shall provide the Agents with a certified list of authorized signatories.

(d) The Agents shall hold all funds as banker subject to the terms of this Indenture and as a result, such money shall not be held in accordance with the rules established by the Financial Conduct Authority in the Financial Conduct Authority's Handbook of rules and guidance from time to time in relation to client money. Each Agent shall not be liable to account for any interest on money paid to it. Money held by the Agent need not be segregated except as required by law.

### ARTICLE 3 REDEMPTION AND PREPAYMENT

#### Section 3.01 *Notices to Trustee.*

If the Issuer elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07 and 3.08 hereof, it shall deliver to the Trustee in accordance with Section 14.01 hereof, at least 10 days but not more than 60 days before a redemption date, an Officer's Certificate setting forth:

- (a) the clause of this Indenture pursuant to which the redemption shall occur;
- (b) the redemption date and the record date;
- (c) the principal amount of Notes to be redeemed;
- (d) the redemption price;
- (e) beginning and ending pool factor (for Notes represented by a Global Note and subject to a partial redemption); and
- (f) the CUSIP, ISIN or Common Code numbers of the Notes, as applicable.

#### Section 3.02 *Selection of Notes to Be Redeemed or Purchased.*

If less than all of the Notes are to be redeemed or purchased in an offer to purchase at any time, the Paying Agent or Registrar will select the Notes for redemption or purchase (or, in the case of any Global Notes, on a *pro rata* pass-through distribution basis and in accordance with the procedures of DTC, on a *pro rata* basis in denominations of \$1,000 in principal amount and integral multiples thereof) unless otherwise required by law or applicable stock exchange or depository requirements. The Trustee, the Paying Agent and the Registrar will not be liable for selections made by the Paying Agent or the Registrar in accordance with this Section 3.02.

Notices of purchase or redemption will be given to each Holder pursuant to Sections 3.03 and 14.01 hereof.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

In relation to Definitive Registered Notes, a new Note in principal amount equal to the unpurchased or unredeemed portion of any Note purchased or redeemed in part will be issued in the name of the Holder thereof upon cancellation of the original Note. On or after any purchase or redemption date, unless the Issuer defaults in payment of the purchase or redemption price, interest shall cease to accrue on Notes or portions thereof tendered for purchase or called for redemption.

Section 3.03 *Notice of Redemption.*

(a) At least 10 days but not more than 60 days before a redemption date, the Issuer will mail by first class mail (or deliver by means of publication through DTC) a notice of redemption to each Holder whose Notes are to be redeemed at its address as it appears on the register of the relevant Registrar, except that redemption notices may be mailed, or delivered, more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or the satisfaction and discharge of this Indenture pursuant to Articles 8 or 13 hereof. So long as any Notes are admitted to trading on the Euro MTF Market and listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, any such notice to the Holders of the relevant Notes shall, to the extent and in the manner permitted by such rules, be posted on the official website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and, in connection with any redemption, the Issuer will forthwith notify the Luxembourg Stock Exchange of any change in the principal amount of Notes Outstanding.

(b) The notice will identify the Notes to be redeemed and corresponding CUSIP, ISIN or Common Code numbers, as applicable, and will state:

(1) the redemption date and the record date;

(2) the redemption price and the amount of accrued interest, if any, and Additional Amounts, if any, to be paid;

(3) if any Global Note is being redeemed in part, the portion of the principal amount of such Global Note to be redeemed and that, after the redemption date upon surrender (if applicable) of such Global Note, the principal amount thereof will be decreased by the portion thereof redeemed pursuant thereto;

(4) if any Definitive Registered Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed, and that, after the redemption date, upon surrender of such Note, a new Definitive Registered Note or Definitive Registered Notes in principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the original Definitive Registered Note;

(5) the name and address of the Paying Agent(s) to which the Notes are to be surrendered for redemption;

(6) that Notes called for redemption must be surrendered to the relevant Paying Agent to collect the redemption price, plus accrued and unpaid interest, if any, and Additional Amounts, if any;

(7) that, unless the Issuer defaults in making such redemption payment, interest, and Additional Amounts, if any, on Notes called for redemption cease to accrue on and after the redemption date;

(8) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed;

and



(9) that no representation is made as to the correctness or accuracy of the CUSIP, ISIN or Common Code numbers, if any, listed in such notice or printed on the Notes.

(c) At the Issuer's request, the Trustee (or the Paying Agent) will give the notice of redemption in the Issuer's name and at its expense in accordance with Section 14.01 hereof; *provided, however*, that the Issuer will have delivered to the Trustee, at least ten days prior to the date the notice is required to be delivered pursuant to clause (a) above, an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

#### Section 3.04 *Effect of Notice of Redemption.*

A notice of redemption may, at the Issuer's discretion, be subject to satisfaction of one or more conditions precedent. On and after a redemption date, unless the Issuer defaults in payment of the purchase or redemption price, interest shall cease to accrue on such Notes or portion of them called for redemption.

#### Section 3.05 *Deposit of Redemption or Purchase Price.*

(a) No later than 10:00 a.m. (New York time) on the Business Day prior to the redemption or purchase date, the Issuer will deposit with the Trustee or with the Paying Agent money in U.S. Dollars sufficient to pay the redemption or purchase price of, and accrued interest and Additional Amounts (if any) on, all Notes to be redeemed on that date. The Trustee or the Paying Agent will promptly return to the Issuer any money deposited with the Trustee or the Paying Agent, as applicable, by the Issuer in excess of the amounts necessary to pay the redemption or purchase price of, and accrued interest and Additional Amounts, if any, on, all Notes to be purchased or redeemed.

(b) If the Issuer complies with the provisions of Section 3.05(a) hereof, on and after the redemption or purchase date, interest will cease to accrue on the Notes or the portions of Notes called for redemption or purchase. If a Note is redeemed or purchased on or after a record date for the payment of interest but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption or purchase is not so paid upon surrender for redemption or purchase because of the failure of the Issuer to comply with Section 3.05(a) hereof, interest shall be paid on the unpaid principal, from the redemption or purchase date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

#### Section 3.06 *Notes Redeemed or Purchased in Part.*

Upon surrender of a Definitive Registered Note that is redeemed or purchased in part, the Issuer will issue and, upon receipt of an Authentication Order, the Trustee or the Authenticating Agent will authenticate for (and in the name of) the Holder at the expense of the Issuer a new Note equal in principal amount to the unredeemed or unpurchased portion of the Note surrendered; *provided that* any Definitive Registered Note shall be in a principal amount of \$200,000 or an integral multiple of \$1,000 above \$200,000.

#### Section 3.07 *Optional Redemption.*

Except pursuant to this Section 3.07 and Section 3.08 hereof, the Notes are not redeemable at the Issuer's option. The Issuer is not, however, prohibited from acquiring the Notes by means other than a redemption, whether pursuant to a tender offer, open market purchase or otherwise, so long as the acquisition does not otherwise violate the terms of this Indenture. The Issuer may make any redemption or redemption notice subject to the satisfaction of conditions precedent. If such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Issuer's discretion, the redemption date may be delayed until such time (but no more than 60 days after the date of the notice of redemption) as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied or waived by the redemption date, or by the redemption date as so delayed, or such notice may be rescinded at any time in the Issuer's discretion if in the good faith judgement of the Issuer any or all of such conditions will not be satisfied or waived. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

If a redemption date is not a Business Day, payment may be made on the next succeeding day that is a Business Day, and no interest shall accrue on any amount that would have been otherwise payable on such redemption date if it were a Business Day for the intervening period. If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid to the Person in whose name the Note is registered at the close of business on such record date and no additional interest will be payable to Holders whose Notes will be subject to redemption.

(a) At any time prior to March 25, 2024, upon not less than 10 nor more than 60 days' notice to the Trustee and the Holders, the Issuer may on any one or more occasions redeem up to 40% of the original aggregate principal amount of Notes (including Additional Notes) at a redemption price of 106.250% of their principal amount, plus accrued and unpaid interest, if any, to the redemption date (subject to the right of the Holders of record on the relevant record date to receive interest due on the relevant interest payment date), with the proceeds from one or more Equity Offerings or any sale of Qualified Capital Stock of any Restricted Subsidiary of the Issuer. The Issuer may only do this, however, if:

- (1) at least 50% of the aggregate principal amount of Notes that were initially issued under this Indenture would remain outstanding immediately after the proposed redemption; and
- (2) the redemption occurs within 180 days after the closing of such Equity Offering or sale of Qualified Capital Stock.

Any notice for such a redemption may be given prior to completing the Equity Offering or sale of Qualified Capital Stock and be conditioned upon its completion.

(b) At any time prior to March 25, 2024, upon not less than 10 nor more than 60 days' notice to the Trustee and the Holders, the Issuer may on any one or more occasions redeem up to 40% of the original aggregate principal amount of Notes (including Additional Notes) at a redemption price of 106.250% of their principal amount, plus accrued and unpaid interest, if any, to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), with the Net Available Proceeds from one or more Specified Subsidiary Sales. The Issuer may only do this, however, if:

- (1) at least 50% of the aggregate principal amount of Notes that were initially issued would remain outstanding immediately after the proposed redemption; and
- (2) the redemption occurs within 365 days from the later of the date of such Specified Subsidiary Sale or the receipt of such Net Available Proceeds.

(c) During each 12 month period commencing on the Issue Date and ending on March 25, 2024, upon not less than 10 nor more than 60 days' prior notice to the Trustee and the Holders, the Issuer may redeem up to 10% of the original aggregate principal amount of the Notes (including Additional Notes) at a redemption price equal to 103% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date). (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

(d) At any time prior to March 25, 2024, upon not less than 10 nor more than 60 days' notice to the Trustee and the Holders, the Issuer may also redeem all or part of the Notes (including Additional Notes) at a redemption price equal to 100% of the principal amount thereof plus the Applicable Redemption Premium and accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date.

(e) At any time on or after March 25, 2024 and prior to maturity, upon not less than 10 nor more than 60 days' notice to the Trustee and the Holders, the Issuer may redeem all or part of the Notes. These redemptions will be in amounts of \$200,000 or integral multiples of \$1,000 in excess thereof at the following redemption prices (expressed as percentages of their principal amount at maturity), plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date, if redeemed during the 12- month period commencing on March 25 of the years set forth below:

<b>Year</b>	<b>Redemption Price</b>
2024	103.125%
2025	102.083%
2026	101.042%
2027 and thereafter	100.000%

Section 3.08 *Redemption upon changes in withholding taxes.*

The Issuer may redeem the Notes, in whole but not in part, at its option, at 100% of the outstanding principal amount thereof plus accrued and unpaid interest to the date of redemption and any Additional Amounts (as defined under Section 4.22(a) hereof) payable with respect thereto, if:

(a) as a result of (i) any change in, or amendment to, the laws or treaties (or any regulations or rulings promulgated thereunder) of any Relevant Taxing Jurisdiction (as defined under Section 4.22(a) hereof) affecting taxation which is publicly announced and becomes effective on or after the Issue Date or, if such Relevant Taxing Jurisdiction has become a Relevant Taxing Jurisdiction after the Issue Date, on or after the date on which such Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction under this Indenture or (ii) any change in, or amendment to, the existing official published position (including any such change or amendment occurring as a result of the introduction of an official position) regarding the application, administration or interpretation of the laws or treaties (or any regulations or rulings promulgated thereunder) of any Relevant Taxing Jurisdiction (including any such change or amendment occurring as a result of a holding, judgment or order by a court of competent jurisdiction or a change in published practice), which change or amendment is publicly announced and, where applicable, becomes effective on or after the Issue Date or, if such Relevant Taxing Jurisdiction has become a Relevant Taxing Jurisdiction after the Issue Date, on or after the date on which such Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction under this Indenture (either, a “*Change in Tax Law*”), the Issuer has or will become obligated to pay Additional Amounts; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; *provided, however*, that for this purpose reasonable measures shall not include any change in the Issuer’s jurisdiction of organization or the location of its principal executive office, or the incurrence of material out of pocket costs by it. No such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due.

Prior to the publication or mailing of any notice of redemption of the Notes as described below, the Issuer must deliver to the Trustee (i) an Officers’ Certificate stating that the Issuer is entitled to effect such redemption and (ii) an opinion of legal counsel of recognized standing stating that the Issuer has or will become obligated to pay Additional Amounts due to a Change in Tax Law. The Trustee will accept and shall be entitled to rely on this certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set forth in clauses (1) and (2) above, upon which it will be conclusive and binding on the Holders.

Section 3.09      *Escrow of Proceeds; Special Mandatory Redemption.*

(a) The Issuer may request the Escrow Agent to release all of the Escrowed Property from the Escrow Account to fund the Telefonica Costa Rica Acquisition, the Telefonica Nicaragua Acquisition or the Telefonica Panama Acquisition (the “*Relevant Telefonica CAM Acquisition*”) substantially concurrently with the closing of the Relevant Telefonica CAM Acquisition. Notwithstanding the foregoing, the Issuer shall be required to request a Release (as defined below) to finance the first Relevant Telefonica CAM Acquisition to close; provided that the foregoing requirement shall not apply in the event that any Subsidiary or Affiliate of the Issuer, including Cable Onda, issues securities or otherwise raises financing, for the purposes of financing the Telefonica Panama Acquisition, before or substantially concurrently with the closing of the Telefonica Panama Acquisition (the “*Alternative Panama Financing*”).

The Issuer may request the Escrow Agent to release all of the Escrowed Property to the Issuer (a “*Release*”) upon delivery by the Issuer to the Escrow Agent and the Trustee shall have received from the Issuer, on or before the Escrow Longstop Date, an Officer’s Certificate, upon which both the Escrow Agent and the Trustee shall be entitled to rely absolutely without further investigation, to the effect that:

(1) (i) a Relevant Telefonica CAM Acquisition (which shall be identified) will be consummated promptly upon such Release of the Escrowed Property and (ii) since the Issue Date, no material term or condition of the Relevant Telefonica CAM Acquisition Agreement to be consummated promptly upon such Release has been amended or waived in a manner or to an extent that would be materially prejudicial to the interests of Holders, other than any amendment or waiver made with the consent of Holders of a majority of the Outstanding Notes;

(2) promptly after consummation of the Relevant Telefonica CAM Acquisition, (i) in the case of either the Telefonica Costa Rica Acquisition or the Telefonica Nicaragua Acquisition, the Issuer or a Subsidiary or Affiliate or joint venture of the Issuer will own, directly or indirectly, 100% of the outstanding shares of either Telefonica de Costa Rica TC, S.A. or Telefonía de Celular de Nicaragua, S.A., as applicable, or, (ii) in the case of the Telefonica Panama Acquisition, the Issuer or a Subsidiary or Affiliate or joint venture of the Issuer will own, directly or indirectly, 100% of the outstanding shares of Telefonica Móviles Panama, S.A.; and

(3) as at the date of such Officer’s Certificate, there is no Default or Event of Default with respect to the Issuer under clauses (8) or (9) of Section 6.01 hereof.

(b) The Escrowed Property to be released in connection with any Release will be paid out in accordance with the Escrow Agreement and the Escrowed Property will be reduced accordingly. Unless the Escrowed Property has been released as contemplated above, then in the event that (i) (A) neither the Telefonica Costa Rica Acquisition Completion Date nor the Telefonica Nicaragua Acquisition Completion Date has occurred on or prior to the Escrow Longstop Date and (B) where there is no Alternative Panama Financing, the Telefonica Panama Acquisition Completion Date has not occurred on or prior to the Escrow Longstop Date, (ii) in the reasonable judgment of the Issuer, no Relevant Telefonica CAM Acquisition (except the Telefonica Panama Acquisition, but only where there is Alternative Panama Financing) will be consummated on or prior to the Escrow Longstop Date, (iii) all of the Telefonica CAM Acquisition Agreements (except the Telefonica Panama Acquisition Agreement, but only where there is Alternative Panama Financing) have been terminated at any time on or prior to the Escrow Longstop Date, or (iv) there is a Default or an Event of Default with respect to the Issuer under clauses (8) or (9) of Section 6.01 on or prior to the Escrow Longstop Date, (the date of any such (i) to (iv) event being the “*Special Termination Date*”), the Issuer will redeem Notes in an aggregate principal amount of \$500,000,000 (the “*Special Mandatory Redemption*”) at a price (the “*Special Mandatory Redemption Price*”) equal to (v) 100% of the aggregate issue price of the Notes so redeemed if the date of the Special Mandatory Redemption occurs on or prior to September 25, 2019 or (x) 101% of the aggregate issue price of the Notes so redeemed if the date of the Special Mandatory Redemption occurs after September 25, 2019, in each case, plus accrued but unpaid interest and Additional Amounts, if any, (y) from the Issue Date but excluding the payment date of the Special Mandatory Redemption Price or (z) if applicable, from the most recent date on which interest on the Notes was paid or provided for, to, but excluding the payment date of the Special Mandatory Redemption Price (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

(c) Notice of the Special Mandatory Redemption will be delivered by the Issuer, no later than one Business Day following the Special Termination Date, to the Trustee, the Paying Agent and the Escrow Agent, and will provide that the Notes shall be redeemed on a date that is not less than two Business Days prior and not later than the fifth Business Day after such notice is given by the Issuer in accordance with the terms of the Escrow Agreement (the “*Special Mandatory Redemption Date*”).

(d) No later than 12:00 p.m. New York time on the Business Day prior to the Special Mandatory Redemption Date, the Escrow Agent shall have paid to the Issuer, and the Issuer shall subsequently have paid to the Paying Agent, for payment to each Holder of the Special Mandatory Redemption Price for such Holder’s Notes and, concurrently with the payment to such Holders, deliver any excess Escrowed Property (if any) to the Issuer.

(e) In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeds the amount of the Escrowed Property, the Issuer will pay the accrued and unpaid interest and Additional Amounts, if any, and any other amounts owing to the Holders.

(f) If at the time of such Special Mandatory Redemption, the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market, and the rules of the Luxembourg Stock Exchange so require, the Issuer will notify the Luxembourg Stock Exchange that the Special Mandatory Redemption has occurred and any relevant details relating to such Special Mandatory Redemption.

(g) No provisions of the Escrow Agreement and, to the extent such provisions relate to the Issuer’s obligation to redeem the Notes in a Special Mandatory Redemption, this Indenture, may be amended, waived or modified in any manner materially adverse to the Holders of the Notes without the consent of Holders of a majority of the Outstanding Notes. By accepting a Note, each Holder will be deemed to have agreed to be bound by the terms of the Escrow Agreement and have irrevocably authorized the Trustee to take all the actions set forth in the Escrow Agreement without the need for further direction from them under this Indenture.

Section 3.10     *Sinking fund.*

Except as set forth under Section 3.09 of this Indenture, the Issuer will not be required to make any other mandatory redemption or sinking fund payments with respect to the Notes .

Section 3.11     *[Reserved].*

Section 3.12     *Offer to Purchase by Application of Excess Proceeds.*

(a) In the event that, pursuant to Section 4.10 hereof, the Issuer is required to commence an offer to all Holders to purchase the Notes (an “*Excess Proceeds Offer*”), it will follow the procedures specified in this Section 3.12.

(b) Each Excess Proceeds Offer will be made to all Holders and, to the extent applicable, to all holders of other Debt that is *pari passu* with the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase, prepay or redeem with the proceeds of sales of assets. Each Excess Proceeds Offer will remain open for a period of at least 20 Business Days and not more than 60 Business Days, following its commencement except to the extent that a longer period is required by applicable law (the “Offer Period”). No later than three Business Days after the termination of the Offer Period (the “Purchase Date”), the Issuer will apply all Excess Proceeds, in the case of an Excess Proceeds Offer (the “Offer Amount”) to the purchase of the Notes and, if applicable, such other Pari Passu Debt (on a *pro rata* basis based on the principal amount of the Notes and such other Pari Passu Debt surrendered, if applicable or, if less than the Offer Amount has been tendered, all Notes and, if applicable, other Debt tendered in response to the Excess Proceeds Offer). Payment for any Notes so purchased will be made in the same manner as interest payments are made.

(c) If the Purchase Date is on or after a record date for the payment of interest and on or before the related payment date, any accrued and unpaid interest, if any, will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to Holders who tender Notes pursuant to the Excess Proceeds Offer.

(d) Upon the commencement of an Excess Proceeds Offer, the Issuer will send, by first class mail, a notice to the Trustee and each of the Holders with a copy to the Trustee. The notice will contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Excess Proceeds Offer. The notice, which will govern the terms of the Excess Proceeds Offer, will state:

(1) that the Excess Proceeds Offer is being made pursuant to this Section 3.12 and Section 4.10 hereof and the length of time the Excess Proceeds Offer will remain open;

(2) the Offer Amount, the purchase price and the Purchase Date;

(3) that any Note not tendered or accepted for payment will continue to accrue interest;

(4) that, unless the Issuer defaults in making such payment, any Note accepted for payment pursuant to the Excess Proceeds Offer will cease to accrue interest after the Purchase Date;

(5) that Holders electing to have a Note purchased pursuant to an Excess Proceeds Offer may elect to have Notes purchased in whole or in part in a minimum amount of \$200,000 and integral multiples of \$1,000 in excess thereof;

(6) that Holders electing to have a Note purchased pursuant to any Excess Proceeds Offer will be required to surrender the Note, with the form entitled “Option of Holder to Elect Purchase” on the reverse of the Note completed, or transfer by book-entry transfer through the facilities of the Depositary, to the account of the Issuer, or a Paying Agent at the address specified in the notice at least three days before the Purchase Date;

(7) that Holders will be entitled to withdraw their election if the Issuer, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

(8) that, if the aggregate principal amount of Notes and other Pari Passu Debt surrendered by holders thereof exceeds the Offer Amount, the Issuer will select the Notes and other Pari Passu Debt to be purchased on a *pro rata* basis based on the principal amount of Notes and such other Pari Passu Debt surrendered (with such adjustments as may be deemed appropriate by the Issuer such that Notes will be purchased in whole or in part in a minimum amount of \$200,000 and integral multiples of \$1,000 in excess thereof); and

(9) that Holders whose Definitive Registered Notes were purchased only in part will be issued new Definitive Registered Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer).

(e) On or before the Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Offer Amount of Notes or portions thereof tendered pursuant to the Excess Proceeds Offer, or if less than the Offer Amount has been tendered, all Notes tendered, and will deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this Section 3.12. The Issuer or its Paying Agent, as the case may be, will promptly (but in any case not later than five days after the Purchase Date) mail or deliver to each tendering Holder in the manner specified in the Notes an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Issuer for purchase. In connection with any purchase of Global Notes pursuant hereto, the Trustee will endorse such Global Notes to reflect the decrease in principal amount of such Global Note resulting from such purchase. In connection with any partial purchase of Definitive Registered Notes, the Issuer will promptly issue a new Definitive Registered Note, and the Trustee, upon written request from the Issuer, will procure the authentication of and mail or deliver such new Definitive Registered Note to the tendering Holder, in a principal amount equal to any unpurchased portion of the Definitive Registered Note surrendered. Any Note tendered but not accepted will be promptly mailed or delivered by the Issuer to the Holder thereof. The Issuer will publicly announce and inform the Luxembourg Stock Exchange (for as long as the Notes (if any) are admitted to trading on the Euro MTF Market and listed on the Official List of the Luxembourg Stock Exchange) of the results of the Excess Proceeds Offer on the Purchase Date.

(f) Other than as specifically provided in this Section 3.12, any purchase pursuant to this Section 3.12 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof (it being understood that any purchase pursuant to this Section 3.12 shall not be subject to conditions precedent).

#### Section 3.13 *Post-Tender Redemption.*

In connection with any tender offer or other offer to purchase for all of the Notes, (including, for the avoidance of doubt, any Change of Control Offer or Excess Proceeds Offer (each as defined herein)), if Holders of not less than 90% of the aggregate principal amount of the then Outstanding Notes validly tender and do not validly withdraw such Notes in such tender offer and the Issuer, or any third party making such tender offer in lieu of the Issuer, purchases all of the Notes validly tendered and not validly withdrawn by such Holders, the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' notice to the Trustee and the Holders, given not more than 30 days following such tender offer expiration date, to redeem all Notes, that remain Outstanding following such purchase at a price equal to the price paid to each other Holder (excluding any early tender or incentive fee) in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the date of such redemption.

### ARTICLE 4 COVENANTS

#### Section 4.01 *Payment of Notes.*

The Issuer will pay or cause to be paid the principal of, premium on, if any, interest and Additional Amounts, if any, on, the Notes on the dates and in the manner provided in the Notes and this Indenture. Principal, premium, if any, interest and Additional Amounts, if any, will be considered paid on the date due if the Trustee or the Paying Agent, if other than the Issuer, holds as of 10:00 a.m. (New York time) one Business Day prior to the due date money deposited by the Issuer in immediately available same-day freely transferrable funds and designated for and sufficient to pay all principal, premium, if any, and interest and Additional Amounts, if any, then due. If the Issuer or any of its Subsidiaries acts as Paying Agent, principal, premium, if any, interest and Additional Amounts, if any, shall be considered paid on the due date if the entity acting as Paying Agent complies with Section 2.04 hereof.

Principal of, interest, premium, if any, and Additional Amounts, if any, on the Notes will be payable at the specified office or agency of the Paying Agent. All payments on the Global Notes will be made by transfer of immediately available funds to an account of the Holder of the Global Notes in accordance with instructions given by that Holder.

Principal of, interest, premium, if any, and Additional Amounts, if any, on any Definitive Registered Notes will be payable at the specified office or agency of any Paying Agent in any location required to be maintained for such purposes pursuant to Section 2.03 hereof. In addition, interest on Definitive Registered Notes may be paid by check mailed to the person entitled thereto as shown on the Register for such Definitive Registered Notes.

The Issuer will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at the then applicable interest rate on the Notes. The Issuer will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Additional Amounts, if any (without regard to any applicable grace period), at the then applicable interest rate on the Notes to the extent lawful.

The Paying Agent shall be entitled to make payments net of any taxes or other sums required by applicable law to be withheld or deducted.

Section 4.02      *Maintenance of Office or Agency.*

The Issuer will maintain the offices and agencies specified in Section 2.03 hereof. The Issuer shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Issuer fails to maintain any such required office or agency or fails to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the trust office of the Trustee (the address of which is specified in Section 14.01 hereof).

The Issuer may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided, however*, that no such designation or rescission will in any manner relieve the Issuer of its obligation to maintain an office or agency in the city of London for such purposes. The Issuer will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Issuer hereby designates the trust office of the Trustee (the address of which is specified in Section 14.01 hereof) as one such office or agency of the Issuer in accordance with Section 2.03 hereof.



(a)      The Issuer will furnish to the Trustee:

(1)      within 120 days after the end of the Issuer's fiscal year, as applicable, beginning with the fiscal year ended December 31, 2019, annual reports containing: (i) a discussion of the Issuer's financial results including information similar to that in the section in the Issuer's annual report on Form 20-F for the year ended December 31, 2018, which was filed with the SEC on February 28, 2019, incorporated by reference in the offering memorandum entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*"; (ii) the audited consolidated statement of financial position of the Issuer as at the end of the most recent two fiscal years and audited consolidated income statements and statements of cash flow of Issuer for the most recent three fiscal years, including notes to such financial statements, for and as at the end of such fiscal years and the report of the independent auditors on the financial statements; and (iii) if required under IFRS, a *pro forma* income statement and a statement of financial position information of the Issuer, together with explanatory footnotes, for any acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates (unless such *pro forma* information has been provided in a previous report pursuant to clause (b) or (c) below); *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials to the extent available without unreasonable expense;

(2)      within 60 days after the end of each of the first three fiscal quarters of the Issuer's fiscal year, as applicable, beginning with the quarter ended March 31, 2019, quarterly reports containing the following information: (i) the unaudited condensed consolidated statement of financial position of the Issuer as at the end of such quarter and unaudited condensed consolidated income statements and statements of cash flow of each of the Issuer for the most recent quarter and year to date periods ending on the unaudited condensed consolidated statement of financial position date and the comparable prior period (as determined by the IFRS standard on preparation of interim condensed consolidated financial statements) and (ii) a copy of the related operating and financial review included in the quarterly earnings release of the Issuer for the applicable fiscal quarter; and within 90 days after the end of each of the first three fiscal quarters of each of the Issuer's fiscal year, as applicable, if required under IFRS, a *pro forma* interim condensed consolidated income statement and a statement of financial position of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such quarterly report relates; *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide, in the case of a material acquisition, acquired company financial statements to the extent available without unreasonable expense, *provided* that for so long as the Issuer maintains a listing on the Nasdaq Stockholm Exchange, the quarterly reports filed by the Issuer as required by the rules of the Nasdaq Stockholm Exchange shall be deemed to fulfill the requirements of this clause (2); and

(3)      promptly after the occurrence of any material acquisition, disposition or restructuring of the Issuer and its Subsidiaries taken as a whole, or any changes of the Chief Executive Officer or Chief Financial Officer at the Issuer, or a change in the auditors of the Issuer, or any other material event that the Issuer announces publicly, a press release or report containing a description of such event.

(b)      At any time that any of the Issuer's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a "significant subsidiary" of the Issuer, as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the U.S. Securities Act, then the annual and quarterly financial information required by clauses (a)(1) and (a)(2) of this Section 4.03 shall include either (i) a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer, or (ii) stand-alone audited or unaudited financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an unaudited reconciliation to the financial information of the Issuer and its Subsidiaries, which reconciliation shall include the following items: Revenue, Gross profit, Consolidated EBITDA, Net profit (loss), Cash and cash equivalents, Total assets, Total liabilities, Total equity and interest expense.

(c) In addition, so long as the Notes remain Outstanding and during any period during which the Issuer is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Issuer will furnish to Holders, holders of beneficial owners and prospective purchasers of the Notes upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(d) The Issuer will also make available copies of all reports furnished to the Trustee (i) on the Issuer's website, and (ii) for so long as the Notes are listed on the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and to the extent that the rules of the Luxembourg Stock Exchange so require, copies of such reports will be available during normal business hours at the offices of the Paying Agent.

Section 4.04 *Compliance Certificate.*

(a) The Issuer shall deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate stating that a review of the activities of the Issuer and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Issuer has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge, the Issuer has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default has occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Issuer is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of, premium on, if any, interest or Additional Amounts, if any, on, the Notes is prohibited or if such event has occurred, a description of the event and what action the Issuer is taking or proposes to take with respect thereto.

(b) So long as any of the Notes are Outstanding, the Issuer will deliver to the Trustee, forthwith but not later than 30 days upon any Officer becoming aware of any Default or Event of Default, an Officer's Certificate specifying such Default or Event of Default and what action the Issuer is taking or proposes to take with respect thereto.

Section 4.05 *[Reserved].*

Section 4.06 *Stay, Extension and Usury Laws.*

The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07 *[Reserved].*

Section 4.08 *[Reserved].*

Section 4.09 *Limitation on Debt.*

(a) The Issuer may not, and may not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Debt; *provided* that the Issuer and any of its Restricted Subsidiaries may Incur Debt if at the time of such Incurrence and after giving effect to the Incurrence of such Debt and the application of the proceeds thereof, on a pro forma basis, the Net Leverage Ratio is less than 3.0 to 1.0.

(b) Notwithstanding the limitation in Section 4.09(a), the following Debt ("*Permitted Debt*") may be Incurred:

(1) the Incurrence by the Issuer of Debt pursuant to the Notes (other than Additional Notes);

(2) any Debt of the Issuer or any of its Restricted Subsidiaries outstanding on the Issue Date after giving effect to the use of proceeds of the Notes;

(3) Pari Passu Debt of the Issuer and Debt of its Restricted Subsidiaries under Credit Facilities in an aggregate principal amount at any one time outstanding that does not exceed an amount equal to the greater of (x) \$500 million and (y) 8% of Total Assets; and any Permitted Refinancing Debt in respect thereof, plus, (A) any accrual or accretion of interest that increases the principal amount of Debt under Credit Facilities and (B) in the case of any refinancing of Debt permitted under this clause (iii) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(4) Debt owed by the Issuer to any of its Restricted Subsidiaries or Debt owed by any Restricted Subsidiary of the Issuer to the Issuer or any other Restricted Subsidiary of the Issuer; *provided, however*, that (A) if the Issuer is the obligor on such Debt and the payee is not the Issuer, such Debt must be unsecured and expressly subordinated to the prior payment in full in cash of all obligations then due with respect to the Issuer's obligations under the Notes, and (B) either (x) the transfer or other disposition by the Issuer or such Restricted Subsidiary of any Debt so permitted to a Person (other than to the Issuer or any of its Restricted Subsidiaries) or (y) such Restricted Subsidiary ceasing to be a Restricted Subsidiary of the Issuer, will at the time of such transfer or other disposition, in each case, be deemed to be an Incurrence of such Debt not permitted by this clause (4);

(5) the Guarantee by the Issuer or any of its Restricted Subsidiaries of Debt of any of the Issuer's Restricted Subsidiaries to the extent that the Guaranteed Debt was permitted to be Incurred by another provision of this Section 4.09;

(6) Acquired Debt;

(7) Minority Shareholder Loans;

(8) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Permitted Refinancing Debt in exchange for, or the net proceeds of which are used to refund, replace or refinance, Debt Incurred by it pursuant to Section 4.09(a) and clauses (1), (2), (6) and (8) of this Section 4.09(b), as the case may be;

(9) Debt of the Issuer or any of its Restricted Subsidiaries represented by letters of credit in order to provide security for workers' compensation claims, health, disability or other employee benefits, payment obligations in connection with self-insurance or similar requirements of the Issuer or any of its Restricted Subsidiaries in the ordinary course of business;

(10) customary indemnification, adjustment of purchase price or similar obligations, in each case, incurred in connection with the disposition of any assets of the Issuer or any of its Restricted Subsidiaries, and earn-out provisions or contingent payments in respect of purchase price or adjustment of purchase price or similar obligations in acquisition agreements other than Guarantees of Debt incurred by any Person acquiring all or any portion of such assets for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of each such Incurrence of such Debt will at no time exceed the gross proceeds actually received by the Issuer or any of its Restricted Subsidiaries in connection with the related disposition;

(11) obligations in respect of (i) customs, VAT or other tax guarantees, (ii) bid, performance, completion, guarantee, surety and similar bonds, including guarantees or obligations of the Issuer or any of its Restricted Subsidiaries with respect to letters of credit supporting such obligations, (iii) customary cash management, cash pooling or netting or setting off arrangements, and (iv) the financing of insurance premiums, in each case in the ordinary course of business and not related to Debt for borrowed money;

(12) Debt of the Issuer or any of its Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument including, but not limited to, electronic transfers, wire transfers, netting services and commercial card payments, drawn against insufficient funds; *provided* that such Debt is extinguished within 30 days of Incurrence;

(13) Debt consisting of (a) mortgage financings, Purchase Money Obligations or other financings, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment acquired or constructed in the ordinary course of business or (b) Debt otherwise Incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in the ordinary course of business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and any Debt that refinances, replaces or refunds such Debt, in an aggregate outstanding principal amount that, when taken together with the principal amount of all other Debt Incurred pursuant to this clause (xiii) and then outstanding, will not exceed at any time the greater of \$250 million and 3% of Total Assets;

(14) Guarantees by the Issuer or any Restricted Subsidiary of Debt or any other obligation or liability of the Issuer or any Restricted Subsidiary (other than of any Debt Incurred in violation of this covenant); *provided, however*, that if the Debt being Guaranteed is subordinated in right of payment to the Notes, then such Guarantee shall be subordinated substantially to the same extent as the relevant Debt Guaranteed;

(15) Debt of the Issuer or any Restricted Subsidiary in an aggregate outstanding principal amount which, when taken together with any Permitted Refinancing Debt in respect thereof and the principal amount of all other Debt Incurred pursuant to this clause (15) and then outstanding, will not exceed 100% of the cash proceeds (net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements)) received by the Issuer from the issuance or sale (other than to the Issuer or a Restricted Subsidiary) of its Subordinated Shareholder Loans or Capital Stock or otherwise contributed to the equity of the Issuer, in each case, subsequent to the Issue Date (and in each case, other than through the issuance of Disqualified Stock or Preferred Stock);

(16) Debt arising under borrowing facilities provided by a special purpose vehicle to the Issuer or any Restricted Subsidiary in connection with the issuance of notes or other similar debt securities intended to be supported primarily by the payment obligations of the Issuer or any Restricted Subsidiary in connection with any vendor financing platform; and

(17) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Debt not otherwise permitted to be Incurred pursuant to clauses (1) through (16) above, which, together with any other outstanding Debt Incurred pursuant to this clause (17), has an aggregate principal amount at any time outstanding not in excess of the greater of \$300 million and 4% of Total Assets, and any Permitted Refinancing Debt of any debt which on the date it was Incurred was permitted to be Incurred pursuant to this clause (17), plus, in the case of any refinancing of Debt permitted under this clause (17) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing.

(c) The Issuer will not incur any Debt (including Permitted Debt) that is contractually subordinated in right of payment to any other Debt of the Issuer unless such Debt is also contractually subordinated in right of payment to the Notes on substantially identical terms; *provided, however*, that no Debt will be deemed to be contractually subordinated in right of payment to any other Debt of the Issuer solely by virtue of being unsecured or by virtue of being secured with different collateral or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Debt.

(d) For the purposes of determining compliance with this Section 4.09, in the event that an item of Debt meets the criteria of more than one of the types of Permitted Debt or is entitled to be Incurred pursuant to clause (a) of this Section 4.09, the Issuer in its sole discretion may classify and from time to time reclassify such item of Debt or any portion thereof and only be required to include the amount of such Debt as one of such types.

(e) For the purposes of determining compliance with any covenant in this Indenture or whether an Event of Default has occurred, in each case, where Debt is denominated in a currency other than U.S. Dollars, the amount of such Debt will be the U.S. Dollar Equivalent determined on the date of such Incurrence and any covenant in this Indenture shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values; *provided, however*, that if any such Debt that is denominated in a different currency is subject to an Interest Rate, Currency or Commodity Price Agreement with respect to U.S. Dollars covering principal and premium, if any, payable on such Debt, the amount of such Debt expressed in U.S. Dollars will be adjusted to take into account the effect of such an agreement.

#### Section 4.10 *Limitation on Asset Dispositions.*

(a) The Issuer may not, and may not permit any of its Restricted Subsidiaries to, make any Asset Disposition in one or more related transactions unless:

(1) the consideration the Issuer or such Restricted Subsidiary receives for such Asset Disposition is not less than the Fair Market Value of the assets sold (as determined by the Issuer's senior management or Board of Directors); and

(2) unless the Asset Disposition is a Permitted Asset Swap, at least 75% of the consideration the Issuer or such Restricted Subsidiary receives in respect of such Asset Disposition consists of:

(A) cash or Cash Equivalents;

(B) the assumption of the Issuer's or any of its Restricted Subsidiaries' Debt or other liabilities (other than contingent liabilities or Debt or liabilities that are subordinated to the Notes) or Debt or other liabilities of such Restricted Subsidiary relating to such assets and, in each case, the Issuer or the Restricted Subsidiary, as applicable, is released from all liability on the Debt assumed;

(C) any Capital Stock or assets of the kind referred to in clauses (b)(4) or (5) of this Section 4.10;

(D) a combination of the consideration specified in clauses (A) through (C) of this clause (2); and

(b) within 365 days of such Asset Disposition, the Net Available Proceeds are applied (at the Issuer or applicable Restricted Subsidiary's option):

(1) to repay, redeem, retire or cancel outstanding Senior Secured Debt:

(2) first, to redeem Notes or purchase Notes pursuant to an offer to all Holders at a purchase price equal to at least 100% of the principal amount thereof, plus accrued and unpaid interest and second, to the extent any Net Available Proceeds from such Asset Disposition remain, to any other use as determined by the Issuer or the applicable Restricted Subsidiary that is not otherwise prohibited by this Indenture;

(3) to repurchase, prepay, redeem or repay Pari Passu Debt; *provided* that the Issuer makes an offer to all Holders on a *pro rata* basis to purchase their Notes in accordance with the provisions set forth below for an Excess Proceeds Offer;

(4) to acquire all or substantially all of the assets of, or any Capital Stock of, another Related Business, if, after giving effect to any such acquisition of Capital Stock, the Related Business is or becomes a Restricted Subsidiary of the Issuer;

(5) to make a capital expenditure or acquire other assets (other than Capital Stock and cash or Cash Equivalents), rights (contractual or otherwise) and properties, whether tangible or intangible (including ownership interests) that are used or intended for use in connection with a Related Business;

(6) to the extent permitted, to redeem Notes as provided under Section 3.07 hereof;

(7) enter into a binding commitment to apply the Net Available Proceeds pursuant to clauses (4) or (5) of this clause (b); *provided* that such binding commitment (or any subsequent binding commitment replacing the initial binding commitment that is entered into within 180 days following the aforementioned 365-day period) shall be treated as a permitted application of the Net Available Proceeds from the date of such commitment until the earlier of (X) the date on which such acquisition or expenditure is consummated and (Y) the 180<sup>th</sup> day following the expiration of the aforementioned 365-day period; or

(8) any combination of the foregoing clauses (1) through (7) of this clause (b).

(c) For purposes of Section 4.10(b), any securities, notes or other obligations received by the Issuer or any such Restricted Subsidiary from such transferee that are promptly converted by the recipient thereof into cash, Cash Equivalents or readily marketable securities (to the extent of the cash, Cash Equivalents or readily marketable securities received in that conversion), shall be deemed cash.

(d) The amount of such Net Available Proceeds not so used as set forth in Section 4.10(b) constitutes "*Excess Proceeds*." Pending the final application of any such Net Available Proceeds, the Issuer may temporarily reduce revolving credit borrowings or otherwise use such Net Available Proceeds in any manner that is not prohibited by the terms of this Indenture.

(e) When the aggregate amount of Excess Proceeds exceeds \$75 million, the Issuer will, within 15 Business Days of the end of the applicable period in clause (b) of this Section 4.10, make an offer to purchase (an “*Excess Proceeds Offer*”) from all Holders and from the holders of any Pari Passu Debt, to the extent required by the terms thereof, on a *pro rata* basis, in accordance with Section 3.12 hereof or the agreements governing any such Pari Passu Debt, the maximum principal amount (expressed as a minimum amount of \$200,000 and integral multiples of \$1,000 in excess thereof) of the Notes and any such Pari Passu Debt that may be purchased with the amount of the Excess Proceeds. The offer price as to each Note and any such Pari Passu Debt will be payable in cash in an amount equal to (solely in the case of the Notes) 100% of the principal amount of such Note and (solely in the case of Pari Passu Debt) no greater than 100% of the principal amount (or accreted value, as applicable) of such Pari Passu Debt, plus, in each case, accrued and unpaid interest, if any, to the date of purchase.

(f) To the extent that the aggregate principal amount of Notes and any such Pari Passu Debt tendered pursuant to an Excess Proceeds Offer is less than the aggregate amount of Excess Proceeds, the Issuer may use the amount of such Excess Proceeds not used to purchase Notes and Pari Passu Debt for purposes that are not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes and any such Pari Passu Debt validly tendered and not withdrawn by holders thereof exceeds the aggregate amount of Excess Proceeds, the Notes and any such Pari Passu Debt to be purchased will be selected by the Registrar or the Paying Agent on a *pro rata* basis (based upon the principal amount of Notes and the principal amount or accreted value of such Pari Passu Debt tendered by each holder as provided or calculated by the Issuer). Upon completion of each such Excess Proceeds Offer, the amount of Excess Proceeds will be reset to zero.

If the Issuer is obliged to make an Excess Proceeds Offer, the Issuer will purchase the Notes and Pari Passu Debt, at the option of the holders thereof, in whole or in part in a minimum amount of \$200,000 and integral multiples of \$1,000 in excess thereof on a date that is not later than 60 days from the date the notice of the Excess Proceeds Offer is given to such holders, or such later date as may be required under the Exchange Act.

(g) If the Issuer is required to make an Excess Proceeds Offer, the Issuer will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations, including the requirements of any applicable securities exchange on which Notes are then listed. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Section 4.10 and Section 3.12 hereof, the Issuer will comply with such securities laws and regulations and will not be deemed to have breached its obligations described in this Section 4.10 or Section 3.12 hereof by virtue thereof.

Section 4.11      *[Reserved].*

Section 4.12      *Limitation on Liens securing Debt.*

(a) The Issuer may not, and may not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur, suffer to exist or become effective any Lien (other than Permitted Liens) to secure any Debt on or with respect to any property or assets now owned or hereafter acquired unless the Notes are equally and ratably secured by such Lien; *provided* that, if the Debt secured by such Lien is subordinated or junior in right of payment to the Notes, then the Lien securing such Debt shall be subordinated or junior in right of payment to the Lien securing the Notes.

(b) Any Lien created for the benefit of the Holders pursuant to this Section 4.12 will provide by its terms that such Lien will be automatically and unconditionally released and discharged upon the release and discharge of the initial Lien to which it relates other than as a consequence of an enforcement action with respect to the assets subject to such initial Lien.

(c) For purposes of determining compliance with this Section 4.12, (x) a Lien need not be Incurred solely by reference to one category of Permitted Liens but may be Incurred under any combination of such categories (including in part under one such category and in part under any other such category) and (y) in the event that a Lien (or any portion thereof) meets the criteria of one or more of such categories of Permitted Liens the Issuer shall, in its sole discretion, divide, classify or may subsequently reclassify at any time such Lien (or any portion thereof) in any manner that complies with this Section 4.12 and the definition of “Permitted Liens”.

(d) With respect to any Lien securing Debt that was permitted to secure such Debt at the time of the Incurrence of such Debt, such Lien shall also be permitted to secure any Increased Amount of such Debt. The “Increased Amount” of any Debt shall mean any increase in the amount of such Debt in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Debt with the same terms or in the form of common stock, the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock of the same class, accretion of original issue discount or liquidation preference, any fees, underwriting discounts, accrued and unpaid interest, premiums and other costs and expenses incurred in connection therewith and increases in the amount of Debt outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Debt.

Section 4.13      *Limitation on lines of business.*

The Issuer, together with its Restricted Subsidiaries, will not primarily engage in any business other than in a Related Business.

Section 4.14      *[Reserved].*

Section 4.15      *Change of Control.*

(a) Within 60 days of the occurrence of a Change of Control Triggering Event, the Issuer will be required to make an Offer to Purchase all Outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued interest and any Additional Amounts thereon to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) (a “Change of Control Offer”).

(b)      *[Reserved].*

(c) The Issuer will not be required to make a Change of Control Offer upon the occurrence of a Change of Control Triggering Event if (x) another party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (y) a notice of redemption has been given pursuant to Section 3.07 unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

Section 4.16      *Limitation on Guarantees of the Issuer’s Debt by Subsidiaries.*

(a) The Issuer will not permit any Significant Subsidiary to, directly or indirectly, provide a Guarantee of any of the Issuer’s Debt for which such Significant Subsidiary’s maximum exposure in respect of such Guarantee exceeds \$50 million unless such Significant Subsidiary simultaneously executes and delivers to the Trustee a supplemental indenture providing for its payment Guarantee of the Notes; provided



(1) if the Issuer's Debt is *pari passu* in right of payment to the Notes, such Significant Subsidiary's Guarantee of the Issuer's Debt shall rank *pari passu* in right of payment to its Guarantee of the Notes;

(2) if the Issuer's Debt is subordinated in right of payment to the Notes, such Significant Subsidiary's Guarantee of the Issuer's Debt shall be subordinated in right of payment to its Guarantee of the Notes substantially to the same extent as the Issuer's Debt is subordinated in right of payment to the Notes;

(3) a Significant Subsidiary's Guarantee of the Notes may be limited in amount to the extent required by fraudulent conveyance, thin capitalization, corporate benefit, financial assistance or other similar laws (but, in such a case, the Guarantee of the Notes shall be given on an equal and ratable basis with its Guarantee of the Issuer's Debt to the extent permitted by applicable law); and

(4) for so long as it is not permissible under applicable law for such Significant Subsidiary to provide a Guarantee of the Notes, such Significant Subsidiary need not provide such a Guarantee of the Notes (but, in such a case, the Issuer shall procure that such Significant Subsidiary will use its reasonable best efforts to undertake all whitewash or similar procedures legally available to it to eliminate the relevant legal prohibition, and shall give a Guarantee of the Notes at such time (and to the extent) that it thereafter becomes permissible).

(b) Clause (a) of this Section 4.16 shall not apply to (1) the granting by such Significant Subsidiary of a Permitted Lien under circumstances which do not otherwise constitute the Guarantee of the Issuer's Debt, (2) the Guarantee by any Significant Subsidiary of any Permitted Refinancing Debt that refinances Debt of the Issuer which benefitted from a Guarantee by any Significant Subsidiary Incurred in compliance with this covenant immediately prior to such refinancing, or (c) any Guarantee by a Significant Subsidiary existing as of the Issue Date.

(c) Notwithstanding the foregoing, any Guarantee of the Notes created pursuant to the provisions described above shall provide by its terms that such Guarantee shall be automatically and unconditionally released and discharged upon: (x) such Subsidiary ceasing to be a Significant Subsidiary (including as a result of any sale, exchange or transfer, to any Person, of all of the Issuer's Capital Stock in such Significant Subsidiary) in compliance with this Indenture; or (y) the release by the holders or lenders of the Issuer's Debt described in the preceding paragraph of their Guarantee by such Significant Subsidiary (including any deemed release upon payment in full of all obligations under such Debt (but not under the relevant Guarantee)), at a time when (I) no other Debt of the Issuer has been Guaranteed by such Significant Subsidiary or (II) the holders of all such other Debt which is Guaranteed by such Significant Subsidiary also release their Guarantee by such Significant Subsidiary (including any deemed release upon payment in full of all obligations under such Debt (but not under the relevant Guarantee)).

Section 4.17      *[Reserved].*

Section 4.18      *Payments for consent.*

The Issuer will not, and will not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder or beneficial holder of Notes for or as an inducement to any consent, waiver or amendment of any of the terms of the provisions of this Indenture or the Notes unless such consideration is offered to be paid and is paid to all Holders and beneficial holders of Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Issuer and its Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of this Indenture, to exclude Holders and beneficial holders of Notes in any jurisdiction where (i) the solicitation of such consent, waiver or amendment, including in connection with an offer to purchase for cash, or (ii) the payment of the consideration therefor would require the Issuer or any of its Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), which the Issuer in its sole discretion determines (acting in good faith) (A) would be materially burdensome (it being understood that it would not be materially burdensome to file the consent document(s) used in other jurisdictions, any substantially similar documents or any summary thereof with the securities or financial services authorities in such jurisdiction); or (B) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

Section 4.19      *[Reserved].*

Section 4.20      *Maintenance of listing.*

The Issuer will use its commercially reasonable efforts to obtain and maintain the listing of the Notes on the Official List of the Luxembourg Stock Exchange for so long as any Notes remain Outstanding; *provided* that if the Issuer is unable to obtain admission to listing of the Notes on the Luxembourg Stock Exchange or if at any time the Issuer determines that it will not maintain such listing, it will use its commercially reasonable efforts to obtain and maintain a listing of the Notes on another recognized stock exchange.

Section 4.21      *Financial Calculations for Limited Condition Transactions.*

(a)            In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of determining compliance with any provision of this Indenture which requires that no Default or Event of Default, as applicable, has occurred, is continuing or would result from any such action, as applicable, such condition shall, at the option of the Issuer, be deemed satisfied, so long as no Default or Event of Default, as applicable, exists on the date the definitive agreement (or other relevant definitive documentation) for such Limited Condition Transaction is entered into. For the avoidance of doubt, if the Issuer has exercised its option under the first sentence of this paragraph, and any Default or Event of Default occurs following the date such definitive agreement for a Limited Condition Transaction is entered into and prior to the consummation of such Limited Condition Transaction, any such Default or Event of Default shall be deemed to not have occurred or be continuing for purposes of determining whether any action being taken in connection with such Limited Condition Transaction is permitted hereunder.

(b)            In connection with any action being taken in connection with a Limited Condition Transaction for purposes of:

(1)            determining compliance with any provision of this Indenture which requires the calculation of any financial ratio or test, including the Net Leverage Ratio; or

(2)            testing baskets set forth in this Indenture (including baskets measured as a percentage of Total Assets);

in each case, at the option of the Issuer (the Issuer's election to exercise such option in connection with any Limited Condition Transaction, an "*LCT Election*"), the date of determination of whether any such action is permitted hereunder, shall be deemed to be the date the definitive agreement (or other relevant definitive documentation) for such Limited Condition Transaction is entered into (the "*LCT Test Date*"); *provided, however*, that the Issuer shall be entitled to subsequently elect, in its sole discretion, the date of consummation of such Limited Condition Transaction instead of the LCT Test Date as the applicable date of determination, and if, after giving *pro forma* effect to the Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any Incurrence of Debt and the use of proceeds thereof), as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of "Consolidated EBITDA" and "Net Leverage Ratio", the Issuer or any Restricted Subsidiary could have taken such action on the relevant LCT Test Date in compliance with such ratio, test or basket, such ratio, test or basket shall be deemed to have been complied with.

(c) If the Issuer has made an LCT Election and any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date are exceeded as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in Consolidated EBITDA or Total Assets, of the Issuer and its Restricted Subsidiaries at or prior to the consummation of the relevant transaction or action, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations. If the Issuer has made an LCT Election for any Limited Condition Transaction, then in connection with any subsequent calculation of any ratio, test or basket availability under this Indenture (including with respect to the Incurrence of Debt or Liens, or the making of Asset Dispositions, acquisitions, mergers, the conveyance, lease or other transfer of all or substantially all of the assets of the Issuer or any Restricted Subsidiary or the Designation of an Unrestricted Subsidiary) on or following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the definitive agreement for such Limited Condition Transaction is terminated or expires without consummation of such Limited Condition Transaction, any such ratio, test or basket shall be calculated on a pro forma basis assuming such Limited Condition Transaction and other transactions in connection therewith (including any Incurrence of Debt and the use of proceeds thereof) have been consummated.

Section 4.22      *Additional Amounts.*

(a) The Issuer with respect to payments under the Notes agrees that, if any deduction or withholding of any present or future taxes, levies, imposts or charges whatsoever imposed by or for the account of any jurisdiction in which the Issuer is organized, engaged in business or resident for tax purposes, or from or through which payment on the Notes is made by or on behalf of the Issuer (including the jurisdiction of any paying agent) or any political subdivision or taxing authority thereof or therein having the power to tax (each, a “*Relevant Taxing Jurisdiction*”) and any interest, penalties and other liabilities with respect thereto (collectively, “*Taxes*”) shall be required to be made, the Issuer will (subject to the limitations described below) pay such additional amounts (“*Additional Amounts*”) in respect of principal (and premium, if any) and interest as may be necessary in order that the net amounts received pursuant to the Notes after such deduction or withholding (including any withholding or deduction from such Additional Amounts) shall equal the respective amounts of principal (and premium, if any) and interest specified in the Notes that would have been received if such Taxes had not been required to be withheld or deducted; *provided, however*, that the Issuer shall not be required to make any payment of Additional Amounts for or on account of:

(1) any Taxes imposed by or for the account of a Relevant Taxing Jurisdiction which would not be payable but for the fact that the holder or beneficial owner of a Note (or a fiduciary, settlor, beneficiary, partner of, member or shareholder of, or possessor of a power over, the relevant holder, if the relevant holder is an estate, trust, nominee, partnership, limited liability company or corporation) is a citizen, domiciliary, national or resident of, incorporated in, or engaging in business or maintaining a permanent establishment or being physically present in, such Relevant Taxing Jurisdiction or otherwise having some present or former connection with such Relevant Taxing Jurisdiction other than the holding or ownership of such Note or the receipt of principal of (and premium, if any) and interest on such Note or the exercise of rights under or the enforcement of such Note or this Indenture;

(2) any Tax that would not have been imposed but for the presentation of a Note (where presentation is required) for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later, except to the extent that the holder or beneficial owner would have been entitled to such Additional Amounts on presenting the same for payment on any day (including the last day) within such 30-day period;

(3) [Reserved];

(4) any Tax that would not have been imposed but for a failure by the relevant holder or beneficial owner of the Note to comply with any applicable certification, information, identification, documentation or other reporting requirements, whether required by statute, treaty, regulation or administrative practice, of a Relevant Taxing Jurisdiction, if such compliance is legally required as a precondition to relief or exemption from such Tax (including without limitation a certification that such holder or beneficial owner is not resident in the Relevant Taxing Jurisdiction); *provided, however*, that this clause (4) shall not apply if the Issuer shall not have provided the holder of the Note with written notice of the applicable requirement at least 60 days prior to the date that the holder or beneficial owner of the Note is required to comply with such applicable requirement;

(5) any estate, inheritance, gift, sale, transfer, personal property or similar taxes;

(6) [Reserved];

(7) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the Notes;

(8) any Taxes imposed or withheld by reason of the failure of the holder or beneficial owner of the Note to comply with the requirements of Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), as of the date hereof (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), the U.S. Treasury Regulations issued thereunder or any official interpretation thereof, any law implementing an intergovernmental approach thereto or any agreement entered into pursuant to Section 1471 of the Code; or

(9) any combination of clauses (1) through (8) above.

(b) In addition, the Issuer shall not have any obligation to pay Additional Amounts to a holder that is a fiduciary or partnership or an entity that is not the sole beneficial owner of the payment of the principal or interest on a Note to the extent that the laws of the Relevant Taxing Jurisdiction require the payment to be included in the income of a beneficiary or settlor for tax purposes with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to the Additional Amounts had it been the holder of such Note.

(c) If the Issuer becomes aware that it will be obligated to pay any Additional Amounts with respect to any payment under the Notes, the Issuer will deliver to the Trustee and the Paying Agent on a date that is at least 30 days prior to the date of that payment (unless that obligation to pay Additional Amounts arises less than 45 days prior to that payment date, in which case the Issuer shall notify the Trustee and the Paying Agent promptly thereafter) an Officer’s Certificate stating that the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officer’s Certificate must also set forth any other information reasonably necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date. The Trustee shall be entitled to rely solely on such Officer’s Certificate as conclusive proof that such payments are necessary.

(d) The Issuer will also make or cause to be made such withholding or deduction of Taxes required by law and will remit the full amount of Taxes so deducted or withheld to the relevant taxing authority in accordance with all applicable laws. The Issuer will use its reasonable efforts to obtain tax receipts from each such tax authority evidencing the payment of any Taxes so deducted or withheld. The Issuer will, upon request, make available to the Trustee and the paying agent, as soon as reasonably practicable after the date on which the payment of any Taxes so deducted or withheld is due pursuant to applicable law, certified copies of tax receipts evidencing such payment by the Issuer or if, notwithstanding the Issuer’s efforts to obtain such receipts, the same are not obtainable, other evidence reasonably available to the Issuer and reasonably satisfactory to the Trustee and the paying agent of such payment by the Issuer. If reasonably requested by the Trustee or the paying agent, the Issuer will provide to the Trustee and the paying agent such information as may be in the possession of the Issuer (and not otherwise in the possession of the Trustee and paying agent) to enable the Trustee and paying agent to determine the amount of withholding taxes attributable to any particular Holder, provided however that in no event shall the Issuer be required to disclose any information that it reasonably deems confidential or is otherwise not legally entitled to disclose.

(e) In addition to the foregoing, the Issuer will pay, any present or future stamp, issue, registration, transfer, documentation, court, excise or property taxes imposed in connection with the execution, issue, delivery, registration or enforcement of the Notes or this Indenture.

(f) The foregoing provisions will survive any termination, defeasance or discharge of this Indenture and will apply *mutatis mutandis* to any jurisdiction in which any successor Person to the Issuer is organized, engaged in business or resident for tax purposes or from or through which payment on the Notes is made by or on behalf of such successor Person (including the jurisdiction of any paying agent) or any political subdivision or taxing authority thereof or therein having the power to tax.

(g) Whenever in this Indenture or the Notes there is mentioned, in any context, the payment of principal (and premium, if any), redemption price, interest or any other amount payable under any Note, such mention will be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are or would be payable in respect thereof.

Section 4.23 *Suspension of certain covenants when Notes rated investment grade.*

(a) If on any date following the Issue Date (the “*Suspension Date*”):

(1) the Notes are rated Investment Grade by two of three Rating Agencies; and

(2) no Default or Event of Default shall have occurred and be continuing on such date, then, the Issuer will notify the Trustee (provided that no such notification shall be a condition for the suspension of the covenants set forth below) and beginning on such Suspension Date and continuing until such time, if any, at which the Notes cease to be rated Investment Grade by either Rating Agency (such period, the “*Suspension Period*”), the covenants specifically listed under the following sections hereof will no longer be applicable to the Notes and any related default provisions of this Indenture will cease to be effective and will not be applicable to the Issuer:

(A) Section 4.10;

(B) Section 4.09; and

(C) clause (3) of Section 5.01(a).

(b) Such covenants will not, however, be of any effect with regard to the actions of Issuer and its Restricted Subsidiaries properly taken during the continuance of the Suspension Period; *provided* that all Debt Incurred during the Suspension Period will be classified to have been Incurred pursuant to Section 4.09(b)(2). Upon the occurrence of a Suspension Period, the amount of Excess Proceeds shall be reset at zero.

Section 4.24 *Limitation on Designation of Unrestricted Subsidiaries.*

(a) The Issuer may designate, after the Issue Date, any Subsidiary of the Issuer (including any newly created or acquired Subsidiary) as an “Unrestricted Subsidiary” (a “*Designation*”) only if, at the time of or after giving effect to such Designation:

(1) no Default or Event of Default shall have occurred and be continuing;

(2) the Issuer could Incur US\$1.00 of Debt pursuant to Section 4.09(a); and

(3) the aggregate Investments (other than Permitted Investments) by the Issuer and its Restricted Subsidiaries in all Unrestricted Subsidiaries shall not exceed the greater of (x) \$950 million or (y) 10% of Total Assets at any time outstanding.

(b) Neither the Issuer nor any Restricted Subsidiary will at any time:

(1) provide credit support for, subject any of its property or assets (other than Liens over the Capital Stock, Debt and other securities of any Unrestricted Subsidiary securing Debt of that Unrestricted Subsidiary and its Subsidiaries) to the satisfaction of, or Guarantee, any Debt of any Unrestricted Subsidiary (including any undertaking, agreement or instrument evidencing such Debt);

(2) be directly or indirectly liable for any Debt of any Unrestricted Subsidiary;

(3) be directly or indirectly liable for any Debt which provides that the holder thereof may (upon notice, lapse of time or both) declare a default thereon or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity upon the occurrence of a default with respect to any Debt of any Unrestricted Subsidiary; or

(4) make any Investment (other than a Permitted Investment) in any Unrestricted Subsidiary to the extent such Investment, together with the aggregate Investments in all Unrestricted Subsidiaries then outstanding, exceeds the amount set out in Section 4.24(a)(3).

(c) The Issuer may redesignate an Unrestricted Subsidiary as a Restricted Subsidiary (a “*Redesignation*”) only if all Liens and Debt of such Unrestricted Subsidiary outstanding immediately following such Redesignation if Incurred at such time would have been permitted to be Incurred for all purposes of this Indenture.

(d) For purposes of this Section 4.24:

(1) “Investments” shall equal the portion (proportionate to the Issuer’s direct or indirect equity interest in a Restricted Subsidiary to be Designated as an Unrestricted Subsidiary) of the Fair Market Value of the net assets of such Restricted Subsidiary at the time of the Designation of such Subsidiary as an Unrestricted Subsidiary;

(2) The aggregate Investments (other than Permitted Investments) by the Issuer and its Restricted Subsidiaries in all Unrestricted Subsidiaries shall be reduced upon the Redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary by an amount equal to the lesser of (x) the Issuer’s direct or indirect “Investment” in such Unrestricted Subsidiary at the time of such Redesignation, and (y) the portion (proportionate to the Issuer’s direct or indirect equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such Redesignation;

(3) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Issuer; and

(4) the amount of any Investment outstanding at any time shall be reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received by the Issuer or a Restricted Subsidiary in respect of such Investment.

(e) The Designation of a Subsidiary of the Issuer as an Unrestricted Subsidiary shall be deemed to include the Designation of all Subsidiaries of such Subsidiary as Unrestricted Subsidiaries.

(f) All Designations and Redesignations shall be evidenced by an Officer's Certificate of the Issuer, delivered to the Trustee certifying compliance with this Section 4.24.

Section 4.25      *FATCA*

(a) *Mutual Undertaking Regarding Information Reporting and Collection Obligations.* Each party shall, within ten (10) business days of a written request by another party, supply to that other party such forms, documentation and other information relating to it, its operations, or the Notes as that other party reasonably requests for the purposes of that other party's compliance with Applicable Law and shall notify the relevant other party reasonably promptly in the event that it becomes aware that any of the forms, documentation or other information provided by such party is (or becomes) inaccurate in any material respect; provided, however, that no party shall be required to provide any forms, documentation or other information pursuant to this paragraph to the extent that: (i) any such form, documentation or other information (or the information required to be provided on such form or documentation) is not reasonably available to such party and cannot be obtained by such party using reasonable efforts; or (ii) doing so would or might in the reasonable opinion of such party constitute a breach of any: (a) Applicable Law; (b) fiduciary duty; or (c) duty of confidentiality.

(b) *Notice of Possible Withholding Under FATCA.* The Issuer shall notify the Paying Agent in the event that it determines that any payment to be made by the Paying Agent under the Notes is a payment which could be subject to FATCA Withholding if such payment were made to a recipient that is generally unable to receive payments free from FATCA Withholding, and the extent to which the relevant payment is so treated, provided, however, that the Issuer's obligation under this paragraph shall apply only to the extent that such payments are so treated by virtue of characteristics of the Issuer, the Notes, or both.

(c) *Paying Agent's Right to Withhold.* Notwithstanding any other provision of this Indenture, the Paying Agent shall be entitled to make a deduction or withholding from any payment which it makes under the Notes for or on account of any Tax, if and only to the extent so required by Applicable Law. If such a deduction or withholding is required, neither the Paying Agent nor the Trustee will be obligated to pay any Additional Amount to the recipient unless such an Additional Amount is received by the Paying Agent or the Trustee in accordance with this Indenture.

(d) For the purposes of this Section 4.25, defined terms used herein shall have the following meanings:

(1) "*Applicable Law*" means any law or regulation including, but not limited to: (i) any statute or regulation; (ii) any rule or practice of any Authority by which any party is bound or with which it is accustomed to comply; (iii) any agreement between any Authorities; and (iv) any customary agreement between any Authority and any party;

(2) "*Authority*" means any competent regulatory, prosecuting, Tax or governmental authority in any jurisdiction;

(3) "*Code*" means the U.S. Internal Revenue Code of 1986, as amended;

(4) "*FATCA Withholding*" means any withholding or deduction required pursuant to an agreement described in section 1471(b) of the Code, or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto;

(5) “Tax” means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Authority having power to tax.

## ARTICLE 5 SUCCESSORS

### Section 5.01 *Merger, consolidations and certain sales of assets of the Issuer.*

(a) The Issuer may not, in a single transaction or a series of related transactions, (i) consolidate with or merge into any other Person, or (ii) directly or indirectly, convey, transfer, sell, lease or otherwise dispose of all or substantially all of the its assets to any other Person, unless:

(1) Either (i) the Issuer is the surviving corporation; or (ii) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, conveyance or other disposition has been made,

(A) shall expressly assume, by a supplemental indenture executed and delivered to the Trustee in form reasonably satisfactory to the Trustee, all of the Issuer’s obligations under this Indenture and,

(B) is organized under the laws of any member state of the European Union, Norway, Switzerland, Canada, Jersey, Guernsey, Mauritius, Cayman Islands, British Virgin Islands, any state of the United States of America or the District of Columbia;

(2) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(3) with respect to a consolidation, merger, conveyance, transfer, sale, lease or other disposal of the Issuer, immediately after giving effect to such transaction and treating any Debt which becomes the Issuer’s or any of its Restricted Subsidiaries’ obligation, as applicable, or that of the Person formed by or surviving any such consolidation or merger (if other than the Issuer), as a result of such transaction as having been Incurred at the time of the transaction, (x) the Issuer (including any successor Person) could Incur at least \$1.00 of additional Debt pursuant to Section 4.09(a) hereof or (y) the Net Leverage Ratio would not be greater than such ratio immediately prior to giving effect to such transaction; *provided, however*, that this clause (3) will not apply if, in the good faith determination of the Issuer’s Board of Directors the principal purpose of such transaction is to change the Issuer’s jurisdiction of incorporation; and

(4) the Issuer delivers to the Trustee an Officer’s Certificate stating that such consolidation, merger or transfer and such supplemental indenture comply with this Section 5.01.

### Section 5.02 *Successor Corporation Substituted.*

Upon any consolidation or merger in which the Issuer is not the continuing corporation or any transfer (excluding any lease) of all or substantially all of the assets of the Issuer, in accordance with Section 5.01 hereof, the successor Person shall succeed to, and be substituted for, and may exercise every right and power of the Issuer under this Indenture with the same effect as if such successor Person had been named as such; *provided, however*, that the predecessor Issuer shall not be relieved from the obligation to pay the principal of, premium on, if any and interest, if any, on the Notes except in the case of a sale of all of the Issuer’s assets in a transaction that is subject to, and that complies with the provisions of, Section 5.01 hereof.



ARTICLE 6  
DEFAULTS AND REMEDIES

Section 6.01      *Events of Default.*

The following will be “*Events of Default*” under this Indenture:

- (1) failure to pay principal of, or premium, if any, on, any Note when due (at maturity, upon redemption or otherwise);
- (2) failure to pay any interest (including Additional Amounts) on any Note when due, which failure continues for 30 days;
- (3) default in the payment of principal and interest on Notes required to be purchased pursuant to an Offer to Purchase under Sections 4.15 and 4.10 hereof when due and payable;
- (4) failure to perform or comply with the provisions of Section 5.01 hereof;
- (5) failure of the Issuer to perform any other of its covenants or agreements under this Indenture or the Notes, which failure continues for 60 days after written notice to the Issuer by the Trustee or Holders of at least 25% in aggregate principal amount of Outstanding Notes;
- (6) default under the terms of any instrument evidencing or securing Debt for money borrowed by the Issuer or any of its Restricted Subsidiaries, if that default:
  - (A) results in the acceleration of the payment of such Debt prior to its Stated Maturity; or
  - (B) is caused by the failure to pay such Debt at its Stated Maturity after giving effect to the expiration of any applicable grace periods (and other than by regularly scheduled required prepayment) and such failure to make any payment has not been waived or the Stated Maturity of such Debt has not been extended,and, in each case, the outstanding principal amount of any such Debt under which there has been a failure to pay at Stated Maturity thereof or the payment of which has been so accelerated, aggregates \$100 million or more;
- (7) failure by the Issuer or any of its Restricted Subsidiaries to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of \$100 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments shall not have been discharged or waived and there shall have been a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of an appeal, waiver or otherwise, shall not have been in effect;
- (8) the Issuer or any of its Significant Subsidiaries or group of Subsidiaries that, taken together, would constitute a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law:
  - (A) commences a voluntary case;
  - (B) consents to the entry of an order for relief against it in an involuntary case;

- (C) consents to the appointment of a custodian or administrator of it or for all or substantially all of its property;
  - (D) makes a general assignment for the benefit of its creditors;
  - (E) admits in writing its inability to pay its debts generally as they become due; or
- (9) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:
- (A) is for relief against the Issuer, or any Significant Subsidiary or group of Subsidiaries that, taken together, would constitute a Significant Subsidiary in an involuntary case;
  - (B) appoints a custodian or administrator of the Issuer, or any Significant Subsidiary or group of Significant Subsidiaries that, taken together, would constitute a Significant Subsidiary or for all or substantially all of the property of the Issuer or any Significant Subsidiary or group of Significant Subsidiaries that, taken together, would constitute a Significant Subsidiary; or
  - (C) orders the liquidation of the Issuer, or any Significant Subsidiary or group of Significant Subsidiaries that, taken together, would constitute a Significant Subsidiary, and the order or decree remains unstayed and in effect for 60 consecutive days.

Section 6.02      *Acceleration.*

If an Event of Default specified in clause (8) or (9) of Section 6.01 hereof shall occur, the maturity of all Outstanding Notes shall automatically be accelerated and the principal amount of the Notes, together with any premium, accrued interest or Additional Amounts thereon, shall be immediately due and payable. If any other Event of Default shall occur and be continuing, the Trustee or the Holders of not less than 25% of the aggregate principal amount of the Notes then Outstanding may, by written notice to the Issuer (and to the Trustee if given by Holders), declare the principal amount of the Notes, together with accrued interest thereon, immediately due and payable. The right of the Holders to give such acceleration notice shall terminate if the event giving rise to such right shall have been cured before such right is exercised. Any such declaration may be annulled and rescinded by written notice from the Trustee or the Holders of a majority of the aggregate principal amount of the Notes then Outstanding to the Issuer if all amounts then due with respect to the Notes are paid (other than amount due solely because of such declaration) and all other defaults with respect to the Notes are cured.

Section 6.03      *Other Remedies.*

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of (and premium or Additional Amounts, if any) or interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04      *Waiver of Past Defaults.*

Subject to certain rights of the Trustee, as provided in this Indenture, the Holders of a majority in aggregate principal amount of the Outstanding Notes, on behalf of all Holders of the Notes, may waive any past default under this Indenture, except a default in the payment of principal, premium or interest or a default arising from failure to purchase any Note tendered pursuant to an Offer to Purchase; *provided* that the Holders of a majority in aggregate principal amount of the then Outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05      *Control by Majority.*

The Holders of a majority in aggregate principal amount of the Outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, *provided* that the Trustee may refuse to follow any direction that conflicts with law, this Indenture or that the Trustee determines in good faith may be unduly prejudicial to the rights of Holders not joining in the giving of such direction or that may involve the Trustee in personal liability. The Trustee may withhold from Holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except in a Default or Event of Default relating to the payment of principal of (and premium or Additional Amounts, if any) or interest on the Notes, to the extent such action does not conflict with the provisions of this Indenture or applicable law.

Section 6.06      *Limitation on Suits.*

Subject to Section 7.01 hereof, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of its rights or powers under this Indenture at the request or direction of any Holders, unless such Holders have offered to the Trustee indemnity and/or security satisfactory to it. The Holders of a majority in aggregate principal amount of the Outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, to the extent such action does not conflict with the provisions of this Indenture or applicable law.

No Holder of any Note will have any right to institute any proceeding with respect to this Indenture or the Notes or for any remedy thereunder, unless:

- (1) such Holder has previously given to the Trustee written notice of a continuing Event of Default;
- (2) the Holders of at least 25% in aggregate principal amount of the Outstanding Notes shall have made a written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee;
- (3) such Holder or Holders have offered to the Trustee indemnity and/or security satisfactory to it against any loss, liability or expense arising in connection with such proceeding;
- (4) the Trustee for 60 days after receipt of such notice has failed to institute any such proceeding; and
- (5) no direction inconsistent with such request shall have been given to the Trustee during such 60 day-period by the Holders of a majority in principal amount of the Outstanding Notes. However, such limitations do not apply to a suit individually instituted by a Holder of a Note for enforcement of payment of the principal of, or interest on, such Note on or after respective due dates expressed in such Note.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder. The Trustee shall have no obligation to ascertain whether the Holder's actions are unduly prejudicial to other Holders.

Section 6.07      *Right of Holders of Notes to Receive Payment.*

Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal of (and premium or Additional Amounts, if any) or interest on the Note, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of Holders of not less than 90% in aggregate principal amount of the Notes; *provided* that a Holder shall not have the right to institute any such suit for the enforcement of payment if and to the extent that the institution or prosecution thereof or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the Lien of this Indenture upon any property subject to such Lien.

Section 6.08      *Collection Suit by Trustee.*

Subject to mandatory provisions of Luxembourg insolvency laws, if an Event of Default specified in Section 6.01(1) or Section 6.01(2) hereof occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Issuer for the whole amount of principal of, premium on, if any, interest and Additional Amounts, if any, remaining unpaid on, the Notes and interest on overdue principal and, to the extent lawful, Additional Amounts, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09      *Trustee May File Proofs of Claim.*

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceedings relative to the Issuer or any other obligor upon the Notes, their creditors or property and shall be entitled and empowered, subject to mandatory provisions of Luxembourg insolvency laws, to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10      *Priorities.*

If the Trustee collects any money pursuant to this Article 6, it shall pay out the money in the following order:

*First:* to the Trustee, its agents and attorneys for amounts due under Section 7.07 hereof, including payment of all compensation, expenses and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection and then the Agents for any amounts due;

*Second:* to Holders for amounts due and unpaid on the Notes for principal, premium, if any, interest and Additional Amounts, if any, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any, interest and Additional Amounts, if any, respectively; and

*Third:* to the Issuer or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

Section 6.11 *Undertaking for Costs.*

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in aggregate principal amount of the then Outstanding Notes.

Section 6.12 *Restoration of Rights and Remedies.*

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined in a final judgment adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Issuer, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

Section 6.13 *Rights and Remedies Cumulative.*

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes in Section 2.07 hereof, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 6.14 *Delay or Omission Not Waiver.*

No delay or omission of the Trustee or any Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article 6 or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

ARTICLE 7  
TRUSTEE

Section 7.01      *Duties of Trustee.*

(a) If an Event of Default of which a Responsible Officer of the Trustee has actual knowledge has occurred and is continuing, the Trustee will exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default of which a Responsible Officer of the Trustee has actual knowledge:

(1) the duties of the Trustee and the Agents will be determined solely by the express provisions of this Indenture and the Trustee and the Agents need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee or the Agents; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee will examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this paragraph (c) does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee will not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee will not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Sections 6.02, 6.04 or 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section 7.01.

(e) No provision of this Indenture will require the Trustee to expend or risk its own funds or incur any liability. The Trustee will be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee will not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer. Money held by the Paying Agent and in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) The Trustee shall not be deemed to have notice or any knowledge of any matter (including without limitation Defaults or Events of Default) unless a Responsible Officer assigned to and working in the Trustee's corporate trust department has actual knowledge thereof or unless written notice thereof is received by the Trustee (attention: Trust & Securities Services) and such notice clearly references the Notes, the Issuer and this Indenture.

Section 7.02      *Rights of Trustee.*

(a)            The Trustee may conclusively rely, and shall be protected in acting or refraining from acting, upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b)            Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel or both. The Trustee will not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel, as the case may be. The Trustee may consult with counsel or other professional advisors and the written advice of such counsel, professional advisor or any Opinion of Counsel will be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c)            The Trustee may act through its attorneys and agents and will not be responsible for the misconduct or negligence of any attorney or agent appointed with due care.

(d)            The Trustee will not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture *provided* that the Trustee's conduct does not constitute negligence or bad faith.

(e)            Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Issuer will be sufficient if signed by an Officer of the Issuer.

(f)            The Trustee will be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity and/or security satisfactory to it against the losses, liabilities and expenses that might be incurred by it in compliance with such request or direction.

(g)            The Trustee shall have no duty to inquire as to the performance of the covenants of the Issuer and/or its Subsidiaries. In addition, the Trustee shall not be deemed to have knowledge of any Default or Event of Default except: (i) any Event of Default occurring pursuant to Section 6.01(1) or Section 6.01(2) (provided it is acting as Paying Agent); and (ii) any Default or Event of Default of which a Responsible Officer shall have received written notification. Delivery of reports, information and documents to the Trustee under Section 4.03 hereof is for informational purposes only and the Trustee's receipt of the foregoing shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of their covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

(h)            The Trustee shall not have any obligation or duty to monitor, determine or inquire as to compliance, and shall not be responsible or liable for compliance with restrictions on transfer, exchange, redemption, purchase or repurchase, as applicable, of minimum denominations imposed under this Indenture or under applicable law or regulation with respect to any transfer, exchange, redemption, purchase or repurchase, as applicable, of any interest in any Notes, but may at its sole discretion choose to do so.

(i)            The rights, privileges, protections, immunities and benefits given to the Trustee, including its right to be indemnified and/or secured under this Indenture, are extended to, and shall be enforceable by the Trustee in each of its capacities hereunder and by each agent (including the Agents), custodian and other person employed to act hereunder. Absent willful misconduct or negligence, each Agent shall not be liable for acting in good faith on instructions believed by it to be genuine and from the proper party and no Agent shall be under any fiduciary duty or other obligation towards or have any relationship of agency and trust for or with any person other than the Issuer.

(j) In the event the Trustee or any Agent receives conflicting, unclear or equivocal instructions, the Trustee or Agent shall be entitled to not take any action until such instructions have been resolved or clarified to its satisfaction and the Trustee or Agent shall not become liable in any way to any person for any failure to comply with any such conflicting, unclear or equivocal instruction.

(k) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Holders, each representing less than a majority in aggregate principal amount of the Notes then Outstanding, pursuant to the provisions of this Indenture, the Trustee, in its sole discretion, may determine what action, if any, will be taken and shall not incur any liability for its failure to act until such inconsistency or conflict is, in its reasonable opinion, resolved.

(l) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by acts of war or terrorism involving the United States, the United Kingdom or any member state of the European Monetary Union or any other national or international calamity or emergency (including natural disasters or acts of God), it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(m) The Trustee is not required to give any bond or surety with respect to the performance or its duties or the exercise of its powers under this Indenture or the Notes.

(n) The permissive right of the Trustee to take the actions permitted by this Indenture shall not be construed as an obligation or duty to do so.

(o) The Trustee will not be liable to any person if prevented or delayed in performing any of its obligations or discretionary functions under this Indenture by reason of any present or future law applicable to it, by any governmental or regulatory authority or by any circumstances beyond its control.

(p) The Trustee shall not under any circumstances be liable for any indirect loss, punitive or special damages or consequential loss (being loss of business, goodwill, opportunity or profit of any kind) of the Issuer or any other Person (or, in each case, any successor thereto), even if advised of it in advance and even if foreseeable.

(q) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer personally or by agent or attorney.

(r) The Trustee may request that the Issuer deliver an Officer's Certificate setting forth the names of the individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officer's Certificate may be signed by any person authorized to sign an Officer's Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded.

(s) No provision of this Indenture shall require the Trustee to do anything which, in its opinion, may be illegal or contrary to applicable law or regulation.

(t) The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion (based upon legal advice in the relevant jurisdiction), be contrary to any law of that jurisdiction or, to the extent applicable, the State of New York.



(u) The Trustee may retain professional advisors to assist it in performing its duties under this Indenture. The Trustee may consult with such professional advisors or with counsel, and the advice or opinion of such professional advisors or counsel with respect to legal or other matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(v) The Trustee may assume without inquiry in the absence of actual knowledge that the Issuer is duly complying with its obligations contained in this Indenture required to be performed and observed by it, and that no Default or Event of Default or other event which would require repayment of the Notes has occurred.

Section 7.03      *Individual Rights of Trustee.*

The Trustee (or its Affiliates) in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer or any Affiliate of the Issuer with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Sections 7.10 and 7.11 hereof.

Section 7.04      *Trustee's Disclaimer.*

The Trustee will not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, except that the Trustee represents that it is duly authorized to execute and deliver this Indenture, authenticate the Notes and perform its obligations hereunder. The Trustee shall not be accountable for the Issuer's use of the proceeds from the Notes or any money paid to the Issuer or upon the Issuer's direction under any provision of this Indenture, it will not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it will not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

Section 7.05      *Notice of Defaults.*

If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee will mail to Holders a notice of the Default or Event of Default within 90 days after it occurs. Except in the case of a Default in payment of principal of, premium on, if any, interest or Additional Amounts, if any, on any Note, the Trustee may withhold notice if and for so long as it determines that withholding notice is in the interest of Holders.

Section 7.06      *[Reserved].*

Section 7.07      *Compensation and Indemnity.*

(a) The Issuer will pay to the Trustee and the Agents from time to time compensation for its acceptance of this Indenture and services hereunder as shall be agreed from time to time between them. The Trustee's compensation will not be limited by any law on compensation of a trustee of an express trust. The Issuer will reimburse the Trustee promptly upon request for all disbursements, advances and expenses properly incurred or made by it in addition to the compensation for its services. Such expenses will include the properly incurred compensation, disbursements and expenses of the Trustee's agents and counsel.

(b) The Issuer will indemnify the Trustee, its officers, directors, employees and agents against any and all documented claims, losses, liabilities or expenses incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Issuer (including this Section 7.07) and defending itself against any claim (whether asserted by the Issuer, any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its negligence, willful misconduct or bad faith. Notwithstanding the foregoing, the Issuer shall not be liable for any indirect loss, punitive or special damages or consequential loss (being loss of business, goodwill, opportunity or profit of any kind) of the Trustee or any other Person (or, in each case, any successor thereto), even if advised of it in advance and even if foreseeable. The Trustee will notify the Issuer promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Issuer will not relieve the Issuer of its obligations hereunder. In case any such claim shall be brought against the Trustee, the Trustee may elect to defend the claim and shall promptly notify the Issuer of its intent to do so, *provided* that the Trustee and its counsel shall proceed with diligence and good faith with respect thereto, and the Issuer shall be entitled to participate therein. In the event of any disagreement between the Trustee and the Issuer in relation to the conduct of the claim, other than disagreements concerning the Trustee's failure to promptly assume the defense and employ counsel, the Trustee's decision shall be final. The Trustee may have separate counsel and the Issuer shall pay the properly incurred fees and expenses of such counsel. If the Trustee does not assume the defense of such claim, the Issuer may defend the claim, the Trustee shall cooperate in such defense and the Issuer shall not be liable to the Trustee for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by the Trustee, in connection with the defense thereof unless the immediately following sentence applies. If the interests of the Issuer, on the one hand, and the Trustee, on the other hand, may be adverse, the Trustee may have a single separate counsel and the Issuer will pay the properly incurred fees and expenses of such counsel. The Issuer need not pay for any settlement made without its written consent, which consent will not be unreasonably withheld.

(c) The obligations of the Issuer under this Section 7.07 will survive the satisfaction and discharge of this Indenture.

(d) To secure the Issuer's payment obligations in this Section 7.07, the Trustee will have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal of, premium on, if any, interest or Additional Amounts, if any, on, particular Notes. Such Lien will survive the satisfaction and discharge of this Indenture.

(e) When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(9) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

(f) The rights, privileges, protections, immunities and benefits to the Trustee in this Article 7, including, without limitation, its rights to be compensated, reimbursed for expenses and indemnified, are extended to, and shall be enforceable by, each Agent.

(g) The indemnity contained in this Section 7.07 shall survive the discharge or termination of this Indenture and shall continue for the benefit of the Trustee or an Agent notwithstanding its resignation or retirement.

#### Section 7.08 *Replacement of Trustee.*

(a) A resignation or removal of the Trustee and appointment of a successor Trustee will become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.08.

(b) The Trustee may resign in writing at any time without giving reason and be discharged from the trust hereby created by so notifying the Issuer. The Holders of a majority in aggregate principal amount of the then Outstanding Notes may remove the Trustee by so notifying the Trustee and the Issuer in writing. The Issuer may remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10 hereof;

(2) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(3) a custodian or public officer takes charge of the Trustee or its property; or

(4) the Trustee becomes incapable of acting.

(c) If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Issuer will promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in aggregate principal amount of the then Outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Issuer.

(d) If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, (i) the retiring Trustee, the Issuer, or the Holders of at least 10% in aggregate principal amount of the then Outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee or (ii) the retiring Trustee may appoint a successor Trustee at any time prior to the date on which a successor Trustee takes office, *provided* that such appointment shall be with the consent of the Issuer (not to be unreasonably withheld or delayed).

(e) If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.10 hereof, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) A successor Trustee will deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Thereupon, the resignation or removal of the retiring Trustee will become effective, and the successor Trustee will have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee will mail a notice of its succession to Holders. The retiring Trustee will promptly transfer all property held by it as Trustee to the successor Trustee; *provided* all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Issuer's obligations under Section 7.07 hereof will continue for the benefit of the retiring Trustee.

(g) For the purposes of this Section 7.08, the Issuer hereby expressly accepts and confirms, for the purposes of Articles 1278 and 1281 of the Luxembourg Civil Code that, notwithstanding any assignment, transfer and/or novation permitted under, and made in accordance with the provisions of this Indenture or any agreement referred to herein to which the Issuer is a party, any security created or guarantee given under this Indenture shall be preserved for the benefit of the successor trustee (for itself and the secured parties) and, for the avoidance of doubt, for the benefit of each of the secured parties.

Section 7.09 *Successor Trustee by Merger, etc.*

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act will be the successor Trustee.

Section 7.10 *Eligibility; Disqualification.*

There will at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of England and Wales or the United States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by any England and Wales authority or any federal or state authorities and that has a combined capital and surplus of at least \$50.0 million as set forth in its most recent published annual report of condition.

Section 7.11      *Agents.*

*Resignation of Agents.* Any Agent may resign and be discharged from its duties under this Indenture at any time by giving thirty (30) days' prior written notice of such resignation to the Trustee and Issuer. The Trustee or Issuer may remove any Agent at any time by giving thirty (30) days' prior written notice to any Agent. Upon such notice, a successor Agent shall be appointed by the Issuer, who shall provide written notice of such to the Trustee. Such successor Agent shall become the Agent hereunder upon the resignation or removal date specified in such notice. If the Issuer is unable to replace the resigning Agent within thirty (30) days after such notice, the Agent may, in its sole discretion, deliver any funds then held hereunder in its possession to the Trustee or may appoint a replacement agent on behalf of the Issuer, *provided* that such appointment shall be with the consent of the Issuer (not to be unreasonably withheld or delayed), or may apply to a court of competent jurisdiction for the appointment of a successor Agent or for other appropriate relief. The costs and expenses (including its counsels' fees and expenses) incurred by the Agent in connection with such proceeding shall be paid by the Issuer. Upon receipt of the identity of the successor Agent, the Agent shall deliver any funds then held hereunder to the successor Agent, less the Agent's fees, costs and expenses or other obligations owed to the Agent. Upon its resignation and delivery any funds, the Agent shall be discharged of and from any and all further obligations arising in connection with this Indenture, but shall continue to enjoy the benefit of Section 7.07 hereof.

ARTICLE 8  
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01      *Option to Effect Legal Defeasance or Covenant Defeasance.*

The Issuer may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have either Section 8.02 or 8.03 hereof be applied to all Outstanding Notes upon compliance with the conditions set forth below in this Article 8.

Section 8.02      *Legal Defeasance and Discharge.*

Upon the Issuer's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Issuer will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from their obligations with respect to all Outstanding Notes on the date the conditions set forth below are satisfied (hereinafter, "*Legal Defeasance*"). For this purpose, Legal Defeasance means that the Issuer will be deemed to have paid and discharged the entire Debt represented by the Outstanding Notes, which will thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Indenture referred to in clauses (1) and (2) below, and to have satisfied all their other obligations under such Notes and this Indenture (and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging the same), except for the following provisions which will survive until otherwise terminated or discharged hereunder:

- (1) the rights of Holders of Outstanding Notes to receive payments in respect of the principal of, interest (including Additional Amounts) or premium, if any, on, such Notes when such payments are due from the trust referred to in Section 8.04 hereof;
- (2) the Issuer's obligations with respect to the Notes under Article 2 and Section 4.02 hereof;
- (3) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Issuer's obligations in connection therewith; and
- (4) the Legal Defeasance provisions of this Article 8.

Subject to compliance with this Article 8, the Issuer may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

Section 8.03      *Covenant Defeasance.*

Upon the Issuer's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Issuer will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from each of its obligations under the covenants contained in Sections 4.09, 4.10, 4.12, 4.13, 4.15 hereof and clause (4) of Section 5.01(a) hereof with respect to the Outstanding Notes on and after the date the conditions set forth in Section 8.04 hereof are satisfied (hereinafter, "*Covenant Defeasance*"), and the Notes will thereafter be deemed not "Outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but will continue to be deemed "Outstanding" for all other purposes hereunder (it being understood that such Notes will not be deemed Outstanding for accounting purposes). For this purpose, *Covenant Defeasance* means that, with respect to the outstanding Notes, the Issuer may omit to comply with and will have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply will not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Notes will be unaffected thereby. In addition, upon the Issuer's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, Section 6.01(3), (4), (5), (6), (7) and (8) hereof will not constitute Events of Default.

Section 8.04      *Conditions to Legal or Covenant Defeasance.*

In order to exercise either Legal Defeasance or Covenant Defeasance under either Section 8.02 or 8.03 hereof:

(1)            the Issuer must irrevocably deposit with the Trustee (or such other entity designated or appointed (as agent) by it for such purpose), in trust, for the benefit of the Holders of the Notes, cash in U.S. Dollars, non-callable Government Securities, or a combination of cash in U.S. Dollars and non-callable Government Securities, in each case, in amounts as will be sufficient, in the opinion of an internationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest (including Additional Amounts and premium, if any) on the Outstanding Notes on their Stated Maturity or on the applicable redemption date, as the case may be, and the Issuer must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2)            in the case of an election under Section 8.02 hereof, the Issuer must deliver to the Trustee an opinion of U.S. counsel in terms reasonably acceptable to the Trustee confirming that:

(A)          the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling; or

(B)          since the Issue Date, there has been a change in the applicable U.S. federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel will confirm that, the beneficial owners of the Outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of an election under Section 8.03 hereof, the Issuer must deliver to the Trustee an opinion of U.S. counsel in terms reasonably acceptable to the Trustee confirming that the beneficial owners of the Outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) the Issuer must deliver to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders of Notes over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer or others; and

(5) the Issuer must deliver to the Trustee an Officer's Certificate and an opinion of counsel, subject to customary assumptions and qualifications, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Section 8.05 *Deposited Money and Government Securities to be Held in Trust; Other Miscellaneous Provisions.*

Subject to Section 8.06 hereof, all cash in U.S. Dollars and non-callable U.S. Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "Trustee") pursuant to Section 8.04 hereof in respect of the Outstanding Notes will be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Issuer acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, if any, interest and Additional Amounts, if any, but such money need not be segregated from other funds except to the extent required by law.

The Issuer will pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or the non-callable U.S. Government Securities deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the Outstanding Notes.

Notwithstanding anything in this Article 8 to the contrary, the Trustee will deliver or pay to the Issuer from time to time upon the request of the Issuer any cash in U.S. Dollars or non-callable U.S. Government Securities held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(1) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06 *Repayment to Issuer.*

Any money deposited with the Trustee or any Paying Agent, or then held by the Issuer in trust, for the payment of the principal of, premium on, if any, interest or Additional Amounts, if any, on, any Note and remaining unclaimed for two years after such principal, premium, if any, interest or Additional Amounts, if any, has become due and payable shall be paid to the Issuer on its request or (if then held by the Issuer) will be discharged from such trust; and the Holder of such Note will thereafter be permitted to look only to the Issuer for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such money, and all liability of the Issuer as trustee thereof, will thereupon cease; *provided, however*, that in the event the Notes are in the form of Definitive Registered Notes, the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Issuer cause to be made available to the newswire service of Bloomberg or, if Bloomberg does not operate, any similar agency and, if and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or mail to each Holder entitled to such money at such Holder's address (as set forth in the Register) notice that such money remains unclaimed and that, after a date specified therein, which will not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Issuer.

Section 8.07      *Reinstatement.*

If the Trustee or Paying Agent is unable to apply any U.S. Dollars or non-callable U.S. Government Securities in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Issuer's obligations under this Indenture and the Notes will be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; *provided, however*, that, if the Issuer makes any payment of principal of (and premium or Additional Amounts, if any) or interest on any Note following the reinstatement of its obligations, the Issuer will be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9  
AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01      *Without Consent of Holders.*

Notwithstanding Section 9.02 hereof, the Issuer, the Issuer and the Trustee may, without the consent of the Holders of the Notes, amend, waive or supplement the Escrow Agreement, this Indenture or the Notes:

- (1)          to cure any ambiguity, defect or inconsistency;
- (2)          to provide for the assumption of the Issuer's obligations to the Holders of the Notes in the case of a merger or consolidation or sale of all or substantially all of the Issuer's assets pursuant to Article 5 hereof;
- (3)          to make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights under this Indenture of any such Holder in any material respect;
- (4)          to conform the text of this Indenture, or the Notes to any provision of the "Description of the Notes" section of the offering memorandum to the extent that such provision in such "Description of the Notes" section was intended to be a verbatim recitation of a provision of this Indenture or the Notes;
- (5)          to provide for the issuance of Additional Notes in accordance with the limitations set forth in this Indenture as of the Issue Date;
- (6)          to provide for uncertificated Notes in addition to or in place of certificated Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 169(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code);

- (7) to evidence and provide the acceptance of the appointment of a successor Trustee under this Indenture; or
- (8) to allow the provision of Guarantees with respect to the Notes.

In formulating its opinion on such matters, the Trustee shall be entitled to request and rely absolutely on such evidence as it deems appropriate, including an Opinion of Counsel and an Officer's Certificate.

Upon the request of the Issuer accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon receipt by the Trustee of the documents described in Section 7.02 and Section 14.03 hereof, the Trustee will join with the Issuer in the execution of any amended or supplemental indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee will not be obligated to enter into such amended or supplemental indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

Section 9.02      *With Consent of Holders.*

Except as provided below in this Section 9.02, the Issuer and the Trustee may amend or supplement this Indenture (including, without limitation Section 3.12, Section 4.10 and Section 4.15 hereof), the Escrow Agreement or the Notes with the consent of the Holders of at least a majority in aggregate principal amount of the then Outstanding Notes (including, without limitation, Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes), and, subject to Section 6.04 and Section 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium on, if any, interest or Additional Amounts, if any, on, the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture, the Notes may be waived with the consent of the Holders of a majority in aggregate principal amount of the then Outstanding Notes (including, without limitation, Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes); *provided* that if any amendment, waiver or other modification will only affect one series of the Notes, only the consent of the Holders of a majority in aggregate principal amount of the then Outstanding Notes of such series shall be required.

Upon the request of the Issuer accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee will join with the Issuer in the execution of such amended or supplemental indenture unless such amended or supplemental indenture directly affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but will not be obligated to, enter into such amended or supplemental Indenture.

It is not necessary for the consent of the Holders of Notes under this Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver, but it is sufficient if such consent approves the substance thereof.



After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Issuer will mail to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Issuer to mail such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such amended or supplemental indenture or waiver. The Holders of a majority in aggregate principal amount of the Outstanding Notes, on behalf of all Holders of Notes, may waive compliance by the Issuer with certain restrictive provisions of this Indenture. Subject to Sections 6.04 and 6.07 hereof the Holders of a majority in aggregate principal amount of the Outstanding Notes, on behalf of all Holders of the Notes, may waive any past default under this Indenture, except a default in the payment of principal, premium or interest or a default arising from failure to purchase any Note tendered pursuant to an Offer to Purchase. Modifications and amendments of this Indenture may be made by the Issuer, the Issuer and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Outstanding Notes; *provided, however*, that no such modification or amendment may, without the consent of the Holders of 90% of the aggregate principal amount of then Outstanding Notes affected thereby:

- (1) change the Stated Maturity or the principal of, or any installment of interest on, any Note;
- (2) reduce the principal amount of, (or premium) or interest on (or rate thereof), any Note;
- (3) change the place or currency of payment of principal of (or premium), or interest on, any Note;
- (4) impair the right to institute suit for the enforcement of any payment on or with respect to any Note;
- (5) reduce the above stated percentage of Outstanding Notes necessary to modify or amend this Indenture;

(6) reduce the percentage of aggregate principal amount of Outstanding Notes necessary for waiver of compliance with certain provisions of this Indenture or for waiver of certain defaults; or

(7) following the mailing of any Offer to Purchase, modify any Offer to Purchase for the Notes required under Sections 4.10 and 4.15 hereof in a manner adverse to the Holders thereof.

For the avoidance of doubt, the provisions of articles 470-1 to 470-19 (included) of the Luxembourg Law dated August 10, 1915 on commercial companies, as amended from time to time, shall not apply in respect of the Notes.

#### Section 9.03 *Revocation and Effect of Consents.*

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder is a continuing consent by the Holder of a Note and every subsequent Holder that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder or subsequent Holder may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

#### Section 9.04 *Notation on or Exchange of Notes.*

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Issuer in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate or cause the Authenticating Agent to authenticate the new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note will not affect the validity and effect of such amendment, supplement or waiver.

Section 9.05      *Trustee to Sign Amendments, etc.*

The Trustee will sign any amended or supplemental indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Issuer may not sign an amended or supplemental indenture until the Board of Directors of the Issuer approves it. In executing any amended or supplemental indenture, the Trustee will be entitled to receive and (subject to Section 7.01 hereof) will be fully protected in relying upon, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture.

ARTICLE 10  
[RESERVED]

ARTICLE 11  
[RESERVED]

ARTICLE 12  
[RESERVED]

ARTICLE 13  
SATISFACTION AND DISCHARGE

Section 13.01      *Satisfaction and Discharge.*

(a)      This Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1)      either:

(A)      all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation; or

(B)      all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Issuer has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. Dollars, non-callable Government Securities, or a combination of cash in U.S. Dollars and non-callable Government Securities, in each case, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Debt on the Notes not delivered to the Trustee for cancellation for principal, premium and Additional Amounts, if any, and accrued interest to the date of maturity or redemption;

(2)      the Issuer has paid or caused to be paid all sums payable by it under this Indenture; and

(3)      the Issuer has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Issuer must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3) of this Section 13.01(a)).

(b) Notwithstanding the satisfaction and discharge of this Indenture, if money has been deposited with the Trustee pursuant to Section 13.01(a)(1)(B), the provisions of Sections Section 13.02 and 8.06 hereof will survive. In addition, nothing in this Section 13.01 will be deemed to discharge those provisions of Section 7.07 hereof, that, by their terms, survive the satisfaction and discharge of this Indenture.

Section 13.02      *Application of Trust Money.*

Subject to the provisions of Section 8.06 hereof, all money deposited with the Trustee pursuant to Section 13.01 hereof shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Issuer acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal of, premium on, if any, interest and Additional Amounts, if any, for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any money or U.S. Government Securities in accordance with Section 13.01 hereof by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 13.01 hereof; *provided* that if the Issuer has made any payment of principal of, premium on, if any, interest and Additional Amounts, if any, on, the Notes because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or U.S. Government Securities held by the Trustee or Paying Agent.

ARTICLE 14  
MISCELLANEOUS

Section 14.01      *Notices.*

Any notice or communication by the Issuer or the Trustee to the others is duly given if in writing and delivered in person or mailed by first class mail (registered or certified, return receipt requested), facsimile transmission or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Issuer:

Millicom International Cellular S.A.  
2, rue du Fort Bourbon  
L-1249, Luxembourg Grand Duchy of Luxembourg  
Facsimile No.: +352 27 759 901  
Attention: Office of the General Counsel

With a copy to:

Davis Polk & Wardwell LLP  
450 Lexington Avenue, New York  
NY 10017, United States of America  
Facsimile No.: +1-212-701-5077  
Attention: John B. Meade

Citibank, N.A., London Branch  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
Attn: Trustee-Agency & Trust  
Facsimile: +44 207 500 5877

If to the Trustee to Citibank, N.A., London Branch at the address above.

If to Registrar:

Citigroup Global Markets Europe AG  
5th Floor, Reuterweg 16  
60323 Frankfurt  
Germany  
Attn: Citi-Registrar-Agency & Trust  
Facsimile: +49 692222 9586

If to Paying Agent or Transfer Agent:

Citibank, N.A., London Branch  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
Attn: Paying Agent-Agency & Trust  
Facsimile: +353 1 622 2210/ +353 1 622 2212

Attn: Transfer Agent-Agency & Trust  
Facsimile: +353 1 247 6348

The Issuer or the Trustee, by notice to the others, may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) will be deemed to have been duly given: at the time delivered by hand, if personally delivered; upon receipt if mailed; when receipt acknowledged, if transmitted by facsimile; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

For so long as the Notes are listed on the Official List of Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market, and the rules of the Luxembourg Stock Exchange so require, notices of the Issuer will be published on the official website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). In addition, for so long as any Notes are represented by one or more Global Notes, all notices to Holders will be delivered by or on behalf of the Issuer to DTC. Such notices may also be published in a leading newspaper of general circulation in Luxembourg or if, in the opinion of the Issuer such publication is not practicable, in an English language newspaper having general circulation in Europe.

Notices delivered to DTC will be deemed given on the date when delivered. If a notice or communication is published in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Issuer mails a notice or communication to Holders or delivers a notice or communication to holders of Book-Entry Interests, it will mail a copy to the Trustee and each Agent at the same time.

Section 14.02      *[Reserved].*

Section 14.03      *Certificate and Opinion as to Conditions Precedent.*

Upon any request or application by the Issuer to the Trustee to take or refrain from taking any action under this Indenture, the Issuer shall furnish to the Trustee:

(1)            an Officer's Certificate in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 14.04 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(2)            an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 14.04 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

Section 14.04      *Statements Required in Certificate or Opinion.*

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(1)            a statement that the Person making such certificate or opinion has read such covenant or condition;

(2)            a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3)            a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(4)            a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 14.05      *Rules by Trustee and Agents.*

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 14.06      *Agent for Service; Submission to Jurisdiction; Waiver of Immunities.*

Each of the parties hereto irrevocably agrees that any suit, action or proceeding arising out of, related to, or in connection with this Indenture, the Notes or the transactions contemplated hereby, and any action arising under U.S. federal or state securities laws, may be instituted in any U.S. federal or state court located in the State and City of New York, Borough of Manhattan; irrevocably waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of venue of any such proceeding; and irrevocably submits to the jurisdiction of such courts in any such suit, action or proceeding. The Issuer has appointed CT Corporation System, 111 Eighth Avenue, 13<sup>th</sup> Floor, New York, New York 10011, United States of America, as its authorized agent upon whom process may be served in any such suit, action or proceeding which may be instituted in any federal or state court located in the State of New York, Borough of Manhattan arising out of or based upon this Indenture, the Notes or the transactions contemplated hereby or thereby, and any action brought under U.S. federal or state securities laws (the "*Authorized Agent*"). The Issuer expressly consents to the jurisdiction of any such court in respect of any such action and waives any other requirements of or objections to personal jurisdiction with respect thereto and waives any right to trial by jury. Such appointment shall be irrevocable unless and until replaced by an agent reasonably acceptable to the Trustee. The Issuer represents and warrants that the Authorized Agent has agreed to act as said agent for service of process, and the Issuer agrees to take any and all action, including the filing of any and all documents and instruments, that may be necessary to continue such appointment in full force and effect as aforesaid. Service of process upon the Authorized Agent and written notice of such service to the Issuer shall be deemed, in every respect, effective service of process upon the Issuer.

Section 14.07      *No Liability of Directors, Officers, Employees, Incorporators, Members and Stockholders.*

None of the directors, officers, employees, incorporators, members or stockholders, as such, of the Issuer, as such, will have any liability for any of the Issuer's obligations under the Notes or this Indenture, or for any claim based on, in respect of, or by reason of, such obligations. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. This waiver may not be effective to waive liabilities under applicable securities laws.

Section 14.08      *Governing Law.*

THE INTERNAL LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE, THE NOTES WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

For the avoidance of doubt, the provisions of articles 470-1 to 470-19 (included) of the Luxembourg Law dated August 10, 1915 on commercial companies, as amended from time to time, are excluded.

Section 14.09      *No Adverse Interpretation of Other Agreements.*

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Issuer or any of its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 14.10      *Successors.*

All agreements of the Issuer in this Indenture and the Notes will bind its successors. All agreements of the Trustee in this Indenture will bind its successors.

Section 14.11      *Severability.*

In case any provision in this Indenture or in the Notes is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

Section 14.12      *Counterpart Originals.*

The parties may sign any number of copies of this Indenture. Each signed copy will be an original, but all of them together represent the same agreement.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and will in no way modify or restrict any of the terms or provisions hereof.

Section 14.14      *Judgment Currency.*

Any payment on account of an amount that is payable in U.S. Dollars (the “*Required Currency*”) which is made to or for the account of any Holder or the Trustee in lawful currency of any other jurisdiction (the “*Judgment Currency*”), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Issuer, shall constitute a discharge of the Issuer’s obligations under this Indenture and the Notes, only to the extent of the amount of the Required Currency with such Holder or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first Business Day following receipt of the payment in the Judgment Currency. If the amount of the Required Currency that could be so purchased is less than the amount of the Required Currency originally due to such Holder or the Trustee, as the case may be, the Issuer shall indemnify and hold harmless the Holder or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Indenture or the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Section 14.15      *Prescription.*

Claims against the Issuer for the payment of principal or Additional Amounts, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer for the payment of interest on the Notes will be prescribed five years after the applicable due date for payment of interest.

Section 14.16      *Contractual Recognition of Bail-In Powers.*

(a)      The Issuer acknowledges and accepts that, notwithstanding any other provision of this Indenture or any other agreement, arrangement or understanding between the parties:

(1)      any Liability may be subject to the exercise of Write-down and Conversion Powers by the Resolution Authority;

(2)      The Issuer will be bound by the effect of any application of any Write-down and Conversion Powers in relation to any Liability and in particular (but without limitation) by:

(A)      any reduction in the principal amount, in full or in part, or outstanding amount due (including any accrued but unpaid interest) due in respect of any Liability; and

(B)      any conversion of all or part of any Liability into ordinary shares or other instruments of ownership of Citigroup Global Markets Europe AG or any other person; that may result from any exercise of any Write-down and Conversion Powers in relation to any Liability;

(3)      the terms of this Indenture and the rights of the Issuer hereunder may be varied, to the extent necessary, to give effect to any exercise of any Write-down and Conversion Powers in relation to any Liability and the Issuer will be bound by any such variation; and

(4) ordinary shares or other instruments of ownership of Citigroup Global Markets Europe AG or any other person may be issued to or conferred on the Issuer as a result of any exercise of any Write-down and Conversion Powers in relation to any Liability.

(b) Defined terms used in this Section 14.16 have the following meanings:

(1) “*Liability*” means any liability of Citigroup Global Markets Europe AG to the Issuer arising under or in connection with this Indenture;

(2) “*Resolution Authority*” means the German Federal Agency for Financial Markets Stabilization (*Bundesanstalt für Finanzmarktstabilisierung*), or any other body which has authority to exercise any Write-down and Conversion Powers;

(3) “*Write-down and Conversion Powers*” means any write-down, conversion, transfer, modification or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Germany, relating to the transposition of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms as amended from time to time, including but not limited to the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*) as amended from time to time, and the instruments, rules and standards created thereunder, pursuant to which:

(A) any obligation of Citigroup Global Markets Europe AG (or other affiliate of such entity) can be reduced, cancelled, modified or converted into shares, other securities or other obligations of such entity or any other person (or suspended for a temporary period); and

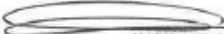
(B) any right in a contract governing an obligation Citigroup Global Markets Europe AG may be deemed to have been exercised.

[Signatures on following page]



IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

**MILlicom INTERNATIONAL CELLULAR  
S.A., as the Issuer**

By:   
Name: JUSTINE DIMOVIC  
Title: Group Treasurer

By:   
Name: [Name]  
Title: [Title]

*(Signature Page to 2029 Indenture)*

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CITIBANK, N.A., LONDON BRANCH, as  
Trustee, Paying Agent and Transfer Agent

By: Citibank, N.A., London Branch

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

David Rowlandson  
Vice President

*(Signature Page to 2029 Indenture)*

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**CITIGROUP GLOBAL MARKETS EUROPE  
AG, as Registrar**

**By: Citigroup Global Markets Europe AG**

By: \_\_\_\_\_

Name:  
Title:

**THORSTEN PETERS**

By: \_\_\_\_\_

Name:  
Title:

*I. Kuhn*

**ILONA KUHN**

*[Signature Page to 2029 Indenture]*

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[Face of Note]

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*[Insert the Global Note Legend, if applicable pursuant to the provisions of the Indenture]*

*[Insert the Private Placement Legend, if applicable pursuant to the provisions of the Indenture]*

MILLICOM INTERNATIONAL CELLULAR S.A.

**6.25% Senior Notes due 2029**

No. \_\_\_\_\_

CUSIP:

ISIN:

COMMON CODE:

\$ \_\_\_\_\_

Issue Date: \_\_\_\_\_

MILLICOM INTERNATIONAL CELLULAR S.A., a *société anonyme* organized under the laws of the Grand Duchy of Luxembourg, promises to pay to \_\_\_\_\_ or registered assigns, the principal sum of \_\_\_\_\_ DOLLARS or such greater or lesser amount as indicated in the schedule of Exchanges of Interests in the Global Note on March 25, 2029

Interest Payment Dates: March 25 and September 25

Record Dates: Holders of record on each Note in respect of the principal amount thereof outstanding on the Business Day immediately preceding the related Interest Payment Date.

Dated: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have caused this Note to be signed manually or by facsimile by the duly authorized officers referred to below.

**MILlicom INTERNATIONAL CELLULAR S.A.**

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

This is one of the Notes referred to in the within-mentioned Indenture:

**CITIBANK, N.A., LONDON BRANCH**

By: \_\_\_\_\_  
Authorized Signatory:

6.25% Senior Notes due 2029

Capitalized terms used herein have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

(1) *INTEREST.* MILLICOM INTERNATIONAL CELLULAR S.A., a public limited liability company (*société anonyme*) organized under the laws of the Grand Duchy of Luxembourg, having its registered office at 2, rue du Fort Bourbon, L-1249 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under the number B 40630 (the “*Issuer*”), promises to pay or cause to be paid interest on the principal amount of this Note at 6.25% per annum from \_\_\_\_\_ until maturity. The Issuer will pay interest semi-annually in arrears on March 25 and September 25 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an “*Interest Payment Date*”). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; *provided* that if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; *provided further* that the first Interest Payment Date shall be \_\_\_\_\_. The Issuer will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at the rate then in effect to the extent lawful. The Issuer will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Additional Amounts (without regard to any applicable grace periods), from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period shall end (but not include) the relevant Interest Payment Date.

(2) *METHOD OF PAYMENT.* The Issuer will pay interest on the Notes (except defaulted interest) to the Persons who are registered Holders of Notes on the Business Day immediately preceding the related Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal, premium, if any, interest and Additional Amounts, if any, through the Paying Agents as provided in the Indenture or, at the option of the Issuer, payment of interest and Additional Amounts, if any, may be made by check mailed to the Holders at their addresses set forth in the register of Holders; *provided* that payment by wire transfer of immediately available funds will be required with respect to principal of and interest, premium, if any, and Additional Amounts, if any, on, all Global Notes and all other Notes the Holders of which will have provided wire transfer instructions to the Issuer or the Paying Agent. In addition, interest on the Definitive Registered Notes may be paid by check mailed to the person entitled thereto as shown on the Register for the Definitive Registered Notes. The Issuer will make all payments in immediately available same-day freely transferable funds and in U.S. Dollars.

(3) *PAYING AGENT, REGISTRAR AND TRANSFER AGENT.* Initially, Citibank, N.A., London Branch will act as Paying Agent and Transfer Agent. Citigroup Global Markets Europe AG will act as Registrar. The Issuer shall maintain a Paying Agent and Transfer Agent. Upon notice to the Trustee, the Issuer may change any Paying Agent, Registrar or Transfer Agent.

(4) *INDENTURE.* The Issuer issued the Notes under an Indenture dated as of March 25, 2019 (the “*Indenture*”) between the Issuer, Citibank, N.A., London Branch, as Trustee, Transfer Agent and Paying Agent, and Citigroup Global Markets Europe AG, as Registrar. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling.

(5) *OPTIONAL REDEMPTION.*

(a) Except as detailed below, the Notes are not redeemable at the Issuer's option. The Issuer is not, however, prohibited from acquiring the Notes by means other than a redemption, whether pursuant to a tender offer, open market purchase or otherwise, so long as the acquisition does not otherwise violate the terms of the Indenture. The Issuer may make any redemption or redemption notice subject to the satisfaction of conditions precedent. If such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Issuer's discretion, the redemption date may be delayed until such time (but no more than 60 days after the date of the notice of redemption) as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied or waived by the redemption date, or by the redemption date as so delayed, or such notice may be rescinded at any time in the Issuer's discretion if in the good faith judgement of the Issuer any or all of such conditions will not be satisfied or waived. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

(b) If a redemption date is not a Business Day, payment may be made on the next succeeding day that is a Business Day, and no interest shall accrue on any amount that would have been otherwise payable on such redemption date if it were a Business Day for the intervening period. If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid to the Person in whose name the Note is registered at the close of business on such record date and no additional interest will be payable to Holders whose Notes will be subject to redemption.

(c) At any time prior to March 25, 2024, upon not less than 10 nor more than 60 days' notice to the Trustee and the Holders, the Issuer may on any one or more occasions redeem up to 40% of the original aggregate principal amount of Notes (including Additional Notes) at a redemption price of 106.250% of their principal amount, plus accrued and unpaid interest, if any, to the redemption date (subject to the right of the Holders of record on the relevant record date to receive interest due on the relevant interest payment date), with the proceeds from one or more Equity Offerings or any sale of Qualified Capital Stock of any Restricted Subsidiary of the Issuer. The Issuer may only do this, however, if:

(1) at least 50% of the aggregate principal amount of Notes that were initially issued under the Indenture would remain outstanding immediately after the proposed redemption; and

(2) the redemption occurs within 180 days after the closing of such Equity Offering or sale of Qualified Capital Stock.

Any notice for such a redemption may be given prior to completing the Equity Offering or sale of Qualified Capital Stock and be conditioned upon its completion.

(d) At any time prior to March 25, 2024, upon not less than 10 nor more than 60 days' notice to the Trustee and the Holders, the Issuer may on any one or more occasions redeem up to 40% of the original aggregate principal amount of Notes (including Additional Notes) at a redemption price of 106.250% of their principal amount, plus accrued and unpaid interest, if any, to the redemption date (subject to the right of the Holders of record on the relevant record date to receive interest due on the relevant interest payment date), with the Net Available Proceeds from one or more Specified Subsidiary Sales. The Issuer may only do this, however, if:



(1) at least 50% of the aggregate principal amount of Notes that were initially issued would remain outstanding immediately after the proposed redemption; and

(2) the redemption occurs within 365 days from the later of the date of such Specified Subsidiary Sale or the receipt of such Net Available Proceeds.

(e) During each 12 month period commencing on the Issue Date and ending on March 25, 2024, upon not less than 10 nor more than 60 days' prior notice to the Trustee and the Holders, the Issuer may redeem up to 10% of the original aggregate principal amount of the Notes (including Additional Notes) at a redemption price equal to 103% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

(f) At any time prior to March 25, 2024, upon not less than 10 nor more than 60 days' notice to the Trustee and the Holders, the Issuer may also redeem all or part of the Notes (including Additional Notes) at a redemption price equal to 100% of the principal amount thereof plus the Applicable Redemption Premium and accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date.

(g) At any time on or after March 25, 2024, and prior to maturity, upon not less than 10 nor more than 60 days' notice to the Trustee and the Holders, the Issuer may redeem all or part of the Notes. These redemptions will be in amounts of \$200,000 or integral multiples of \$1,000 in excess thereof at the following redemption prices (expressed as percentages of their principal amount at maturity), plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date, if redeemed during the 12-month period commencing on March 25 of the years set forth below:

Year	Redemption Price
2024	103.125%
2025	102.083%
2026	101.042%
2027 and thereafter	100.000%

(6) *REDEMPTION UPON CHANGES IN WITHHOLDING TAXES.*

The Issuer may redeem the Notes, in whole but not in part, at its option, at 100% of the outstanding principal amount thereof plus accrued and unpaid interest to the date of redemption and any Additional Amounts (as defined under Section 4.22(a) of the Indenture) payable with respect thereto, if:

(a) as a result of (i) any change in, or amendment to, the laws or treaties (or any regulations or rulings promulgated thereunder) of any Relevant Taxing Jurisdiction (as defined under Section 4.22(a) of the Indenture) affecting taxation which is publicly announced and becomes effective on or after the date of the Indenture or, if such Relevant Taxing Jurisdiction has become a Relevant Taxing Jurisdiction after the date of the Indenture, on or after the date on which such Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction under the Indenture or (ii) any change in, or amendment to, the existing official published position (including any such change or amendment occurring as a result of the introduction of an official position) regarding the application, administration or interpretation of the laws or treaties (or any regulations or rulings promulgated thereunder) of any Relevant Taxing Jurisdiction (including any such change or amendment occurring as a result of a holding, judgment or order by a court of competent jurisdiction or a change in published practice), which change or amendment is publicly announced and, where applicable, becomes effective on or after the date of the Indenture or, if such Relevant Taxing Jurisdiction has become a Relevant Taxing Jurisdiction after the date of the Indenture, on or after the date on which such Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction under the Indenture (either, a "*Change in Tax Law*"), the Issuer has or will become obligated to pay Additional Amounts; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; *provided, however*, that for this purpose reasonable measures shall not include any change in the Issuer's jurisdiction of organization or the location of its principal executive office, or the incurrence of material out of pocket costs by it. No such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due.

Prior to the publication or mailing of any notice of redemption of the Notes as described below, the Issuer must deliver to the Trustee (i) an Officers' Certificate stating that the Issuer is entitled to effect such redemption and (ii) an opinion of legal counsel of recognized standing stating that the Issuer has or will become obligated to pay Additional Amounts due to a Change in Tax Law. The Trustee will accept and shall be entitled to rely on this certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set forth in clauses (1) and (2) above, upon which it will be conclusive and binding on the Holders.

(7) *SPECIAL MANDATORY REDEMPTION.*

(a) The Issuer may request the Escrow Agent to release all of the Escrowed Property from the Escrow Account to fund the Telefonica Costa Rica Acquisition, the Telefonica Nicaragua Acquisition or the Telefonica Panama Acquisition (the "*Relevant Telefonica CAM Acquisition*") substantially concurrently with the closing of the Relevant Telefonica CAM Acquisition. Notwithstanding the foregoing, the Issuer shall be required to request a Release (as defined below) to finance the first Relevant Telefonica CAM Acquisition to close; provided that the foregoing requirement shall not apply in the event that any Subsidiary or Affiliate of the Issuer, including Cable Onda, issues securities or otherwise raises financing, for the purposes of financing the Telefonica Panama Acquisition, before or substantially concurrently with the closing of the Telefonica Panama Acquisition (the "*Alternative Panama Financing*").

The Issuer may request the Escrow Agent to release all of the Escrowed Property to the Issuer (a "*Release*") upon delivery by the Issuer to the Escrow Agent and the Trustee shall have received from the Issuer, on or before the Escrow Longstop Date, an Officer's Certificate, upon which both the Escrow Agent and the Trustee shall be entitled to rely absolutely without further investigation, to the effect that:

(1) (i) a Relevant Telefonica CAM Acquisition (which shall be identified) will be consummated promptly upon such Release of the Escrowed Property and (ii) since the Issue Date, no material term or condition of the Relevant Telefonica CAM Acquisition Agreement to be consummated promptly upon such Release has been amended or waived in a manner or to an extent that would be materially prejudicial to the interests of Holders, other than any amendment or waiver made with the consent of Holders of a majority of the Outstanding Notes;

(2) promptly after consummation of the Relevant Telefonica CAM Acquisition, (i) in the case of either the Telefonica Costa Rica Acquisition or the Telefonica Nicaragua Acquisition, the Issuer or a Subsidiary or Affiliate or joint venture of the Issuer will own, directly or indirectly, 100% of the outstanding shares of either Telefonica de Costa Rica TC, S.A. or Telefonica de Celular de Nicaragua, S.A., as applicable, or, (ii) in the case of the Telefonica Panama Acquisition, the Issuer or a Subsidiary or Affiliate or joint venture of the Issuer will own, directly or indirectly, 100% of the outstanding shares of Telefonica Móviles Panama, S.A.; and

(3) as at the date of such Officer's Certificate, there is no Default or Event of Default with respect to the Issuer under clauses (8) or (9) of Section 6.01 of the Indenture.

(b) The Escrowed Property to be released in connection with any Release will be paid out in accordance with the Escrow Agreement and the Escrowed Property will be reduced accordingly. Unless the Escrowed Property has been released as set forth in paragraph (a) of Section 3.09 of the Indenture, then in the event that (i) (A) neither the Telefonica Costa Rica Acquisition Completion Date nor the Telefonica Nicaragua Acquisition Completion Date has occurred on or prior to the Escrow Longstop Date and (B) where there is no Alternative Panama Financing, the Telefonica Panama Acquisition Completion Date has not occurred on or prior to the Escrow Longstop Date, (ii) in the reasonable judgment of the Issuer, no Relevant Telefonica CAM Acquisition (except the Telefonica Panama Acquisition, but only where there is Alternative Panama Financing) will be consummated on or prior to the Escrow Longstop Date, (iii) all of the Telefonica CAM Acquisition Agreements (except the Telefonica Panama Acquisition Agreement, but only where there is Alternative Panama Financing) have been terminated at any time on or prior to the Escrow Longstop Date, or (iv) there is a Default or an Event of Default with respect to the Issuer under clauses (8) or (9) of Section 6.01 of the Indenture on or prior to the Escrow Longstop Date, (the date of any such (i) to (iv) event being the “*Special Termination Date*”), the Issuer will redeem Notes in an aggregate principal amount of \$500,000,000 (the “*Special Mandatory Redemption*”) at a price (the “*Special Mandatory Redemption Price*”) equal to (v) 100% of the aggregate issue price of the Notes so redeemed if the date of the Special Mandatory Redemption occurs on or prior to September 25, 2019 or (x) 101% of the aggregate issue price of the Notes so redeemed if the date of the Special Mandatory Redemption occurs after September 25, 2019, in each case, plus accrued but unpaid interest and Additional Amounts, if any, (y) from the Issue Date but excluding the payment date of the Special Mandatory Redemption Price or (z) if applicable, from the most recent date on which interest on the Notes was paid or provided for, to, but excluding the payment date of the Special Mandatory Redemption Price (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

(c) Notice of the Special Mandatory Redemption will be delivered by the Issuer, no later than one Business Day following the Special Termination Date, to the Trustee, the Paying Agent and the Escrow Agent, and will provide that the Notes shall be redeemed on a date that is not less than two Business Days prior and not later than the fifth Business Day after such notice is given by the Issuer in accordance with the terms of the Escrow Agreement (the “*Special Mandatory Redemption Date*”).

(d) No later than 12:00 p.m. New York time on the Business Day prior to the Special Mandatory Redemption Date, the Escrow Agent shall have paid to the Issuer, and the Issuer shall subsequently have paid to the Paying Agent, for payment to each Holder of the Special Mandatory Redemption Price for such Holder’s Notes and, concurrently with the payment to such Holders, deliver any excess Escrowed Property (if any) to the Issuer.

(e) In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeds the amount of the Escrowed Property, the Issuer will pay the accrued and unpaid interest and Additional Amounts, if any, and any other amounts owing to the Holders.

(f) If at the time of such Special Mandatory Redemption, the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market, and the rules of the Luxembourg Stock Exchange so require, the Issuer will notify the Luxembourg Stock Exchange that the Special Mandatory Redemption has occurred and any relevant details relating to such Special Mandatory Redemption.

(g) No provisions of the Escrow Agreement and, to the extent such provisions relate to the Issuer’s obligation to redeem the Notes in a Special Mandatory Redemption, the Indenture, may be amended, waived or modified in any manner materially adverse to the Holders of the Notes without the consent of Holders of a majority of the Outstanding Notes. By accepting a Note, each Holder will be deemed to have agreed to be bound by the terms of the Escrow Agreement and have irrevocably authorized the Trustee to take all the actions set forth in the Escrow Agreement without the need for further direction from them under the Indenture.

(8) *SINKING FUND.* Except as set forth under Section 3.09 of the Indenture, the Issuer will not be required to make any other mandatory redemption or sinking fund payments with respect to the Notes.

(9) *REPURCHASE AT THE OPTION OF HOLDER.*

(a) Within 60 days of the occurrence of a Change of Control Triggering Event, the Issuer will be required to make an Offer to Purchase all Outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued interest and any Additional Amounts thereon to the date of purchase.

(b) When the aggregate amount of Excess Proceeds exceeds \$75 million, the Issuer will, within 15 Business Days of the end of the applicable period in Section 4.10(b), make an Excess Proceeds Offer to all Holders and from the holders of any Pari Passu Debt, to the extent required by the terms thereof, on a *pro rata* basis, in accordance with the procedures set forth in Section 3.12 of the Indenture or the agreements governing any such Pari Passu Debt, the maximum principal amount (expressed as a minimum amount of \$200,000 and integral multiples of \$1,000 in excess thereof) of the Notes and any such Pari Passu Debt that may be purchased with the amount of the Excess Proceeds. The offer price as to each Note and any such Pari Passu Debt will be payable in cash in an amount equal to (solely in the case of the Notes) 100% of the principal amount of such Note and (solely in the case of Pari Passu Debt) no greater than 100% of the principal amount (or accreted value, as applicable) of such Pari Passu Debt, plus, in each case, accrued and unpaid interest, if any, to the date of purchase.

(10) *NOTICE OF REDEMPTION.* At least 10 days but not more than 60 days before a redemption date, the Issuer will deliver, pursuant to Section 14.01 of the Indenture, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or the satisfaction and discharge of the Indenture.

(11) *DENOMINATIONS, TRANSFER, EXCHANGE.*

[The Global Notes are in registered form without coupons attached. The Global Notes will represent the aggregate principal amount of all the Notes issued and not yet cancelled other than Definitive Registered Notes.]<sup>1</sup> [The Definitive Registered Notes are in registered form without coupons attached in denominations of \$200,000 and integral multiples of \$1,000 above \$200,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Issuer may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Issuer shall not be required to register the transfer of any Definitive Registered Notes (A) for a period of 15 days prior to any date fixed for the redemption of the Notes; (B) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part; (C) for a period of 15 days prior to the record date with respect to any interest payment date; or (D) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Excess Proceeds Offer.]<sup>2</sup>

(12) *PERSONS DEEMED OWNERS.* The registered Holder may be treated as the owner of it for all purposes.

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<sup>1</sup>Include in any Global Note.

<sup>2</sup>Include in any Definitive Registered Note

(13) *AMENDMENT, SUPPLEMENT AND WAIVER.* Subject to certain exceptions, the Indenture (including, without limitation, Section 3.12, Section 4.10 and Section 4.15 thereof), the Escrow Agreement and the Notes may be amended or supplemented with the consent of the Holders of at least a majority in aggregate principal amount of the then Outstanding Notes (including, without limitation, Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes), and, subject to Section 6.04 and Section 6.07 of the Indenture, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium on, if any, interest or Additional Amounts, if any, on, the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of the Indenture, the Notes may be waived with the consent of the Holders of a majority in aggregate principal amount of the then Outstanding Notes (including, without limitation, Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes); *provided* that if any amendment, waiver or other modification will only affect one series of the Notes, only the consent of the Holders of a majority in aggregate principal amount of the then Outstanding Notes of such series shall be required. In certain circumstances, the Escrow Agreement, the Indenture or the Notes may be amended or supplemented without the consent of any Holder, including to cure any ambiguity, defect or inconsistency.

(14) *DEFAULTS AND REMEDIES.* Except as set forth in Section 6.02 of the Indenture, if an Event of Default, as defined in the Indenture, occurs and is continuing, the Trustee or the Holders of at least 25% of the aggregate principal amount of the then Outstanding Notes may, by written notice to the Issuer (and to the Trustee if given by the Holders), declare all the Notes to be due and payable immediately. If a bankruptcy or insolvency default with respect to the Issuer occurs and is continuing, the Notes automatically become due and payable. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may require indemnity and/or security satisfactory to it before it enforces the Indenture or the Notes. Holders of a majority in aggregate principal amount of the then Outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on the Trustee.

(15) *AUTHENTICATION.* This Note will not be valid until authenticated by the manual signature of the authorized signatory of the Trustee or an authenticating agent.

(16) *ABBREVIATIONS.* Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

(17) *CUSIP AND ISIN AND COMMON CODE NUMBERS.* Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Issuer has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. The Issuer has caused Common Code numbers to be printed on the Notes and the Trustee may use Common Code numbers in notices of redemption as a convenience to Holders. In addition, the Issuer has caused ISIN numbers to be printed on the Notes and the Trustee may use ISIN numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of any such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

(18) *GOVERNING LAW.* THE INTERNAL LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUCT THE INDENTURE AND THIS NOTE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

For the avoidance of doubt, the provisions of articles 470-1 to 470-19 (included) of the Luxembourg Law dated August 10, 1915 on commercial companies, as amended from time to time, shall not apply to the Notes.

The Issuer will furnish to any Holder upon written request and without charge a copy of the Indenture or the form of Note. Requests may be made to:

MILLICOM INTERNATIONAL CELLULAR S.A.  
2, rue du Fort Bourbon  
L-1249 Luxembourg  
Grand Duchy of Luxembourg  
Facsimile No.: +352 27 759 901  
Attention: Office of the General Counsel

**ASSIGNMENT FORM**

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to: \_\_\_\_\_  
(Insert assignee’s legal name)

\_\_\_\_\_  
(Insert assignee’s soc. sec. or tax I.D. no.)

\_\_\_\_\_

\_\_\_\_\_

(Print or type assignee’s name, address and zip code)

and irrevocably  
appoint \_\_\_\_\_  
to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

Date: \_\_\_\_\_

Your Signature: \_\_\_\_\_  
(Sign exactly as your name appears on the  
face of this Note)

Signature  
Guarantee\*: \_\_\_\_\_

\* Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

**OPTION OF HOLDER TO ELECT PURCHASE\***

If you want to elect to have this Note purchased by the Issuer pursuant to Section 4.10 or 4.15 of the Indenture, check the appropriate box below

☐ Section 4.10      ☐ Section 4.15

If you want to elect to have only part of the Note purchased by the Issuer pursuant to Section 4.10 or Section 4.15 of the Indenture, state the amount you elect to have purchased (in denominations of \$200,000 or integral multiples of \$1,000 in excess thereof):

\$ \_\_\_\_\_

Date: \_\_\_\_\_

Your Signature: \_\_\_\_\_  
(Sign exactly as your name appears  
on the face of this Note)

Tax Identification No.: \_\_\_\_\_

Signature Guarantee\*: \_\_\_\_\_

Signature Guarantee\*:

\* Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (“*STAMP*”) or such other “signature guarantee program” as may be determined by the Registrar in addition to, or in substitution for, *STAMP*, all in accordance with the Securities Exchange Act of 1934, as amended.

**SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE**

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Registered Note, or exchanges of a part of another Global Note or Definitive Registered Note for an interest in this Global Note, have been made:

<b>Date of Exchange</b>	<b>Amount of decrease in Principal Amount of this Global Note</b>	<b>Amount of increase in Principal Amount of this Global Note</b>	<b>Principal Amount of this Global Note following such decrease (or increase)</b>	<b>Signature of authorized officer of Paying Agent, Trustee or Custodian</b>



[Issuer address block]

[Trustee/Transfer Agent/Registrar address block]

Re: \$750,000,000 6.25% Senior Notes due 2029 of Millicom International Cellular S.A.

Reference is hereby made to the Indenture, dated as of March 25, 2019 (the “Indenture”), between, among others, Millicom International Cellular S.A., a public limited liability company (société anonyme) organized under the laws of the Grand Duchy of Luxembourg, having its registered office at 2, rue du Fort Bourbon, L-1249 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under the number B 40630 (the “Issuer”), Citibank, N.A., London Branch, as Trustee, Transfer Agent and. Paying Agent and Citigroup Global Markets Europe AG, as Registrar. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

\_\_\_\_\_, (the “Transferor”) owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of \$ \_\_\_\_\_ in such Note[s] or interests (the “Transfer”), to \_\_\_\_\_ (the “Transferee”), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. **Check if Transferee will take delivery of a Book-Entry Interest in the 144A Global Note or a Definitive Registered Note pursuant to Rule 144A.** The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), and, accordingly, the Transferor hereby further certifies that the beneficial interest or the Book-Entry Interest or Definitive Registered Note is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the beneficial interest or the Book-Entry Interest or Definitive Registered Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a “qualified institutional buyer” within the meaning of Rule 144A under the U.S. Securities Act in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or the Book-Entry Interest or Definitive Registered Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Definitive Registered Note and in the Indenture and the U.S. Securities Act.

2. **Check if Transferee will take delivery of a Book-Entry Interest in the Regulation S Global Note or a Definitive Registered Note pursuant to Regulation S.** The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the U.S. Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market, (ii) such Transferor does not know that the transaction was prearranged with a buyer in the United States, (iii) no directed selling efforts have been made in connection with the Transfer in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the U.S. Securities Act, (iv) the transaction is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act and (v) if the proposed transfer is being effected prior to the expiration of a Restricted Period, the transferee is not a U.S. Person, as such term is defined pursuant to Regulation S of the Securities Act, and will take delivery only as a Book-Entry Interest so transferred through DTC. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred Book-Entry Interest or Definitive Registered Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note and/or the Definitive Registered Note and in the Indenture and the U.S. Securities Act.

3. **Check and complete if Transferee will take delivery of a Book-Entry Interest in a Global Note or a Definitive Registered Note pursuant to any provision of the U.S. Securities Act other than Rule 144A or Regulation S.** The Transfer is being effected in compliance with the transfer restrictions applicable to Book-Entry Interests in Global Notes and Definitive Registered Notes and pursuant to and in accordance with the U.S. Securities Act and any applicable blue sky securities laws of any state of the United States.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer.

\_\_\_\_\_  
[Insert Name of Transferor]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**ANNEX A TO CERTIFICATE OF TRANSFER**

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) a Book-Entry Interest in the:

(i) 144A Global Note ([CUSIP][ISIN][COMMON CODE] \_\_\_\_\_), or

(ii) Regulation S Global Note ([CUSIP][ISIN][COMMON CODE] \_\_\_\_\_).

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) a Book-Entry Interest in the:

(i) 144A Global Note ([CUSIP][ISIN][COMMON CODE] \_\_\_\_\_), or

(ii) Regulation S Global Note ([CUSIP][ISIN][COMMON CODE] \_\_\_\_\_).

in accordance with the terms of the Indenture.

**EXHIBIT C**

[Issuer address block]

[Trustee/Transfer Agent/Registrar address block]

Re: \$750,000,000 6.25% Senior Notes due 2029 of Millicom International Cellular S.A.

(CUSIP \_\_\_\_\_; ISIN \_\_\_\_\_; Common Code \_\_\_\_\_)

Reference is hereby made to the Indenture, dated as of March 25, 2019 (the “Indenture”), between, among others, Millicom International Cellular S.A., a public limited liability company (*société anonyme*) organized under the laws of the Grand Duchy of Luxembourg, having its registered office at 2, rue du Fort Bourbon, L-1249 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under the number B 40630 (the “Issuer”), Citibank, N.A., London Branch, as Trustee, Transfer Agent and Paying Agent and Citigroup Global Markets Europe AG, as Registrar. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

\_\_\_\_\_, (the “Owner”) owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of \$ \_\_\_\_\_ in such Note[s] or interests (the “Exchange”). In connection with the Exchange, the Owner hereby certifies that:

1. ☐ **Check if Exchange is from Book-Entry Interest in a Global Note for Definitive Registered Notes.** In connection with the Exchange of the Owner’s Book-Entry Interest in a Global Note for Definitive Registered Notes in an equal amount, the Owner hereby certifies that such Definitive Registered Notes are being acquired for the Owner’s own account without transfer. The Definitive Registered Notes issued pursuant to the Exchange will bear the Private Placement Legend and will be subject to restrictions on transfer enumerated in the Indenture and the U.S. Securities Act.

2. ☐ **Check if Exchange is from Definitive Registered Notes for Book-Entry Interest in a Global Note.** In connection with the Exchange of the Owner’s Definitive Registered Notes for Book-Entry Interest in a Global Note in an equal amount, the Owner hereby certifies that such Book-Entry Interest in a Global Note are being acquired for the Owner’s own account without transfer. The Book-Entry Interests transferred in exchange will be subject to restrictions on transfer enumerated in the Indenture and the U.S. Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer.

\_\_\_\_\_  
[Insert Name of Transferor]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**ANNEX A TO CERTIFICATE OF EXCHANGE**

1. The Owner owns and proposes to exchange the following:

[CHECK ONE OF (a) OR (b)]

(a) ☐ a Book-Entry Interest held through DTC Account

No. \_\_\_\_\_ in the:

(i) ☐ D144A Global Note ([CUSIP] [ISIN] \_\_\_\_\_ ), or

(ii) ☐ Regulation S Global Note ([CUSIP][ISIN] \_\_\_\_\_ ), or

(b) ☐ a Definitive Registered Note.

2. After the Exchange the Owner will hold:

[CHECK ONE]

(a) ☐ a Book-Entry Interest held through DTC Account

No. \_\_\_\_\_ in the:

(i) ☐ D144A Global Note ([CUSIP][ISIN] \_\_\_\_\_ ), or

(ii) ☐ Regulation S Global Note ([CUSIP][ISIN] \_\_\_\_\_ ), or

(b) ☐ a Definitive Registered Note.

in accordance with the terms of the Indenture.

MILLICOM INTERNATIONAL CELLULAR S.A.

as the Issuer

\$500,000,000 6.0% SENIOR NOTES DUE 2025

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FIRST SUPPLEMENTAL INDENTURE

Dated as of April 8, 2019 to

AMENDED AND RESTATED INDENTURE

Dated as of May 30, 2018

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CITIBANK, N.A., LONDON BRANCH

as Trustee, Transfer Agent and Paying Agent

CITIGROUP GLOBAL MARKETS EUROPE AG (formerly CITIGROUP GLOBAL MARKETS DEUTSCHLAND AG)

as Registrar

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FIRST SUPPLEMENTAL INDENTURE (this “Supplemental Indenture”), dated as of April 8, 2019, among Millicom International Cellular S.A. (the “Issuer”), a public limited liability company (*société anonyme*) organized under the laws of the Grand Duchy of Luxembourg, having its registered office at 2, rue du Fort Bourbon, L-1249 Luxembourg, Luxembourg and registered with the Luxembourg Trade and Companies Register under the number B 40630 and Citibank, N.A., London Branch, as Trustee, Transfer Agent and Paying Agent, and Citigroup Global Markets Europe AG (formerly Citigroup Global Markets Deutschland AG) as Registrar. Capitalized terms used herein and not otherwise defined shall have the meaning assigned to them in the Indenture.

WITNESSETH:

WHEREAS, the Amended and Restated Indenture, dated as of May 30, 2018, among the Issuer, the Trustee and the Registrar (the “Indenture”), governs the Issuer’s 6.0% Senior Notes Due 2025 (the “Notes”);

WHEREAS, the Issuer has requested that Holders of the Notes deliver their consents with respect to the certain amendments to the Indenture;

WHEREAS, Section 9.02 of the Indenture provides that the Issuer and the Trustee may amend or supplement the Indenture with the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes;

WHEREAS, the Holders of at least a majority in aggregate principal amount of the then outstanding Notes have duly consented to the proposed modifications set forth in this Supplemental Indenture in accordance with Section 9.02 of the Indenture;

WHEREAS, the Issuer has heretofore delivered, or is delivering contemporaneously herewith, to the Trustee (i) a copy of resolutions of the Board of Directors of the Issuer authorizing the execution of this Supplemental Indenture, (ii) evidence of the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes and (iii) the Officer’s Certificate and the Opinion of Counsel described in Sections 9.05, 14.03(1) and 14.03(2) of the Indenture; and

WHEREAS, all conditions necessary to authorize the execution and delivery of this Supplemental Indenture and to make this Supplemental Indenture valid and binding have been complied with or performed and this Supplemental Indenture is permitted by the Indenture.

NOW, THEREFORE, in consideration of the foregoing and notwithstanding any provision of the Indenture which, absent this Supplemental Indenture, might operate to limit such action, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE ONE

AMENDMENTS

SECTION 1.01 *Revisions to Existing Definitions*. Subject to Section 2.01 hereof, the definitions of “Asset Disposition”, “Consolidated EBITDA”, “Consolidated Net Debt”, “Debt”, “IFRS”, “Net Leverage Ratio”, “Permitted Liens” and “Permitted Refinancing Debt” in Section 1.01 of the Indenture are hereby deleted in their entireties and replaced, respectively, as follows:

“*Asset Disposition*” means any transfer, conveyance, sale, lease or other disposition by the Issuer or any of its Restricted Subsidiaries (including a consolidation or merger or other sale of any such Restricted Subsidiary with, into or to another Person in a transaction in which such Restricted Subsidiary ceases to be a Restricted Subsidiary of the Issuer, but excluding a disposition by a Restricted Subsidiary of the Issuer to the Issuer or a Restricted Subsidiary of the Issuer which is an 80% or more owned Restricted Subsidiary of the Issuer) of (i) shares of Capital Stock (other than directors’ qualifying shares and shares to be held by third parties to satisfy applicable legal requirements) or other ownership interests of a Restricted Subsidiary of the Issuer, (ii) substantially all of the assets of the Issuer or any of its Restricted Subsidiaries representing a division or line of business or (iii) other assets or rights of the Issuer or any of its Restricted Subsidiaries outside of the ordinary course of business; *provided* that the term “Asset Disposition” shall not include:

- (a) any dispositions of assets in a single transaction or series of transactions with an aggregate Fair Market Value in any calendar year of not more than the greater of (x) \$25 million and (y) 1% of Total Assets (with unused amounts in any calendar year being carried over to the next succeeding year subject to a maximum of the greater of \$25 million and 1% of Total Assets of carried over amounts for any calendar year);
- (b) any disposition of Tower Equipment, including any Sale/Leaseback Transaction; *provided* that any cash or Cash Equivalents received in connection with such disposition or Sale/Leaseback Transaction must be applied in accordance with Section 4.10 hereof;
- (c) a transfer of assets between or among the Issuer and any of its Restricted Subsidiaries;
- (d) the issuance of Capital Stock by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary of the Issuer;
- (e) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or its Restricted Subsidiary) from whom such Restricted Subsidiary was acquired or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;
- (f) the sale, lease or other transfer of products, services, accounts receivable, inventory or other assets in the ordinary course of business and any sale or other disposition of damaged, surplus, worn-out or obsolete assets;
- (g) dispositions in connection with Permitted Liens;
- (h) disposals of assets, rights or revenue not constituting part of the Related Business and other disposals of non-core assets acquired in connection with any acquisition permitted under this Indenture;
- (i) licenses and sublicenses of the Issuer or any of its Restricted Subsidiaries in the ordinary course of business;
- (j) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;
- (k) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings;
- (l) the granting of Liens not prohibited by Section 4.12 hereof;
- (m) a transfer or disposition of assets that is governed by the provisions of this Indenture described under Section 5.01 hereof;
- (n) the sale or other disposition of cash or Cash Equivalents;
- (o) the foreclosure, condemnation or any similar action with respect to any property or other assets;



(p) sales of accounts receivable and related assets or an interest therein of the type specified in the definition of “Qualified Receivables Transaction” to a Receivables Entity, and Investments in a Receivables Entity consisting of cash or Securitization Obligations;

(q) any disposition or expropriation of assets or Capital Stock which the Issuer or any Restricted Subsidiary is required by, or made in response to concerns raised by, a regulatory authority or court of competent jurisdiction;

(r) any disposition of Capital Stock, Debt or other securities of an Unrestricted Subsidiary;

(s) disposal of non-core assets acquired in connection with any acquisition permitted under this Indenture;

(t) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Issuer or any Restricted Subsidiary to such Person;

(u) any disposition of investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding agreements; *provided* that any cash or Cash Equivalents received in such disposition is applied in accordance with the requirements set forth in Section 4.10;

(v) any sale or disposition with respect to property built, repaired, improved, owned or otherwise acquired by the Issuer or any Subsidiary pursuant to customary sale and leaseback transactions, asset securitizations and other similar financings permitted by this Indenture; and

(w) any dispositions constituting the surrender of tax losses by the Issuer or a Restricted Subsidiary (i) to Issuer or a Restricted Subsidiary; (ii) in order to eliminate, satisfy or discharge any tax liability of any Person that was formerly a Subsidiary of the Issuer which has been disposed of pursuant to a disposal permitted by the terms of this Indenture, to the extent that the Issuer or a Restricted Subsidiary would have a liability (in the form of an indemnification obligation or otherwise) to one or more Persons in relation to such tax liability if not so eliminated, satisfied or discharged; and

(x) any other disposal of assets not described in clauses (a) to (w) above comprising in aggregate percentage value 10% or less of Total Assets.

“*Consolidated EBITDA*” means, for any period, operating profit of the Issuer and its Restricted Subsidiaries, as such amount is determined on a consolidated basis in accordance with IFRS, *plus* the sum of the following amounts, in each case, without duplication. Losses shall be added (as a positive number) and gains shall be deducted, in each case, to the extent such amounts were included in calculating operating profit:

(a) depreciation and amortization expenses;

(b) the net loss or gain on the disposal and impairment of assets;

(c) share-based compensation expenses;

(d) at the Issuer’s option, other non-cash charges reducing operating profit (provided that if any such non-cash charge represents an accrual of or reserve for potential cash charges in any future period, the cash payment in respect thereof in such future period shall reduce operating profit to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period) *less* other non-cash items of income increasing operating income (excluding any such non-cash item of income to the extent it represents (x) a receipt of cash payments in any future period, (y) the reversal of an accrual or reserve for a potential cash item that reduced operating income in any prior period and (z) any non-cash gains with respect to cash actually received in a prior period so long as such cash did not increase operating income in such prior period);

(e) any material extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs, acquisition costs, disposition costs, business optimization, information technology implementation or development costs, costs related to governmental investigations and curtailments or modifications to pension or postretirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);

(f) at the Issuer's option, the effects of adjustments in its consolidated financial statements pursuant to IFRS (including inventory, property, equipment, software, goodwill, intangible assets, in process research and development, deferred revenue and debt line items) attributable to the application of recapitalization accounting or acquisition accounting, as the case may be, in relation to any consummated acquisition or joint venture investment or the amortization or write-off or write-down of amounts thereof, net of taxes;

(g) any reasonable expenses, charges or other costs related to any Equity Offering, Investment, acquisition, disposition, recapitalization or the Incurrence, waiver or amendment of any Debt (or the refinancing thereof) (whether or not successful or consummated), in each case, as determined in good faith by a responsible financial or accounting officer of the Issuer;

(h) any gains or losses on associates;

(i) any unrealized gains or losses due to changes in the fair value of equity Investments;

(j) any unrealized gains or losses due to changes in the fair value of Permitted Interest Rate, Currency or Commodity Price Agreements;

(k) any unrealized gains or losses due to changes in the carrying value of put options in respect of Capital Stock of, or voting rights with respect to, any Subsidiary, joint venture or associate;

(l) any unrealized gains or losses due to changes in the carrying value of call options in respect of Capital Stock of, or voting rights with respect to, any Subsidiary, joint venture or associate;

(m) any net foreign exchange gains or losses;

(n) at the Issuer's option, any adjustments to reduce the impact of the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies;

(o) accruals and reserves that are established or adjusted within twelve months after the closing date of any acquisition that are so required to be established or adjusted as a result of such acquisition that are so required to be established as a result of such acquisition in accordance with IFRS;

(p) any expenses, charges or losses to the extent covered by insurance or indemnity and actually reimbursed, or, so long as the Issuer or a Restricted Subsidiary has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer or indemnifying party and only to the extent that such amount is in fact reimbursed within 365 days of the date of the insurable or indemnifiable event (net of any amount so added back in any prior period to the extent not so reimbursed within the applicable 365-day period);

(q) the amount of proceeds received from business interruption insurance and reimbursements of any expenses and charges that are covered by indemnification or other reimbursement provisions in connection with any acquisition, Investment or any sale, conveyance, transfer or other disposition of assets;

(r) any net gain (or loss) realized upon any Sale/Leaseback Transaction that is not sold or otherwise disposed of in the ordinary course of business, determined in good faith by a responsible financial or accounting officer of the Issuer;

(s) the amount of loss on the sale or transfer of any assets in connection with an asset securitization program, receivables factoring transaction or other receivables transaction (including, without limitation, a Qualified Receivables Transaction); and

(t) Specified Legal Expenses.

For the purposes of calculating Consolidated EBITDA for any period, as of such date of determination:

(i) if, since the beginning of such period the Issuer or any Restricted Subsidiary has made any Asset Disposition or disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a “**Sale**”), including any Sale occurring in connection with a transaction causing a calculation to be made hereunder, then Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period;

(ii) if, since the beginning of such period the Issuer or any Restricted Subsidiary (by merger or otherwise) will have made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise acquires any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a “**Purchase**”), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, then Consolidated EBITDA for such period will be calculated after giving *pro forma* effect thereto as if such Purchase occurred on the first day of such period;

(iii) if, since the beginning of such period any Person (that became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clauses (i) or (ii) above if made by the Issuer or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving *pro forma* effect thereto as if such Sale or Purchase occurred on the first day of such period, including anticipated synergies and cost savings as if such Sale or Purchase occurred on the first day of such period;

(iv) whenever *pro forma* effect is applied, the *pro forma* calculations will be as determined in good faith by a responsible financial or accounting officer of the Issuer (including in respect of anticipated synergies and cost savings) as though the full effect of synergies and cost savings were realized on the first day of the relevant period and shall also include the reasonably anticipated full run rate cost savings effect (as calculated in good faith by a responsible financial or chief accounting officer of the Issuer) of cost savings programs that have been initiated by the Issuer or its Restricted Subsidiaries as though such cost savings programs had been fully implemented on the first day of the relevant period; and

(v) for the purposes of determining the amount of Consolidated EBITDA under this definition denominated in a foreign currency, the Issuer may, at its option, calculate the U.S. Dollar equivalent amount of such Consolidated EBITDA based on either (i) the weighted average exchange rates for the relevant period used in the consolidated financial statements of the Issuer for such relevant period or (ii) the relevant currency exchange rate in effect on the Issue Date.

For the purpose of calculating the Consolidated EBITDA of the Issuer, any Joint Venture Consolidated EBITDA shall be added to the amount determined in accordance with the foregoing.

“*Consolidated Net Debt*” means, as of any date of determination, the sum without duplication of (1) the total amount of Debt of the Issuer and its Restricted Subsidiaries on a consolidated basis, *minus* (2) the sum without duplication of (i) all Debt outstanding under Minority Shareholder Loans, (ii) any Debt which is a contingent obligation of the Issuer or its Restricted Subsidiaries on such date, (iii) all Debt permitted by clause (3) of Section 4.09(b), (iv) all Debt permitted by clause (17) of Section 4.09(b) and (v) all Debt outstanding under any Capital Lease Obligation or operating lease; *minus* (3) the amount of cash and Cash Equivalents (other than cash or Cash Equivalents received from the Incurrence of Debt by the Issuer or any of its Restricted Subsidiaries to the extent such cash or Cash Equivalents has not been subsequently applied or used for any purpose not prohibited by this Indenture) of the Issuer and its Restricted Subsidiaries on a consolidated basis that would be stated on the statement of financial position of the Issuer as of such date in accordance with IFRS, excluding, for the avoidance of doubt, Restricted Cash.

“*Debt*” means (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of such Person and whether or not contingent:

- (i) the principal of and premium, if any, in respect of every obligation of such Person for money borrowed;
- (ii) the principal of and premium, if any, in respect of every obligation of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (iii) every reimbursement obligation of such person with respect to letters of credit, bankers’ acceptances or similar facilities issued for the account of such Person (but only to the extent such obligations are not reimbursed within 30 days following receipt by such Person of a demand for reimbursement); and
- (iv) the principal component of every obligation of the type referred to in clauses (i) through (iii) of another Person and all dividends of another Person the payment of which, in either case, such Person has Guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise to the extent not otherwise included in the Debt of such Person.

The “amount” or “principal amount” of Debt at any time of determination as used herein represented by (x) any Debt issued at a price that is less than the principal amount at maturity thereof, shall be the amount of the liability in respect thereof determined in accordance with IFRS, (y) any Redeemable Stock, shall be the maximum fixed redemption or repurchase price in respect thereof; and (z) any amount of Debt that has been cash-collateralized, to the extent so cash-collateralized, shall be excluded from any calculation of Debt. Notwithstanding anything else to the contrary, for all purposes under this Indenture, the amount of Debt Incurred, repaid, redeemed, repurchased or otherwise acquired by a Restricted Subsidiary of the Issuer shall equal the liability in respect thereof determined in accordance with IFRS and reflected on the Issuer’s consolidated statement of financial position.

The term “Debt” shall not include:

- (a) obligations described in clauses (i) or (ii) of the first paragraph of this definition of Debt that are Incurred by a Restricted Subsidiary of the Issuer (the “Proceeds Recipient”) and owed to a bank or other lending institution (the “On-Lend Bank”) to facilitate the substantially concurrent on-lending of proceeds (the “Proceeds On-Loan”) from Debt Incurred by the Issuer or any of its Restricted Subsidiaries (other than the Proceeds Recipient) as permitted by Section 4.09 hereof (the “Initial Debt”) to the extent (i) the principal obligations in respect of the Proceeds On-Loan are secured by security over cash granted in favor of the On-Lend Bank or any of its affiliates in an amount not less than the principal amount of the Proceeds On-Loan or (ii) the Proceeds On-Loan is put in place substantially concurrently with a loan by the Issuer or any of its Restricted Subsidiaries (other than the Proceeds Recipient) to the On-Lend Bank (the “On-Lend Bank Borrowing”) pursuant to which the Proceeds Recipient is entitled to reduce the principal amount of the Proceeds On-Loan by an amount equal to the principal amount of the On-Lend Bank Borrowing if a default or acceleration occurs with respect to such On-Lend Bank Borrowing or (iii) the substantial risks and rewards of the Proceeds On-Loan are transferred, using a synthetic instrument or any other arrangement or agreement, from the On-Lend Bank to the Issuer or any of its Restricted Subsidiaries (other than the Proceeds Recipient) in exchange for an amount not less than (x) the amount of cash granted in favor of the On-Lend Bank or any of its Affiliates or (y) the outstanding amount of the On-Lend Bank Borrowing, as applicable, in each case as at the effective date of such transfer;

(b) any liability of the Issuer or any of its Restricted Subsidiaries (other than the Proceeds Recipient) attributable to a synthetic instrument or any other arrangement or agreement described in paragraph (a)(iii) above to the extent such obligation under the relevant instrument, arrangement or agreement has not come due but is classified as a financial liability in accordance with IFRS and recorded as a current liability on the Issuer's consolidated statement of financial position;

(c) any Restricted MFS Cash;

(d) any liability of the Issuer attributable to a put option or similar instrument, arrangement or agreement entered into after the Issue Date granted by the Issuer relating to an interest in any other entity, in each case to the extent such option has not been exercised or such obligation under the relevant instrument, arrangement or agreement has not come due but is classified as a financial liability in accordance with IFRS, and recorded as a current liability on the Issuer's consolidated statement of financial position;

(e) any standby letter of credit, performance bond or surety bond provided by the Issuer or any Restricted Subsidiary that are customary in the Related Business to the extent such letters of credit or bonds are not drawn upon or, if and to the extent drawn upon, are honored in accordance with their terms;

(f) any deposits or prepayments received by the Issuer or a Restricted Subsidiary from a customer or subscriber for its service and any other deferred or prepaid revenue;

(g) any obligations to make payments in relation to earn outs;

(h) Debt which is in the nature of equity (other than redeemable shares) or equity derivatives;

(i) Capital Lease Obligations or operating leases;

(j) receivables sold or discounted, whether recourse or non-recourse, including for the avoidance of doubt any debt in respect of Qualified Receivables Transactions, including without limitation guarantees by a Receivables Entity of the obligations of another Receivables Entity;

(k) pension obligations or any obligation under employee plans or employment agreements;

(l) any "parallel debt" obligations to the extent that such obligations mirror other Debt;

(m) any payments or liability for assets acquired or services supplied deferred (including Trade Payables) in accordance with the terms pursuant to which the relevant assets were or are to be acquired or services were or are to be supplied;

(n) the principal component or liquidation preference of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (including, in each case, any accrued dividends); and

(o) the net obligations of such Person under any Permitted Interest Rate, Currency or Commodity Price Agreement.

"IFRS" means the International Financial Reporting Standards promulgated by the International Accounting Standards Board or any successor board or agency (and, at the irrevocable option of the Issuer, as adopted by the European Union), as in effect on the Issue Date; *provided* that the Issuer may, at any time, irrevocably elect by written notice to the Trustee to use IFRS as in effect from time to time, and, upon such notice, references herein to IFRS shall thereafter be construed to mean IFRS as in effect from time to time. The Issuer also may, at any time, irrevocably elect by written notice to the Trustee to use GAAP as in effect from time to time in lieu of IFRS and, upon such notice, references herein to IFRS shall thereafter be construed to mean GAAP as in effect from time to time; provided that upon first reporting its fiscal year results under GAAP, the Issuer shall restate the financial statements required to be delivered under Section 4.03, on the basis of GAAP for the fiscal year ending immediately prior to the first fiscal year for which financial statements have been prepared on the basis of GAAP.

“*Net Leverage Ratio*” means, as of any date of determination, the ratio of (1) the Consolidated Net Debt outstanding on such date to (2) the Consolidated EBITDA for the four most recent full fiscal quarters ending immediately prior to such date for which consolidated financial statements are available, determined, in each case, on a pro forma basis as if any such Debt had been Incurred, or such other Debt had been repaid, redeemed or repurchased, as applicable, at the beginning of such four fiscal quarter period; provided, however, that the pro forma calculation shall not give effect to (i) any Debt Incurred on such determination date pursuant to Section 4.09(b) hereof (other than Debt Incurred pursuant to clause (6) of Section 4.09(b) hereof), or (ii) the discharge on such determination date of any Debt to the extent that such discharge results from the proceeds Incurred pursuant to Section 4.09(b) hereof (other than the discharge of Debt using proceeds of Debt Incurred pursuant to clause (6) of Section 4.09(b) hereof). For the avoidance of doubt, in determining Net Leverage Ratio, no cash or Cash Equivalents shall be included that are the proceeds of Debt in respect of which the pro forma calculation is to be made.

“*Permitted Liens*” means:

- (a) Liens for taxes, assessments or governmental charges or levies on the property of the Issuer or any of its Restricted Subsidiaries if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceeds promptly instituted and diligently concluded; *provided* that any reserve or other appropriate provision that shall be required in conformity with IFRS shall have been made therefor;
- (b) Liens imposed by law, such as statutory Liens of landlords’, carriers’, materialmen’s, repairmen’s, construction, warehousemen’s and mechanics’ Liens and other similar Liens, on the property of the Issuer or any of its Restricted Subsidiaries arising in the ordinary course of business or Liens arising solely by virtue of any statutory or common law provisions relating to attorney’s liens or bankers’ liens, rights of set - off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution;
- (c) Liens on the property of the Issuer or any of its Restricted Subsidiaries Incurred in the ordinary course of business to secure performance of obligations with respect to statutory or regulatory requirements, performance bids, trade contracts, letters of credit, performance or return-of-money bonds, surety bonds or other obligations of a like nature and Incurred in a manner consistent with industry practice, in each case which are not Incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property and which do not in the aggregate impair in any material respect the use of property in the operation of the business of the Issuer and its Restricted Subsidiaries taken as a whole;
- (d) Liens on property at the time the Issuer or any of its Restricted Subsidiaries acquired such property and Liens Incurred in anticipation of or in connection with the transaction or series of transactions pursuant to which such property was acquired by the Issuer or its Restricted Subsidiaries; *provided, however*, that any such Lien may not extend to any other property of the Issuer or any of its Restricted Subsidiaries;
- (e) Liens on the property of a Person at the time such Person becomes a Restricted Subsidiary (including Liens created, incurred or assumed in connection with or in contemplation of such acquisition or transaction); *provided, however*, that any such Lien may not extend to any other property of the Issuer or any other Restricted Subsidiary that is not a Restricted Subsidiary of such Person (other than pursuant to after-acquired property clauses in effect with respect to such Lien at the time of acquisition on property of the type that would have been subject to such Lien notwithstanding the occurrence of such acquisition);

(f) pledges or deposits by the Issuer or any of its Restricted Subsidiaries under workmen's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Debt) or leases to which the Issuer or any of its Restricted Subsidiaries is party, or deposits to secure public or statutory obligations of the Issuer or any of its Restricted Subsidiaries or deposits for the payment of rent, in each case Incurred in the ordinary course of business;

(g) utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character;

(h) any provision for the retention of title to any property by the vendor or transferor of such property which property is acquired by the Issuer or a Restricted Subsidiary in a transaction entered into in the ordinary course of business of the Issuer or a Restricted Subsidiary and for which kind of transaction it is customary market practice for such retention of title provision to be included;

(i) Liens arising by means of any judgment, decree or order of any court, to the extent not otherwise resulting in a Default hereunder so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree or order have not been fully terminated or the period within which such proceedings may be initiated has not expired and any Liens that are required to protect or enforce rights in any administrative, arbitration or other court proceeding in the ordinary course of business;

(j) Liens securing any Credit Facility or any Permitted Interest Rate, Currency or Commodity Price Agreement;

(k) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Issuer or any of its Restricted Subsidiaries has easement rights or on any real property leased by the Issuer or any of its Restricted Subsidiaries or similar agreements relating thereto and any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;

(l) Liens existing on the Issue Date;

(m) Liens in favor of the Issuer or any Restricted Subsidiary;

(n) Liens on insurance policies and the proceeds thereof, or other deposits, to secure insurance premium financings in respect of the Issuer or any of its Restricted Subsidiaries;

(o) Liens arising from financing statement filings (or other similar filings in any applicable jurisdiction) regarding operating leases entered into by any Restricted Subsidiary of the Issuer in the ordinary course of business;

(p) Liens on goods (and the proceeds thereof) and documents of title and the property covered thereby securing Debt in respect of commercial letters of credit issued to facilitate the purchase, shipment or storage of such inventory or other goods;

(q) Liens on property of any Restricted Subsidiary of the Issuer to secure Debt Incurred by such Restricted Subsidiary pursuant to Section 4.09(a) hereof or clauses (9), (10), (11), (12) or (17) of Section 4.09(b) hereof;

(r) Liens for the purpose of securing the payment of all or a part of the purchase price of Capital Lease Obligations or payments Incurred by the Issuer or its Restricted Subsidiaries to finance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that such Liens do not encumber any other assets or property of the Issuer or its Restricted Subsidiaries other than such assets or property and assets affixed or appurtenant thereto;

- (s) Liens on the property of the Issuer or any of its Restricted Subsidiaries to replace in whole or in part, any Lien described in the foregoing clauses (a) through (r); *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Debt being refinanced or in respect of property that is the security for a Permitted Lien hereunder;
- (t) any interest or title of a lessor under any Capital Lease Obligation or operating lease;
- (u) Liens on any escrow account used in connection with an acquisition of property or Capital Stock of any Person or pre-funding a refinancing of Debt otherwise permissible by this Indenture;
- (v) Liens on the Issuer's and any of its Restricted Subsidiaries' deposits in favor of financial institutions arising from any netting or set-off arrangement substantially consistent with its current practice for the purpose of netting debt and credit balances substantially consistent with the Issuer's or the Restricted Subsidiaries' existing cash pooling arrangements;
- (w) Liens incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries with respect to obligations that do not exceed the greater of \$250 million or 4% of Total Assets at any one time outstanding and that do not in the aggregate materially detract from the value of the property of the Issuer, or materially impair the use thereof in the operation of business by the Issuer and its Restricted Subsidiaries;
- (x) Liens over cash or other assets that secure collateralized obligations Incurred as Permitted Debt; *provided* that the amount of cash collateral does not exceed the principal amount of the Permitted Debt;
- (y) Liens on Restricted MFS Cash in favor of the customers or dealers of, or third parties in relation to, one or more of the Issuer's Restricted Subsidiaries engaged in the provision of mobile financial services, in each case who provided such Restricted MFS Cash to the relevant Restricted Subsidiary;
- (z) Liens on Receivables and related assets of the type described in the definition of "Qualified Receivables Transaction" Incurred in connection with a Qualified Receivables Transaction, and Liens on Investments in Receivables Entities;
- (aa) Liens consisting of any right of set-off granted to any financial institution acting as a lockbox bank in connection with a Qualified Receivables Transaction;
- (bb) Liens for the purpose of perfecting the ownership interests of a purchaser of Receivables and related assets pursuant to any Qualified Receivables Transaction;
- (cc) [Reserved];
- (dd) Liens arising in connection with other sales of Receivables permitted hereunder without recourse to the Issuer or any of its Restricted Subsidiaries;
- (ee) Liens on Receivables and related assets of the type specified in the definition of "Qualified Receivables Transaction" pursuant to any Qualified Receivables Transaction;
- (ff) Liens for the purpose of securing the payment of all or a part of the purchase price of, or Capital Lease Obligations, Purchase Money Obligations or other payments Incurred to finance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business (including Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business), *provided* that such Liens do not encumber any other assets or property of the Issuer or any Restricted Subsidiary other than such assets or property and assets affixed or appurtenant thereto;



- (gg) Liens securing Debt or other obligations of a Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary;
- (hh) Liens in respect of the ownership interests in, or assets owned by, any joint ventures or similar arrangements, other than joint ventures and similar arrangements that are Restricted Subsidiaries, securing obligations of such joint ventures or similar agreements;
- (ii) any encumbrance or restriction (including, but not limited to, put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;
- (jj) Liens over rights under loan agreements relating to, or over notes or similar instruments evidencing, the on-loan of proceeds received by a Restricted Subsidiary from the issuance of Debt, which Liens are created to secure payment of such Debt; and
- (kk) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Debt of such Unrestricted Subsidiary.

“*Permitted Refinancing Debt*” means any renewals, extensions, substitutions, defeasances, discharges, refinancings or replacements (each, for purposes of this definition and clause (8) of Section 4.09(b) hereof, a “*refinancing*”) of any Debt of the Issuer or a Restricted Subsidiary of the Issuer or pursuant to this definition, including any successive refinancings, as long as:

- (b) such Permitted Refinancing Debt is in an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) not in excess of the sum of: (i) the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value plus all accrued interest) then outstanding of the Debt being refinanced; and (ii) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such refinancing;
- (c) such Permitted Refinancing Debt has (i) a Stated Maturity that is either (X) no earlier than the Stated Maturity of the Debt being refinanced or (Y) after the Stated Maturity of the Notes and (ii) a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Debt being refinanced; and
- (d) if the Debt being refinanced is subordinated in right of payment to the Notes, such Permitted Refinancing Debt is subordinated in right of payment to, the Notes on terms at least as favorable to the Holders of Notes as those contained in the documentation governing the Debt being refinanced; and
- (e) if the Issuer was the obligor on the Debt being refinanced, such Permitted Refinancing Debt is Incurred by the Issuer.

Permitted Refinancing Debt in respect of any Credit Facility or any other Debt may be Incurred from time to time after the termination, discharge or repayment of all or any part of such Credit Facility or other Debt. Permitted Refinancing Debt shall not include any Debt of the Issuer or any Restricted Subsidiary that refinances Debt of an Unrestricted Subsidiary.

SECTION 1.02 *Insertion of Additional Definitions.* Subject to Section 2.01 hereof, the following definitions are hereby added to Section 1.01 of the Indenture where appropriate based on alphabetical ordering:

“*Disqualified Stock*” means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (a) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;
- (b) is convertible or exchangeable for Debt or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Issuer or a Restricted Subsidiary); or
- (c) is redeemable at the option of the holder of the Capital Stock in whole or in part, in each case on or prior to the earlier of the date (a) of the Stated Maturity of the Notes or (b) on which there are no Notes Outstanding, *provided* that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; *provided, further* that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Issuer to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (each defined in a substantially identical manner to the corresponding definitions in this Indenture) shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) provide that the Issuer may not repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) pursuant to such provision prior to compliance by the Issuer with the Sections 4.15 and 4.10 hereof.

“*Purchase Money Note*” means a promissory note of a Receivables Entity evidencing the deferred purchase price of Receivables (and related assets) and/or a line of credit, which may be irrevocable, from the Issuer or any Restricted Subsidiary in connection with a Qualified Receivables Transaction with a Receivables Entity, which note is intended to finance that portion of the purchase price that is not paid in cash or a contribution of equity and which is (a) repayable from cash available to the Receivables Entity, other than (i) amounts required to be established as reserves pursuant to agreements, (ii) amounts paid to investors in respect of interest, (iii) principal and other amounts owing to such investors and (iv) amounts owing to such investors and amounts paid in connection with the purchase of newly generated Receivables and (b) may be subordinated to the payments described in clause (a).

“*Purchase Money Obligations*” means any Debt Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

“*Qualified Receivables Transaction*” means any transaction or series of transactions that may be entered into by the Issuer or any of its Restricted Subsidiaries pursuant to which the Issuer or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to (1) a Receivables Entity (in the case of a transfer by the Issuer or any of the Restricted Subsidiaries) and (2) any other Person (in the case of a transfer by a Receivables Entity), or may grant a Lien in, any Receivables (whether now existing or arising in the future) of the Issuer or any of the Restricted Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such Receivables, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such Receivables and other assets which are customarily transferred, or in respect of which Liens are customarily granted, in connection with asset securitization involving Receivables and any Interest Rate, Currency or Commodity Price Agreement entered into by the Issuer or any such Restricted Subsidiary in connection with such Receivables.

“*Receivable*” means a right to receive payment arising from a sale or lease of goods or the performance of services by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit and shall include, in any event, any items of property that would be classified as an “account,” “chattel paper,” “payment intangible” or “instrument” under the Uniform Commercial Code as in effect in the State of New York and any “supporting obligations” as so defined.

“*Receivables Entity*” means a Wholly-Owned Subsidiary of the Issuer (or another Person in which the Issuer or any Restricted Subsidiary makes an Investment or to which the Issuer or any Restricted Subsidiary transfers Receivables and related assets) which engages in no activities other than in connection with the financing of Receivables and which is designated by the Board of Directors or senior management of the Issuer (as provided below) as a Receivables Entity:

(a) no portion of the Debt or any other obligations (contingent or otherwise) of which:

(i) is Guaranteed by the Issuer or any Restricted Subsidiary (excluding guarantees of obligations (other than the principal of, and interest on, Debt) pursuant to Standard Securitization Undertakings);

(ii) is recourse to or obligates the Issuer or any Restricted Subsidiary in any way other than pursuant to Standard Securitization Undertakings; or

(iii) subjects any property or asset of the Issuer or any Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings, except, in each such case, Permitted Liens as defined in clauses (z) through (ee) of the definition thereof;

(b) with which neither the Issuer nor any Restricted Subsidiary has any material contract, agreement, arrangement or understanding (except in connection with a Purchase Money Note or Qualified Receivables Transaction) other than on terms not materially less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer, other than fees payable in the ordinary course of business in connection with servicing Receivables; and

(c) to which neither the Issuer nor any Restricted Subsidiary has any obligation to maintain or preserve such entity’s financial condition or cause such entity to achieve certain levels of operating results (other than those related to or incidental to the relevant Qualified Receivables Transaction).

Any such designation by the Board of Directors or senior management of Issuer shall be evidenced to the Trustee by promptly filing with the Trustee a certified copy of the resolution of the Board of Directors of Issuer giving effect to such designation or an Officer’s Certificate certifying that such designation complied with the foregoing conditions.

“*Receivables Repurchase Obligation*” means any obligation of a seller of Receivables in a Qualified Receivables Transaction to repurchase Receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“*Specified Legal Expenses*” means, to the extent not constituting an extraordinary, non-recurring or unusual loss, charge or expense, all attorneys’ and experts’ fees and expenses and all other costs, liabilities (including all damages, penalties, fines and indemnification and settlement payments) and expenses paid or payable in connection with any threatened, pending, completed or future claim, demand, action, suit, proceeding, inquiry or investigation (whether civil, criminal, administrative, governmental or investigative).

“*Standard Securitization Undertakings*” means representations, warranties, covenants and indemnities entered into by the Issuer or any Restricted Subsidiary which are reasonably customary in a securitization of Receivables transactions, including, without limitation, those relating to the servicing of the assets of a Receivables Entity, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

“*Wholly-Owned Subsidiary*” means (1) in respect of any Person, a Person, all of the Capital Stock of which (other than (a) directors’ qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law, regulation or to ensure limited liability and (b) in the case of a Receivables Entity, shares held by a Person that is not an Affiliate of the Issuer solely for the purpose of permitting such Person (or such Person’s designee) to vote with respect to customary major events with respect to such Receivables Entity, including without limitation the institution of bankruptcy, insolvency or other similar proceedings, any merger or dissolution, and any change in charter documents or other customary events) is owned by that Person directly or (2) indirectly by a Person that satisfies the requirements of clause (1).

SECTION 1.03 *Amendments to Section 4.09*. Subject to Section 2.01 hereof, the Indenture is hereby amended by deleting Section 4.09 in its entirety and replacing it with the following:

“Section 4.09 *Limitation on Debt*

(a) The Issuer may not, and may not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Debt; provided that the Issuer and any of its Restricted Subsidiaries may Incur Debt if at the time of such Incurrence and after giving effect to the Incurrence of such Debt and the application of the proceeds thereof, on a pro forma basis, the Net Leverage Ratio is less than 3.0 to 1.0.

(b) Notwithstanding the limitation in Section 4.09(a), the following Debt (“Permitted Debt”) may be Incurred:

(1) the Incurrence by the Issuer of Debt pursuant to the Notes (other than Additional Notes);

(2) any Debt of the Issuer or any of its Restricted Subsidiaries outstanding on the Issue Date after giving effect to the use of proceeds of the Notes;

(3) Pari Passu Debt of the Issuer and Debt of its Restricted Subsidiaries under Credit Facilities in an aggregate principal amount at any one time outstanding that does not exceed an amount equal to the greater of (x) \$500 million and (y) 8% of Total Assets; and any Permitted Refinancing Debt in respect thereof, plus, (A) any accrual or accretion of interest that increases the principal amount of Debt under Credit Facilities and (B) in the case of any refinancing of Debt permitted under this clause (iii) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(4) Debt owed by the Issuer to any of its Restricted Subsidiaries or Debt owed by any Restricted Subsidiary of the Issuer to the Issuer or any other Restricted Subsidiary of the Issuer; provided, however, that (A) if the Issuer is the obligor on such Debt and the payee is not the Issuer, such Debt must be unsecured and expressly subordinated to the prior payment in full in cash of all obligations then due with respect to the Issuer’s obligations under the Notes, and (B) either (x) the transfer or other disposition by the Issuer or such Restricted Subsidiary of any Debt so permitted to a Person (other than to the Issuer or any of its Restricted Subsidiaries) or (y) such Restricted Subsidiary ceasing to be a Restricted Subsidiary of the Issuer, will at the time of such transfer or other disposition, in each case, be deemed to be an Incurrence of such Debt not permitted by this clause (4);

(5) the Guarantee by the Issuer or any of its Restricted Subsidiaries of Debt of any of the Issuer’s Restricted Subsidiaries to the extent that the Guaranteed Debt was permitted to be Incurred by another provision of this Section 4.09;

(6) Acquired Debt;

(7) Minority Shareholder Loans;

(8) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Permitted Refinancing Debt in exchange for, or the net proceeds of which are used to refund, replace or refinance, Debt Incurred by it pursuant to Section 4.09(a) and clauses (1), (2), (6) and (8) of this Section 4.09(b), as the case may be;

(9) Debt of the Issuer or any of its Restricted Subsidiaries represented by letters of credit in order to provide security for workers' compensation claims, health, disability or other employee benefits, payment obligations in connection with self-insurance or similar requirements of the Issuer or any of its Restricted Subsidiaries in the ordinary course of business;

(10) customary indemnification, adjustment of purchase price or similar obligations, in each case, incurred in connection with the disposition of any assets of the Issuer or any of its Restricted Subsidiaries, and earn-out provisions or contingent payments in respect of purchase price or adjustment of purchase price or similar obligations in acquisition agreements other than Guarantees of Debt incurred by any Person acquiring all or any portion of such assets for the purpose of financing such acquisition; provided that the maximum aggregate liability in respect of each such Incurrence of such Debt will at no time exceed the gross proceeds actually received by the Issuer or any of its Restricted Subsidiaries in connection with the related disposition;

(11) obligations in respect of (i) customs, VAT or other tax guarantees, (ii) bid, performance, completion, guarantee, surety and similar bonds, including guarantees or obligations of the Issuer or any of its Restricted Subsidiaries with respect to letters of credit supporting such obligations, (iii) customary cash management, cash pooling or netting or setting off arrangements, and (iv) the financing of insurance premiums, in each case in the ordinary course of business and not related to Debt for borrowed money;

(12) Debt of the Issuer or any of its Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument including, but not limited to, electronic transfers, wire transfers, netting services and commercial card payments, drawn against insufficient funds; provided that such Debt is extinguished within 30 days of Incurrence; and

(13) Debt consisting of (a) mortgage financings, Purchase Money Obligations or other financings, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment acquired or constructed in the ordinary course of business or (b) Debt otherwise Incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in the ordinary course of business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and any Debt that refinances, replaces or refunds such Debt, in an aggregate outstanding principal amount that, when taken together with the principal amount of all other Debt Incurred pursuant to this clause (xiii) and then outstanding, will not exceed at any time the greater of \$250 million and 3% of Total Assets;

(14) Guarantees by the Issuer or any Restricted Subsidiary of Debt or any other obligation or liability of the Issuer or any Restricted Subsidiary (other than of any Debt Incurred in violation of this covenant); provided, however, that if the Debt being Guaranteed is subordinated in right of payment to the Notes, then such Guarantee shall be subordinated substantially to the same extent as the relevant Debt Guaranteed;

(15) Debt of the Issuer or any Restricted Subsidiary in an aggregate outstanding principal amount which, when taken together with any Permitted Refinancing Debt in respect thereof and the principal amount of all other Debt Incurred pursuant to this clause (15) and then outstanding, will not exceed 100% of the cash proceeds (net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements)) received by the Issuer from the issuance or sale (other than to the Issuer or a Restricted Subsidiary) of its Subordinated Shareholder Loans or Capital Stock or otherwise contributed to the equity of the Issuer, in each case, subsequent to the Issue Date (and in each case, other than through the issuance of Disqualified Stock or Preferred Stock);

(16) Debt arising under borrowing facilities provided by a special purpose vehicle to the Issuer or any Restricted Subsidiary in connection with the issuance of notes or other similar debt securities intended to be supported primarily by the payment obligations of the Issuer or any Restricted Subsidiary in connection with any vendor financing platform; and

(17) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Debt not otherwise permitted to be Incurred pursuant to clauses (1) through (16) above, which, together with any other outstanding Debt Incurred pursuant to this clause (17), has an aggregate principal amount at any time outstanding not in excess of the greater of \$300 million and 4% of Total Assets, and any Permitted Refinancing Debt of any debt which on the date it was Incurred was permitted to be Incurred pursuant to this clause (17), plus, in the case of any refinancing of Debt permitted under this clause (17) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing.

(c) The Issuer will not incur any Debt (including Permitted Debt) that is contractually subordinated in right of payment to any other Debt of the Issuer unless such Debt is also contractually subordinated in right of payment to the Notes on substantially identical terms; provided, however, that no Debt will be deemed to be contractually subordinated in right of payment to any other Debt of the Issuer solely by virtue of being unsecured or by virtue of being secured with different collateral or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Debt.

(d) For the purposes of determining compliance with this Section 4.09, in the event that an item of Debt meets the criteria of more than one of the types of Permitted Debt or is entitled to be Incurred pursuant to clause (a) of this Section 4.09, the Issuer in its sole discretion may classify and from time to time reclassify such item of Debt or any portion thereof and only be required to include the amount of such Debt as one of such types.

(e) For the purposes of determining compliance with any covenant in this Indenture or whether an Event of Default has occurred, in each case, where Debt is denominated in a currency other than U.S. Dollars, the amount of such Debt will be the U.S. Dollar Equivalent determined on the date of such Incurrence and any covenant in this Indenture shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values; provided, however, that if any such Debt that is denominated in a different currency is subject to an Interest Rate, Currency or Commodity Price Agreement with respect to U.S. Dollars covering principal and premium, if any, payable on such Debt, the amount of such Debt expressed in U.S. Dollars will be adjusted to take into account the effect of such an agreement.”

SECTION 1.04 *Amendments to Section 4.10.* Subject to Section 2.01 hereof, the Indenture is hereby amended by deleting Section 4.10(b)(7) and Section 4.10(b)(8) in their entirety and replacing them with the following:

“(7) enter into a binding commitment to apply the Net Available Proceeds pursuant to clauses (4) or (5) of this clause (b); *provided* that such binding commitment (or any subsequent binding commitment replacing the initial binding commitment that is entered into within 180 days following the aforementioned 365-day period) shall be treated as a permitted application of the Net Available Proceeds from the date of such commitment until the earlier of (X) the date on which such acquisition or expenditure is consummated and (Y) the 180<sup>th</sup> day following the expiration of the aforementioned 365-day period; or

(8) any combination of the foregoing clauses (1) through (7) of this clause (b).”

SECTION 1.05 *Amendments to Section 4.12.* Subject to Section 2.01 hereof, the following Section 4.12(c) and Section 4.12(d) are hereby added to Section 4.12 of the Indenture:

“(c) For purposes of determining compliance with this Section 4.12, (x) a Lien need not be Incurred solely by reference to one category of Permitted Liens but may be Incurred under any combination of such categories (including in part under one such category and in part under any other such category) and (y) in the event that a Lien (or any portion thereof) meets the criteria of one or more of such categories of Permitted Liens the Issuer shall, in its sole discretion, divide, classify or may subsequently reclassify at any time such Lien (or any portion thereof) in any manner that complies with this Section 4.12 and the definition of “Permitted Liens”.

(d) With respect to any Lien securing Debt that was permitted to secure such Debt at the time of the Incurrence of such Debt, such Lien shall also be permitted to secure any Increased Amount of such Debt. The “Increased Amount” of any Debt shall mean any increase in the amount of such Debt in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Debt with the same terms or in the form of common stock, the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock of the same class, accretion of original issue discount or liquidation preference, any fees, underwriting discounts, accrued and unpaid interest, premiums and other costs and expenses incurred in connection therewith and increases in the amount of Debt outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Debt.”

## ARTICLE TWO

### MISCELLANEOUS

SECTION 2.01 *Effect of Supplemental Indenture*. Except as amended hereby, all of the terms of the Indenture shall remain and continue in full force and effect and are hereby confirmed in all respects. From and after the date of this Supplemental Indenture, all references to the Indenture (whether in the Indenture or in any other agreements, documents or instruments) shall be deemed to be references to the Indenture as amended and supplemented by this Supplemental Indenture.

SECTION 2.02 *Effectiveness*. The provisions of this Supplemental Indenture shall be effective only upon execution and delivery of this instrument by the parties hereto.

SECTION 2.02 *Governing Law*. THE INTERNAL LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE, THE NOTES WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

For the avoidance of doubt, articles 86 to 94-8 of the Luxembourg act dated August 10, 1915 on commercial companies, as amended from time to time, are excluded.

SECTION 2.03 *No Representations by Trustee*. The Trustee accepts the amendments of the Indenture effected by this Supplemental Indenture, but on the terms and conditions set forth in the Indenture, including the terms and provisions defining and limiting the liabilities and responsibilities of the Trustee. Without limiting the generality of the foregoing, the Trustee shall not be responsible in any manner whatsoever for or with respect to any of the recitals or statements contained herein, all of which recitals or statements are made solely by the Issuer, or for or with respect to (i) the validity or sufficiency of this Supplemental Indenture or any of the terms or provisions hereof, (ii) the proper authorization hereof by the Issuer by action or otherwise, (iii) the due execution hereof by the Issuer or (iv) the consequences of any amendment herein provided for, and the Trustee makes no representation with respect to any such matters.

SECTION 2.04 *Counterparts*. This Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall constitute but one and the same instrument.

SECTION 2.05 *Ratification of Indenture; Supplemental Indenture Part of Indenture*. Except as expressly amended hereby, the Indenture and the Notes issued thereunder are in all respects ratified and confirmed, and all of the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture is executed as, and shall constitute an indenture supplemental to the

Indenture and shall be construed in connection with and form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

*(signature page follows)*



**SIGNATURES**

IN WITNESS WHEREOF, the undersigned have caused the Supplemental Indenture to be duly executed as of the date first written above.

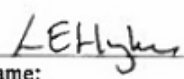
**MILlicom INTERNATIONAL CELLULAR  
S.A., as the Issuer**

By:   
Name: Patrick Gill  
Title: Company Secretary

By:   
Name: **JUSTINE DIMOVIC**  
Title: **Group Treasurer**

**CITIBANK, N.A., LONDON BRANCH, as  
Trustee**

**By: Citibank, N.A., London Branch**

By:   
Name:  
Title: **Laura Hughes  
Vice President**

DATED 24 APRIL 2019

US\$ 300,000,000

FACILITY AGREEMENT

FOR

MILLICOM INTERNATIONAL CELLULAR S.A.

ARRANGED BY

DNB SWEDEN ASA, SWEDEN BRANCH  
NORDEA BANK ABP, FILIAL I SVERIGE

WITH

DNB BANK ASA  
ACTING AS AGENT

---

TERM FACILITY AGREEMENT

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## CONTENTS

Clause		Page
1.	Definitions and Interpretation	1
2.	The Facility	30
3.	Purpose	32
4.	Conditions of Utilisation	32
5.	Utilisation - Loans	34
6.	Repayment	36
7.	Prepayment and Cancellation	36
8.	Interest	41
9.	Interest Periods	42
10.	Changes to the Calculation of Interest	43
11.	Fees	44
12.	Tax Gross Up and Indemnities	45
13.	Increased Costs	50
14.	Other Indemnities	52
15.	Mitigation by the Lenders	53
16.	Costs and Expenses	54
17.	Guarantee and Indemnity	56
18.	Representations	59
19.	Information Undertakings	63
20.	Financial Covenants	68
21.	General Undertakings	74
22.	Events of Default	80
23.	Changes to the Lenders	84
24.	Changes to the Obligors	89
25.	Role of the Agent and the Arranger	91
26.	Conduct of Business by the Finance Parties	99
27.	Sharing among the Finance Parties	99
28.	Payment Mechanics	102
29.	Set-off	106
30.	Notices	106
31.	Calculations and Certificates	108
32.	Partial Invalidity	108
33.	Remedies and Waivers	109
34.	Amendments and Waivers	109

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35.	Confidentiality	114
36.	Confidentiality of Reference Bank Rates	119
37.	Counterparts	120
38.	Governing Law	121
39.	Enforcement	121
	Schedule 1 The Original Parties	123
	Part I The Original Obligors	123
	Part II The Original Lenders	124
	Schedule 2 Conditions Precedent	125
	Part I Conditions Precedent to Initial Utilisation	125
	Part II Conditions Precedent required to be delivered by an Additional Borrower	127
	Schedule 3 Requests	128
	Part I Utilisation Request	128
	Part II Selection Notice	129
	Schedule 4 Form of Transfer Certificate	130
	Schedule 5 Form of Assignment Agreement	132
	Schedule 6 Form of Accession Letter	135
	Schedule 7 Form of Resignation Letter	136
	Schedule 8 Form of Compliance Certificate	137
	Schedule 9 LMA Form of Confidentiality Undertaking	138
	Schedule 10 Timetables	144
	Schedule 11 Form of Increase Confirmation	145
	Schedule 12 Form of Substitute Affiliate Lender Designation Notice	147

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THIS AGREEMENT is dated 24 April 2019 and

made BETWEEN:

- (1) **MILlicom International Cellular S.A.**, a company (*société anonyme*) incorporated under the laws of Luxembourg, having its registered office at 2, rue du Fort Bourbon, L-1249 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B. 40.630 (the “**Company**”);
- (2) **THE COMPANY** listed in Part I of Schedule 1 (*The Original Parties*) as original borrower (the “**Original Borrower**”);
- (3) **THE COMPANY** listed in Part I of Schedule 1 (*The Original Parties*) as guarantor (the “**Guarantor**”);
- (4) **DNB BANK ASA, SWEDEN BRANCH** and **NORDEA BANK ABP, FILIAL I SVERIGE** as coordinators and bookrunning mandated lead arrangers (whether acting individually or together the “**Arranger**”);
- (5) **THE FINANCIAL INSTITUTIONS** listed in Part II of Schedule 1 (*The Original Parties*) as lenders (the “**Original Lenders**”); and
- (6) **DNB BANK ASA** as agent of the other Finance Parties (the “**Agent**”).

IT IS AGREED as follows:

## SECTION 1 INTERPRETATION

### 1. DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

In this Agreement:

“**Acceptable Bank**” means a bank or financial institution which has a rating for its long- term unsecured and non credit-enhanced debt obligations of A- or higher by Standard & Poor’s Rating Services or Fitch Ratings Ltd or A3 or higher by Moody’s Investor Services Limited or a comparable rating from an internationally recognised credit rating agency.

“**Accession Letter**” means a document substantially in the form set out in Schedule 6 (*Form of Accession Letter*).

“**Acquired Debt**” has the meaning given to the term in Clause 20.1 (*Financial Definitions*).

“**Additional Borrower**” means a company which becomes an Additional Borrower in accordance with Clause 24 (*Changes to the Obligors*).

“**Affiliate**” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

**“Annual Report”** means the Millicom Annual Report 2018.

**“Assignment Agreement”** means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee.

**“Authorisation”** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

**“Availability Period”** means the period from and including the date of this Agreement to and including the date falling 6 Months after the date of this Agreement.

**“Available Commitment”** means, in relation to the Facility, a Lender’s Commitment minus (subject as set out below):

- (a) the amount of its participation in any outstanding Loans under the Facility; and
- (b) in relation to any proposed Utilisation, the amount of its participation in any other Loans that are due to be made under the Facility on or before the proposed Utilisation Date.

**“Available Facility”** means, in relation to the Facility, the aggregate for the time being of each Lender’s Available Commitment.

**“Borrower”** means an Original Borrower or an Additional Borrower unless it has ceased to be a Borrower in accordance with Clause 24 (*Changes to the Obligors*).

**“Break Costs”** means the amount (if any) by which:

- (a) the interest which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

**“Business Day”** means a day (other than a Saturday or Sunday) on which banks are open for general business in London, New York, Stockholm, Oslo and Luxembourg.

**“Capital Lease Obligation”** means the obligation to pay rent or other payment amounts under a lease of real or personal property of such person which is required to be classified and accounted for as a capital lease on the face of a statement of financial position of such person in accordance with IFRS. The stated maturity of such obligation shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. The principal amount of Debt represented by such obligation shall be the capitalised amount thereof that would appear on the face of a statement of financial position of such person in accordance with IFRS.

“**Capital Stock**” of any person means any and all shares, interests, participation or other equivalents (however designated) of corporate stock or other equity participation, including partnership interests, whether general or limited, of such person.

“**Cash Equivalents**” has the meaning given to that term in Clause 20.1 (*Financial definitions*).

“**Change of Control**” means:

- (a) any person or group of persons acting in concert (other than Kinnevik AB or its Related Parties) gains direct or indirect control of the Company. For the purposes of this definition:
  - (i) “**control**” of the Company means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to cast, or control the casting of, more than 50 per cent. of the maximum number of votes that might be cast at a general meeting of the Company; and
  - (ii) “**acting in concert**” means, a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively cooperate, through the acquisition directly or indirectly of shares in the Company by any of them, either directly or indirectly, to obtain or consolidate control of the Company.
- (b) the direct or indirect sale, leasing, transfer, conveyance or other disposition (other than by way of a Merger) of all or substantially all of the properties or assets of the Group, whether in a single transaction or a series of related transactions; or
- (c) the adoption of a plan relating to the liquidation, winding-up or dissolution of the Company.

“**Code**” means the US Internal Revenue Code of 1986.

“**Commitment**” means:

- (a) in relation to an Original Lender, the amount set opposite its name under the heading “Commitment” in Part II of Schedule 1 (*The Original Parties*) and the amount of any other Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*); and
- (b) in relation to any other Lender, the amount of any Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

“**Compliance Certificate**” means a certificate substantially in the form set out in Schedule 8 (*Form of Compliance Certificate*).

**“Confidential Information”** means all information relating to the Company, any Obligor, the Group, the Finance Documents or the Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

- (a) any member of the Group or any of its advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (i) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 35 (*Confidentiality*); or
- (ii) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
- (iii) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; or
- (iv) is a Reference Bank Quotation.

**“Confidentiality Undertaking”** means a confidentiality undertaking substantially in a recommended form of the LMA as set out in Schedule 9 (*LMA Form of Confidentiality Undertaking*) or in any other form agreed between the Company and the Agent.

**“Consolidated EBITDA”** has the meaning given to that term in Clause 20.1 (*Financial definitions*).

**“Consolidated Interest Expense”** has the meaning given to that term in Clause 20.1 (*Financial definitions*).

**“Consolidated Net Debt”** has the meaning given to that term in Clause 20.1 (*Financial definitions*).

**“Cross Acceleration”** means any Debt of the Company or any of its Subsidiaries is cancelled, or declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

**“Cross Payment Default”** means any event of default (howsoever described) arising from a failure by the Company or any of its Subsidiaries to pay any Debt when due or within any originally applicable grace period.



“CTA” means the Corporation Tax Act 2009.

“Debt” means (without duplication), with respect to any person, whether recourse is to all or a portion of the assets of such person and whether or not contingent:

- (a) the principal of and premium, if any, in respect of every obligation of such person for money borrowed;
- (b) the principal of and premium, if any, in respect of every obligation of such person evidenced by bonds, debentures, notes or other similar instruments, including obligations incurred in connection with the acquisition of property, assets or businesses;
- (c) every reimbursement obligation of such person with respect to letters of credit, bankers’ acceptances or similar facilities issued for the account of such person (but only to the extent such obligations are not reimbursed within 30 days following receipt by such person of a demand for reimbursement);
- (d) every obligation of such person issued or assumed as the deferred purchase price of property or services (including securities repurchase agreements but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business and excluding purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the applicable seller and, in connection with the purchase by any member of the Group of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing statement of financial position or such payment depends on the performance of such business after the closing) where the deferred payment is arranged primarily as a means of raising finance, which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;
- (e) every Capital Lease Obligation of such person;
- (f) all Redeemable Stock issued by such person;
- (g) the net obligation of such person under Interest Rate, Currency or Commodity Price Agreements of such person; and
- (h) every obligation of the type referred to in paragraphs (a) through (g) of another person and all dividends of another person the payment of which, in either case, such person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise.

The “**amount**” or “**principal amount**” of Debt at any time of determination as used herein represented by (A) any Debt issued at a price that is less than the principal amount at maturity thereof, shall be the amount of the liability in respect thereof determined in accordance with IFRS, (B) any Redeemable Stock, shall be the maximum fixed redemption or repurchase price in respect thereof and (C) any Debt that has been cash-collateralised, to the extent so cash collateralised, shall be excluded from any calculation of Debt. Notwithstanding anything else to the contrary, for all purposes under this Agreement, the amount of Debt incurred, repaid, redeemed, repurchased or otherwise acquired by a member of the Group shall equal the liability in respect thereof determined in accordance with IFRS and reflected on the Company’s consolidated statement of financial position.

The term “**Debt**” shall not include:

- (i) obligations described in paragraphs (a), (b) or (h) of the first paragraph of this definition of Debt that are incurred by a member of the Group (the “**Proceeds Recipient**”) and owed to a bank or other lending institution (the “**On-Lend Bank**”) to facilitate the substantially concurrent on-lending of proceeds (the “**Proceeds On-Loan**”) from Debt incurred by the Company or any member of the Group (other than the Proceeds Recipient) as permitted by paragraph (a) (*Net Leverage Ratio*) of Clause 20.2 (*Financial condition*) (the “**Initial Debt**”) to the extent (A) the principal obligations in respect of the Proceeds On-Loan are secured by security over cash granted in favour of the On-Lend Bank or any of its Affiliates in an amount not less than the principal amount of the Proceeds On-Loan, (B) the Proceeds On-Loan is put in place substantially concurrently with a loan by any member of the Group (other than the Proceeds Recipient) to the On-Lend Bank (the “**On-Lend Bank Borrowing**”) pursuant to which the Proceeds Recipient is entitled to reduce the principal amount of the Proceeds On-Loan by an amount equal to the principal amount of the On-Lend Bank Borrowing if a default or acceleration occurs with respect to such On-Lend Bank Borrowing, or (C) the substantial risks and rewards of the Proceeds On-Loan are transferred, using a synthetic instrument or any other arrangement or agreement, from the On-Lend Bank to any member of the Group (other than the Proceeds Recipient) in exchange for an amount not less than (x) the amount of cash granted in favour of the On-Lend Bank or any of its Affiliates, or (y) the outstanding amount of the On-Lend Bank Borrowing, as applicable, in each case as at the effective date of such transfer;
- (ii) any liability of the Company or any member of the Group (other than the Proceeds Recipient) attributable to a synthetic instrument or any other arrangement or agreement described in paragraph (i)(C) above to the extent such obligation under the relevant instrument, arrangement or agreement has not come due but is classified as a financial liability in accordance with IFRS and recorded as a current liability on the Company’s consolidated statement of financial position;
- (iii) any Restricted MFS Cash;
- (iv) any liability of the Company attributable to a put option or similar instrument, arrangement or agreement entered into after the date of this Agreement granted by the Company relating to an interest in any other entity, in each case to the extent such option has not been exercised or such obligation under the relevant instrument, arrangement or agreement has not come due but is classified as a financial liability in accordance with IFRS, and recorded as a current liability on the Company’s consolidated statement of financial position;

- (v) any standby letter of credit, performance bond or surety bond provided by a member of the Group that is customary in the Permitted Business to the extent such letters of credit or bonds are not drawn upon or, if and to the extent drawn upon, are honored in accordance with their terms; and
- (vi) any intercompany debt or other liability from the Company to Subsidiaries or from Subsidiaries to the Company.

**“Default”** means an Event of Default or any event or circumstance specified in Clause 22 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

**“Defaulting Lender”** means any Lender:

- (a) which has failed to make its participation in a Loan available (or has notified the Agent or the Company (which has notified the Agent) that it will not make its participation in a Loan available) by the Utilisation Date of that Loan in accordance with Clause 5.4 (*Lenders’ participation*);
- (b) which has otherwise rescinded or repudiated a Finance Document;
- (c) with respect to which an Insolvency Event has occurred and is continuing; or
- (d) an Affiliate of which is a Defaulting Lender,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:

- (A) administrative or technical error; or

- (B) a Disruption Event, and

payment is made within 5 Business Days of its due date; or

- (ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

**“Disclosed Investigation”** means any investigation by the International Commission against Impunity in Guatemala (“CICIG”), or by any governmental, regulatory or law enforcement entities, of certain payments that were or may have been made by or on behalf of the Company’s joint venture in Guatemala and the investigation into alleged illegal campaign financing announced by CICIG on July 14, 2017, and any facts and circumstances relating thereto.

**“Disruption Event”** means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
  - (i) from performing its payment obligations under the Finance Documents; or
  - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

**“Environmental Claim”** means any claim, proceeding or investigation by any person in respect of any Environmental Law.

**“Environmental Law”** means any applicable law in any jurisdiction in which any member of the Group conducts business which relates to the pollution or protection of the environment or harm to or the protection of human health or the health of animals or plants.

**“Environmental Permits”** means any permit, licence, consent, approval and other authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group conducted on or from the properties owned or used by the relevant member of the Group.

**“Event of Default”** means any event or circumstance specified as such in Clause 22 (*Events of Default*).

**“Facility”** means the term loan facility made available under this Agreement as described in Clause 2 (*The Facility*).

**“Facility Office”** means the office or offices notified by a Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days’ written notice) as the office or offices through which it will perform its obligations under this Agreement.

**“Fair Market Value”** means, with respect to any asset or property, the sale value that would be obtained in an arm’s length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Company’s Chief Executive Officer, Chief Financial Officer or responsible accounting or financial officer.

**“FATCA”** means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

**“FATCA Application Date”** means:

- (a) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;
- (b) in relation to a “withholdable payment” described in section 1473(1)(A)(ii) of the Code (which relates to “gross proceeds” from the disposition of property of a type that can produce interest from sources within the US), 1 January 2019; or
- (c) in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2019,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

**“FATCA Deduction”** means a deduction or withholding from a payment under a Finance Document required by FATCA.

**“FATCA Exempt Party”** means a Party that is entitled to receive payments free from any FATCA Deduction.

**“Fee Letter”** means any letter or letters dated on or about the date of this Agreement between the Arrangers and the Company (or the Agent and the Company) setting out any of the fees referred to in Clause 11 (*Fees*).

**“Finance Document”** means this Agreement, any Fee Letter, any Accession Letter, any Resignation Letter and any other document designated as a “Finance Document” by the Agent and the Company.

**“Finance Party”** means the Agent, the Arrangers or a Lender.

**“Financial Quarter”** has the meaning given to that term in Clause 20.1 (*Financial definitions*).

“**Financial Year**” has the meaning given to that term in Clause 20.1 (*Financial definitions*).

“**Government Securities**” has the meaning given to that term in Clause 20.1 (*Financial definitions*).

“**Group**” means the Company and its Subsidiaries for the time being.

“**Holding Company**” means, in relation to a person, any other person in respect of which it is a Subsidiary.

“**IFRS**” means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“**Impaired Agent**” means the Agent at any time when:

- (a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
- (b) the Agent otherwise rescinds or repudiates a Finance Document;
- (c) (if the Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of “Defaulting Lender”; or
- (d) an Insolvency Event has occurred and is continuing with respect to the Agent;

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
  - (A) administrative or technical error; or
  - (B) a Disruption Event; andpayment is made within five Business Days of its due date; or
- (ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

“**Increase Confirmation**” means a confirmation substantially in the form set out in Schedule 11 (*Form of Increase Confirmation*).

“**Increase Lender**” has the meaning given to that term in Clause 2.2 (*Increase*). “**Insolvency Event**” in relation to a Finance Party means that the Finance Party:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
  - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
  - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or
- (j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

**“Intellectual Property”** means:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may on or after the date of this Agreement subsist), whether registered or unregistered; and

- (b) the benefit of all applications and rights to use such assets of each member of the Group (which may on or after the date of this Agreement subsist).

“**Interest Cover**” has the meaning given to that term in Clause 20.1 (*Financial definitions*).

“**Interest Period**” means, in relation to a Loan, each period determined in accordance with Clause 9 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 8.3 (*Default interest*).

“**Interest Rate, Currency or Commodity Price Agreement**” of any person means any forward contract, futures contract, swap, option or other financial agreement or arrangement (including, without limitation, caps, floors, collars and similar agreements) relating to, or the value of which is dependent upon, interest rates, currency exchange rates or commodity prices or indices (excluding contracts for the purchase or sale of goods in the ordinary course of business).

“**Interpolated Screen Rate**” means, in relation to LIBOR for any Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Loan; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan,

each as of the Specified Time on the Quotation Day for the currency of that Loan.

“**Investment**” has the meaning given to that term in Clause 20.1 (*Financial definitions*).

“**ITA**” means the Income Tax Act 2007.

“**Joint Venture**” means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

“**Joint Venture Consolidated EBITDA**” has the meaning given to that term in Clause 20.1 (*Financial definitions*).

“**Lender**” means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party as a Lender in accordance with Clause 2.2. (*Increase*) or Clause 23 (*Changes to the Lenders*),

which in each case has not ceased to be a Lender in accordance with the terms of this Agreement.



“**LIBOR**” means, in relation to any Loan:

- (a) the applicable Screen Rate;
- (b) (if no Screen Rate is available for the Interest Period of that Loan) the Interpolated Screen Rate for that Loan; or
- (c) if:
  - (i) no Screen Rate is available for the currency of that Loan; or
  - (ii) no Screen Rate is available for the Interest Period of that Loan and it is not possible to calculate an Interpolated Screen Rate for that Loan,the Reference Bank Rate,

as of, in the case of paragraphs (a) and (c) above, the Specified Time on the Quotation Day for the currency of that Loan and for a period equal in length to the Interest Period of that Loan and, if any such rate is below zero, LIBOR will be deemed to be zero.

“**Lien**” means, with respect to any property or assets, any mortgage, pledge, security interest, lien, charge, encumbrance, priority or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such property or assets (including, without limitation, any conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing).

“**LMA**” means the Loan Market Association.

“**Loan**” means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

“**Majority Lenders**” means a Lender or Lenders whose Commitments aggregate more than 662/3% of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 662/3% of the Total Commitments immediately prior to the reduction).

“**Mandatory Prepayment Event**” means any event of default, howsoever described, (other than a Cross Payment Default), taking into account any originally applicable grace periods, which occurs under any agreement relating to any Debt of the Company or any of its Subsidiaries.

“**Margin**” means:

- (a) from the first day of the Availability Period to (but excluding) the first anniversary thereof, 3 per cent. per annum.; and
- (b) at any date thereafter, if:
  - (i) no Event of Default has occurred and is continuing; and
  - (ii) Net Leverage Ratio in respect of the most recently completed Relevant Period is within a range set out below,

then the Margin for each Loan will be the percentage per annum set out below opposite that range:

Net Leverage Ratio	Margin % per annum
Less than 1.70:1	2.75
Greater than or equal to 1.70:1	3.00

However:

- (i) any decrease or increase in the Margin for a Loan shall take effect on the date (the “**reset date**”) which is five Business Days after receipt by the Agent of the Compliance Certificate for that Relevant Period pursuant to Clause 19.2 (*Compliance Certificate*);
- (ii) within 3 Business Days after the reset date, the Agent shall notify the Borrowers of any increase or decrease in the Margin for each Loan and any corresponding change to the amount payable at maturity in respect of that Loan;
- (iii) if, following receipt by the Agent of the Compliance Certificate related to any Quarterly Report or audited consolidated financial statements for any Financial Year, that Compliance Certificate does not confirm the basis for a reduced Margin, then paragraph (b) of Clause 8.2 (*Payment of interest*) shall apply and the Margin for that Loan shall be the percentage per annum determined using the table above and the revised Net Leverage Ratio calculated using the figures in that Compliance Certificate;
- (iv) while an Event of Default is continuing, the Margin for each Loan shall be the highest percentage per annum set out above for a Loan; and
- (v) for the purpose of determining the Margin, Net Leverage Ratio and Relevant Period shall be determined in accordance with Clause 20.1 (*Financial definitions*).

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the business, operations, assets, or financial condition of the Group taken as a whole;
- (b) the ability of the Obligors (taken as a whole) to perform their obligations under the Finance Documents in any material respect; or
- (c) the validity or enforceability of the Finance Documents or the rights or remedies of any Finance Party under the Finance Documents.

“**Material Company**” means:

- (a) an Obligor;

- (b) a Significant Subsidiary; or
- (c) any other Subsidiaries which are not Significant Subsidiaries but where taken together, account for more than 10 per cent. of the Consolidated EBITDA of the Group or consolidated revenues of the Group, or whose assets, taken together, represent more than 10 per cent. of the assets of the Group.

**“Merger”** means:

- (a) an amalgamation, merger, consolidation of the Company with another person; or
- (b) the direct or indirect conveyance, transfer, sale, leasing or otherwise disposal by the Company of all or substantially all of its assets to any other person,

other than pursuant to a Permitted Reorganisation.

**“Minority Shareholder Loan”** has the meaning given to that term in Clause 20.1 (*Financial definitions*).

**“Month”** means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

**“Net Leverage Ratio”** has the meaning given to that term in Clause 20.1 (*Financial definitions*).

**“New Lender”** has the meaning given to that term in Clause 23 (*Changes to the Lenders*).

**“Obligor”** means a Borrower or the Guarantor.

**“Original Financial Statements”** means in relation to the Company, the audited consolidated financial statements of the Group for the Financial Year ended 31 December 2017.

**“Original Obligor”** means an Original Borrower or the Guarantor.

“**Party**” means a party to this Agreement.

“**Permitted Business**” means:

- (a) any business, services or activities engaged in by the Company or any member of the Group on the date of this Agreement; and
- (b) any business, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing, or are extensions or developments thereof, including, without limitation, broadband internet, network-related services, cable television, broadcast content, network neutral services, electronic transactional, financial and commercial services related to provision of telephony or internet services.

“**Permitted Discontinuance of Property Maintenance**” means the discontinuance of the operation or maintenance of the properties of any member of the Group if such discontinuance is, in the Company’s judgment, desirable in the conduct of its business or the business of such member of the Group, and will not have a Material Adverse Effect.

“**Permitted Disposal**” means:

- (a) any sale, lease, licence, transfer or other disposal:
  - (i) of any asset for which an agreement to effect such sale, lease, licence, transfer or other disposal was entered into prior to the date of this Agreement and disclosed in writing to the Agent prior to the date of this Agreement;
  - (ii) of damaged, worn-out, obsolete or redundant assets for fair value;
  - (iii) of any asset by any member of the Group in the ordinary course of trading;
  - (iv) of any asset by a member of the Group to another member of the Group;
  - (v) of any asset in exchange for other assets comparable or superior as to type, value and quality;
  - (vi) of Cash Equivalents for cash or in exchange for other Cash Equivalents;
  - (vii) of any asset constituted by a licence of intellectual property rights permitted by Clause 21.18 (*Intellectual Property*);
  - (viii) of any asset to a Joint Venture, to the extent permitted by Clause 21.9 (*Joint Ventures*); or
  - (ix) arising as a result of any Permitted Lien;
  - (x) of assets which are seized, expropriated or acquired by compulsory purchase by or by the order of any central or local government authority;

- (b) any Specified Subsidiary Sale;
- (c) the disposal of Capital Stock of the Company held by the Company or any Subsidiary of the Company;
- (d) the disposal of any asset at Fair Market Value, **provided that** the proceeds of such disposal are:
  - (i) reinvested in assets to be used for the business of the Group as soon as reasonably practicable, but in any event within six months of receipt; and
  - (ii) certified by the Chief Financial Officer of the Company as having been so reinvested in the next Compliance Certificate delivered to the Agent following the expiry of the relevant six month period.
- (e) any sale, lease, licence, transfer or other disposal of assets for cash where the higher of the book value and net consideration receivable (when aggregated with the higher of the book value and net consideration receivable for any other sale, lease, licence, transfer or other disposal) does not exceed US\$ 150,000,000 (or its equivalent in any other currency or currencies) in total during the term of this Agreement and does not exceed US\$ 75,000,000 (or its equivalent in any other currency or currencies) in any Financial Year of the Company; and
- (f) the disposal of up to 25 per cent. of the outstanding ordinary shares or other Capital Stock of any of the Subsidiaries of the Company organised or operating in Tanzania in a public offering and listing on the Dar es Salaam Stock Exchange or any other exchange approved by the Company;
- (g) any disposal made with the prior written consent of the Agent acting on the instructions of the Majority Lenders.

**“Permitted Interest Rate, Currency or Commodity Price Agreement”** means any Interest Rate, Currency or Commodity Price Agreement entered into with one or more financial institutions in the ordinary course of business that is designed to protect against fluctuations in interest rates or currency exchange rates and which shall have a notional amount no greater than the payments due with respect to the Debt being hedged thereby, or in the case of currency or commodity protection agreements against currency exchange or commodity price fluctuations in the ordinary course of business relating to then existing financial obligations and not for purposes of speculation.

**“Permitted Joint Venture”** means any Joint Venture where:

- (a) the Joint Venture is incorporated, or established, and carries on its principle business in a jurisdiction and territory that is not a Sanctioned Country;
- (b) the Joint Venture is engaged in a business substantially the same as that carried on by the Group; and

- (c) in any Financial Year of the Company, the aggregate of:
- (i) the contingent liabilities of any member of the Group under any guarantee given in respect of the liabilities of any Joint Venture; and
  - (ii) the net book value of any assets transferred by any member of the Group to any Joint Venture,
- does not exceed US\$ 100,000,000 (or its equivalent in any other currency or currencies).

“**Permitted Lien**” means:

- (a) Liens for taxes, assessments or governmental charges, or levies on the property of any member of the Group if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceeds promptly instituted and diligently concluded, **provided that** any reserve or other appropriate provision that shall be required in conformity with IFRS shall have been made therefor;
- (b) Liens imposed by law, such as statutory Liens of landlords’, carriers’, materialmen’s, repairmen’s, construction, warehousemen’s and mechanics’ Liens and other similar Liens, on the property of any member of the Group arising in the ordinary course of trading or Liens arising solely by virtue of any statutory or common law business relating to attorneys’ liens or bankers’ liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depositary institution;
- (c) Liens on the property of any member of the Group incurred in the ordinary course of business to secure performance of obligations with respect to statutory or regulatory requirements, performance bids, trade contracts, letters of credit, performance or return-of-money bonds, surety bonds or other obligations of a like nature and incurred in a manner consistent with industry practice, in each case which are not incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property and which do not in the aggregate impair in any material respect the use of property in the operation of the business of the Group taken as a whole;
- (d) Liens on property at the time a member of the Group acquired such property and Liens incurred in anticipation of or in connection with the transaction pursuant to which such property was acquired by a member of the Group, including any acquisition by means of a merger or consolidation; **provided, however, that** any such Lien may not extend to any other property of the relevant member of the Group;
- (e) Liens on the property or the Capital Stock of a person at the time such person becomes a member of the Group; **provided, however, that** any such Lien may not extend to any other property or Capital Stock of any member of the Group that is not a direct, or, prior to such time, indirect Subsidiary of such person; **provided further, however, that** any such Lien was not incurred in anticipation of or in connection with the transaction or series of transactions pursuant to which such person became a member of the Group;

- (f) pledges or deposits by any member of the Group under workmen's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Debt) or leases to which any member of the Group is party, or deposits to secure public or statutory obligations of a member of the Group or deposits for the payment of rent, in each case incurred in the ordinary course of business;
- (g) utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character;
- (h) any provision for the retention of title to any property by the vendor or transferor of such property which property is acquired by a member of the Group in a transaction entered into in the ordinary course of business of the relevant member of the Group and for which kind of transaction it is customary market practice for such retention of title provision to be included;
- (i) Liens arising by means of any judgment, decree or order of any court, to the extent not otherwise resulting in a Default, so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree or order have not been fully terminated or the period within which such proceedings may be initiated has not expired and any Liens that are required to protect or enforce rights in any administrative, arbitration or other court proceeding in the ordinary course of business;
- (j) any Lien securing Debt incurred under any Permitted Interest Rate, Currency or Commodity Price Agreement;
- (k) any Lien securing Acquired Debt;
- (l) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which a member of the Group has easement rights or on any real property leased by any member of the Group or similar agreements relating thereto, and any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;
- (m) Liens existing on the date of this Agreement and disclosed in writing to the Agent prior to the date of this Agreement;
- (n) Liens in favour of the Company;
- (o) Liens on insurance policies and the proceeds thereof, or other deposits, to secure insurance premium financings in respect of the Group;
- (p) Liens arising from financing statement filings (or other similar filings in any applicable jurisdiction) regarding operating leases entered into by any member of the Group in the ordinary course of business;

- (q) Liens on goods (and the proceeds thereof) and documents of title and the property covered thereby securing Debt in respect of commercial letters of credit issued to facilitate the purchase, shipment or storage of such inventory or other goods;
- (r) Liens on the property of a member of the Group to replace in whole or in part, any Lien described in the foregoing paragraphs (a) through (q); **provided that** any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Debt being refinanced or in respect of property that is the security for a Permitted Lien hereunder;
- (s) Liens on any escrow account used in connection with pre-funding a refinancing of Debt otherwise permitted under this Agreement;
- (t) Liens on any member of the Group's deposits in favor of financial institutions arising from any netting or set-off arrangement substantially consistent with its current practice for the purpose of netting debt and credit balances substantially consistent with the Group's existing cash pooling arrangements;
- (u) Liens incurred in the ordinary course of business of any member of the Group with respect to obligations that do not exceed the greater of US\$ 150,000,000 or 3% of the consolidated net assets of the Company (being the total assets shown on the consolidated financial statements of the Company most recently delivered to the Lenders pursuant to this Agreement, less all goodwill, patents, trade names, trademarks, copyrights, franchises, experimental expenses, organization expenses and any other amounts classified as intangible assets in accordance with IFRS) at any one time outstanding and that do not in the aggregate materially detract from the value of the property of the Company, or materially impair the use thereof in the operation of business by the Group;
- (v) Liens over cash or other assets that secure collateralised obligations described in paragraph (a) of the third paragraph of the definition of Debt; **provided that** the amount of cash collateral does not exceed the principal amount of the Proceeds On-Loan;
- (w) any Lien securing debt incurred by one or more Subsidiaries of the Company organised or incorporated in Tanzania or Zanzibar in a principal amount of up to US\$300,000,000 to finance the operations of any member of the Group in Tanzania, **provided that** such debt is not guaranteed or secured by a member of the Group other than (i) a member of the Group organised or incorporated in Tanzania or Zanzibar; or (ii) in respect of share security only, the immediate Holding Company of the relevant member of the Group organised or incorporated in Tanzania or Zanzibar;
- (x) Liens over cash or other assets that secure letters of credit, bankers' acceptances or similar facilities; and
- (y) Liens on Restricted MFS Cash in favour of the customers or dealers of, or third parties in relation to, one or more member of the Group engaged in the provision of mobile financial services, in each case who provided such Restricted MFS Cash to the relevant member of the Group.



**“Permitted Loan”** means:

- (a) any loan made by any member of the Group with the prior written consent of the Agent acting on the instructions of the Majority Lenders;
- (b) any loan or credit existing on the date of this Agreement and disclosed in writing to the Agent prior to the date of this Agreement, or any replacement loan or credit between the same parties and on substantially the same terms and for an amount not exceeding the original loan or credit;
- (c) any loan made by an Obligor to a member of the Group to distribute the proceeds of Debt incurred pursuant to this Agreement;
- (d) any loan made by an Obligor to another Obligor or made by a member of the Group which is not an Obligor to another member of the Group;
- (e) any loan made by an Obligor to a member of the Group which is not an Obligor so long as the aggregate amount of the Debt under any such loans does not exceed US\$ 200,000,000 (or its equivalent in any other currency or currencies) at any time;
- (f) any loan made to another member of the Group pursuant to any cash pooling arrangement;
- (g) any loan or credit constituted by a member of the Group deferring purchase consideration due to it on the disposal of an asset, **provided that** the relevant disposal is a Permitted Disposal;
- (h) any loan, credit or trade credit extended by any member of the Group to its customers on normal commercial terms and in the ordinary course of its trading activities;
- (i) any advance payment made in relation to capital expenditure in the ordinary course of day to day business;
- (j) any loan made for the purposes of enabling an Obligor to meet its payment obligations under the Finance Documents, provided the relevant Obligor does not (or does not reasonably expect to) otherwise have sufficient cash available to meet such payment obligations;
- (k) any loan made by a member of the Group to an employee or director of any member of the Group if the amount of that loan, when aggregated with the amount of all loans to employees and directors by members of the Group, does not exceed US\$ 25,000,000 (or its equivalent in any other currency or currencies) at any time;
- (l) any loan to a Permitted Joint Venture which is not otherwise prohibited by the terms of this Agreement if the principal amount of that loan, when aggregated with the principal amount of all other such loans to Permitted Joint Ventures, does not exceed US\$ 100,000,000 (or its equivalent in any other currency or currencies) at any time;

- (m) any credit balance held in the ordinary course of day to day business with a bank or financial institution;
- (n) any loan made by the Company to Cable Onda, S.A. and any of its Subsidiaries (the “**Cable Onda Group**”) for the purposes of refinancing Debt of any member of the Cable Onda Group provided the aggregate principal amount of Debt under all such loans to the Cable Onda Group does not exceed US\$ 300,000,000 (or its equivalent in any other currency or currencies) at any time;
- (o) any loan or extension of credit described in the third paragraph of the definition of Debt; and
- (p) any other loan or extension of credit not permitted under paragraphs (a) to (n) above provided the aggregate principal amount of Debt under all such loans does not exceed US\$ 25,000,000 (or its equivalent in any other currency or currencies) at any time.

“**Permitted Reorganisation**” means an amalgamation, merger, consolidation, corporate reconstruction, or reorganisation involving the Company where the entity formed by or surviving such amalgamation, merger, consolidation, corporate reconstruction, or reorganisation is the Company.

“**Permitted Tax Non-Payment**” means a non-payment or non-discharge in respect of any tax, assessment or charge which, on the date of determination, is not delinquent or thereafter can be paid without penalty or whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which adequate reserves (if required in accordance with IFRS) have been established.

“**Proceeds On-Loan**” has the meaning given to that term in the definition of “Debt”.

“**Quarter Date**” has the meaning given to that term in Clause 20.1 (*Financial definitions*).

“**Quarterly Report**” means a report containing the following information:

- (a) the unaudited condensed consolidated statement of financial position of the Company as at the end of the most recent Financial Quarter and unaudited condensed consolidated income statements and statements of cash flow of the Company for the most recent Financial Quarter and year to date periods ending on the unaudited condensed consolidated statement of financial position date and the comparable prior period (as determined by the IFRS standard on preparation of interim condensed consolidated financial statements); and
- (b) a copy of the related operating and financial review included in the quarterly earnings release of the Company for the applicable Financial Quarter.

**“Quotation Day”** means, in relation to any period for which an interest rate is to be determined two Business Days before the first day of that period, unless market practice differs in the Relevant Interbank Market for a currency, in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

**“Redeemable Stock”** of any person means any Capital Stock of such person that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or otherwise (including upon the occurrence of an event) matures or is required to be redeemed (pursuant to any sinking fund obligation or otherwise) or is convertible into or exchangeable for Debt or is redeemable at the option of the holder thereof, in whole or in part, at any time prior to the Termination Date.

**“Reference Bank Quotation”** means any quotation supplied to the Agent by a Reference Bank.

**“Reference Bank Rate”** means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request by the Reference Banks as the rate at which the relevant Reference Bank could borrow funds in the London interbank market in dollars and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in dollars and for that period.

**“Reference Banks”** means such banks as may be appointed by the Agent in consultation with the Company (provided that any such bank has consented to be a Reference Bank for the purposes of this Agreement).

**“Regulation”** means the Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast).

**“Related Fund”** in relation to a fund (the **“first fund”**), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

**“Related Parties”** means:

- (a) any controlling stockholder, partner or member of Kinnevik AB;
- (b) any Subsidiary of Kinnevik AB; and
- (c) any trust, corporation, partnership or other entity in respect of which Kinnevik AB and/or the persons described in paragraphs (a) and (b) above are the beneficiaries, stockholders, partners, owners or persons beneficially owning a majority or a controlling interest.

**“Relevant Interbank Market”** means the London interbank market.

**“Relevant Nominating Body”** means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

**“Relevant Period”** has the meaning given to that term in Clause 20.1 (*Financial definitions*).

**“Repeating Representations”** means each of the representations set out in Clauses 18.1 (*Status*) to 18.7 (*Insolvency*), Clause 18.10 (*No default*), paragraph (c) of Clause 18.12 (*Financial statements*), 18.17 (*Anti-corruption law*) and 18.18 (*Sanctions*).

**“Replacement Benchmark”** means a benchmark rate which is:

- (a) formally designated, nominated or recommended as the replacement for a Screen Rate by:
  - (i) the administrator of that Screen Rate (provided that the market or economic reality that such benchmark rate measures is the same as that measured by that Screen Rate); or
  - (ii) any Relevant Nominating Body,and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the “Replacement Benchmark” will be the replacement under paragraph (ii) above;
- (b) in the opinion of the Majority Lenders and the Company, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to a Screen Rate; or
- (c) in the opinion of the Majority Lenders and the Company, an appropriate successor to a Screen Rate.

**“Representative”** means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

**“Resignation Letter”** means a letter substantially in the form set out in Schedule 7 (*Form of Resignation Letter*).

**“Restricted Cash”** has the meaning given to that term in Clause 20.1 (*Financial definitions*).

**“Restricted MFS Cash”** means, as of any date of determination, an amount equal to any cash paid in or deposited by or held on behalf of any customer or dealer of, or any other third party in relation to, one or more member of the Group engaged in the provision of mobile financial services and designated as “restricted cash” on the consolidated statement of financial position of the Company, together with any interest thereon.

**“Sanctioned Country”** means a country or territory which is subject to general, country wide trade, economic or financial sanctions or embargoes imposed, administered or enforced by:

- (a) the United States of America (including the Office of Foreign Assets Control of the U.S. Department of the Treasury, and the U.S. Department of State);
- (b) the United Nations;
- (c) the European Union;
- (d) Her Majesty’s Treasury, and the Foreign and Commonwealth Office of the United Kingdom;
- (e) the Canadian Ministry for Foreign Affairs; or
- (f) any other relevant authority having jurisdiction over a Finance Party or a member of the Group.

**“Sanctions”** means any economic or financial sanctions, trade embargoes, laws, regulations or restrictive measures imposed, administered or enforced from time to time by:

- (a) the United States of America (including the Office of Foreign Assets Control of the U.S. Department of the Treasury, and the U.S. Department of State);
- (b) the United Nations;
- (c) the European Union;
- (d) Her Majesty’s Treasury, and the Foreign and Commonwealth Office of the United Kingdom;
- (e) the Canadian Ministry for Foreign Affairs; or
- (f) any other relevant authority.

**“Sanctions List”** means any of the lists of specific designated nations, sectoral sanctions or designated persons or entities (or equivalent) held by:

- (a) the United States of America (including the Office of Foreign Assets Control of the U.S. Department of the Treasury, and the U.S. Department of State);
- (b) the United Nations;
- (c) the European Union;
- (d) Her Majesty’s Treasury, and the Foreign and Commonwealth Office of the United Kingdom;
- (e) the Canadian Ministry for Foreign Affairs; or

(f) any other relevant authority having jurisdiction over a Finance Party or a member of the Group;

each as amended, supplemented or substituted from time to time.

**“Screen Rate”** means the dollar London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant period displayed on page LIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Company.

**“Securities Act”** means the United States Securities Act of 1933, as amended from time to time and the rules and regulations promulgated pursuant thereto.

**“Security”** means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**“Selection Notice”** means a notice substantially in the form set out in Part II of Schedule 3 (*Requests*) given in accordance with Clause 9 (*Interest Periods*).

**“Significant Subsidiary”** means a Subsidiary of the Company:

- (a) which accounts for more than 10 per cent. of the Consolidated EBITDA of the Group or consolidated revenues of the Group; or
- (b) whose assets represent more than 10 per cent. of the assets of the Group.

**“Specified Subsidiary Sale”** means the sale, transfer or other disposition of all of the Capital Stock, or all of the assets or properties of, (a) any entity, the primary purpose of which is to own Tower Equipment located in any market in which any member of the Group operates; (b) any person which operates any member of the Group’s mobile financial services business; (c) Latin America Internet Holding GmbH; or (d) Africa Internet Holding GmbH.

**“Specified Time”** means a time determined in accordance with Schedule 10 (*Timetables*).

**“Subsidiary”** means in respect of any person:

- (a) any corporation in which it or one or more of its Subsidiaries directly or indirectly owns more than 50 per cent. of the combined voting power of the outstanding voting stock; or
- (b) any other entity in which it or one or more of its Subsidiaries:
  - (i) directly or indirectly has majority ownership, but only to the extent such majority ownership results in an entitlement to the majority of the profits generated by that entity; or

(ii) has the power to direct the policies, management and affairs thereof.

**“Tax”** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

**“Termination Date”** means the date falling 60 months from the date of this Agreement.

**“Total Commitments”** means the aggregate of the Commitments, being US\$ 300,000,000 at the date of this Agreement.

**“Tower Equipment”** means passive infrastructure related to telecommunications services, excluding telecommunications equipment, but including, without limitation, towers (including tower lights and lightning rods), power breakers, deep cycle batteries, generators, voltage regulators, main AC power, rooftop masts, cable ladders, grounding, walls and fences, access roads, shelters, air conditioners and BTS batteries owned by any member of the Group.

**“Transfer Certificate”** means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Company.

**“Transfer Date”** means, in relation to an assignment or a transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and
- (b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.

**“Unpaid Sum”** means any sum due and payable but unpaid by an Obligor under the Finance Documents.

**“US Tax Obligor”** means:

- (a) a Borrower which is resident for tax purposes in the United States of America; or
- (b) an Obligor some or all of whose payments under the Finance Documents are from sources within the United States for US federal income tax purposes.

**“Utilisation”** means a utilisation of the Facility.

**“Utilisation Date”** means the date of a Utilisation, being the date on which the relevant Loan is to be made.

**“Utilisation Request”** means a notice substantially in the form set out in Part I Schedule 3 (*Requests*).

“VAT” means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

## 1.2 Construction

- (a) Unless a contrary indication appears any reference in this Agreement to:
  - (i) the “**Agent**”, the “**Arranger**”, any “**Finance Party**”, any “**Lender**”, any “**Obligor**” or any “**Party**” shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
  - (ii) “**assets**” includes present and future properties, revenues and rights of every description;
  - (iii) a “**Finance Document**” or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended, replaced or restated;
  - (iv) “**indebtedness**” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
  - (v) a “**person**” includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
  - (vi) a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
  - (vii) a provision of law is a reference to that provision as amended or re-enacted; and
  - (viii) a time of day is a reference to London time.
- (b) The determination of the extent to which a rate is “**for a period equal in length**” to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.
- (c) Section, Clause and Schedule headings are for ease of reference only.
- (d) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.



- (e) A Default (other than an Event of Default) is “**continuing**” if it has not been remedied or waived and an Event of Default is “**continuing**” if it has not been remedied or waived.
- (f) A reference to Nordea Bank Abp or Nordea Bank Abp, filial i Sverige (or any of its other branches) shall be construed as a reference to Nordea Bank Abp as a whole including its head office and all its branches.

1.3 **Currency Symbols and Definitions**

- (a) “**US\$**,” “**\$**” and “**dollars**” denote the lawful currency of the United States of America.

1.4 **Third party rights**

- (a) A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the “**Third Parties Act**”) to enforce or to enjoy the benefit of any term of this Agreement.
- (b) Subject to paragraph (b) of Clause 34.2 (*Exceptions*) but otherwise notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

**SECTION 2**  
**THE FACILITY**

**2. THE FACILITY**

**2.1 The Facility**

Subject to the terms of this Agreement, the Lenders make available to the Borrowers a dollar term loan facility in an aggregate amount equal to the Total Commitments.

**2.2 Increase**

- (a) The Company may by giving prior notice to the Agent by no later than the date falling five Business Days after the effective date of a cancellation of:
- (i) the Available Commitments of a Defaulting Lender in accordance with Clause 7.8 (*Right of cancellation in relation to a Defaulting Lender*); or
  - (ii) the Commitments of a Lender in accordance with:
    - (A) Clause 7.1 (*Illegality*); or
    - (B) paragraph (a) of Clause 7.7 (*Right of replacement or repayment and cancellation in relation to a single Lender*),request that the Commitments relating to the Facility be increased (and the Commitments relating to the Facility shall be so increased) in an aggregate amount of up to the amount of the Available Commitments or Commitments relating to the Facility so cancelled as follows:
    - (iii) the increased Commitments will be assumed by one or more Lenders or other banks, financial institutions, trusts, funds or other entities (each an “**Increase Lender**”) selected by the Company (each of which shall not be a member of the Group) and each of which confirms in writing (whether in the relevant Increase Confirmation or otherwise) its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume, as if it had been an Original Lender;
    - (iv) each of the Obligors and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender;
    - (v) each Increase Lender shall become a Party as a “Lender” and any Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender;
    - (vi) the Commitments of the other Lenders shall continue in full force and effect; and

- (vii) any increase in the Commitments relating to the Facility shall take effect on the date specified by the Company in the notice referred to above or any later date on which the conditions set out in paragraph (b) below are satisfied.
- (b) An increase in the Commitments relating to the Facility will only be effective on:
  - (i) the execution by the Agent of an Increase Confirmation from the relevant Increase Lender; and
  - (ii) in relation to an Increase Lender which is not a Lender immediately prior to the relevant increase the Agent being satisfied that it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Increase Lender. The Agent shall promptly notify the Company and the Increase Lender upon being so satisfied.
- (c) Each Increase Lender, by executing the Increase Confirmation, confirms (for the avoidance of doubt) that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective.
- (d) The Company shall, promptly on demand, pay the Agent the amount of all costs and expenses (including legal fees) reasonably incurred by it in connection with any increase in Commitments under this Clause 2.2, in each case up to the limit of an amount agreed by the Company and the Agent (**provided that** the Agent shall not be obliged to take any action pursuant to this Clause 2.2 in the absence of any such agreement).
- (e) The Increase Lender shall, on the date upon which the increase takes effect, pay to the Agent (for its own account) a fee in an amount equal to the fee which would be payable under Clause 23.3 (*Assignment or transfer fee*) if the increase was a transfer pursuant to Clause 23.5 (*Procedure for transfer*) and if the Increase Lender was a New Lender.
- (f) The Company may pay to the Increase Lender a fee in the amount and at the times agreed between the Company and the Increase Lender in a letter between the Company and the Increase Lender setting out that fee. A reference in this Agreement to a Fee Letter shall include any letter referred to in this paragraph.
- (g) Clause 23.4 (*Limitation of responsibility of Existing Lenders*) shall apply *mutatis mutandis* in this Clause 2.2 in relation to an Increase Lender as if references in that Clause to:
  - (i) an “**Existing Lender**” were references to all the Lenders immediately prior to the relevant increase;
  - (ii) the “**New Lender**” were references to that “**Increase Lender**”; and

(iii) a “**re-transfer**” and “**re-assignment**” were references to respectively a “**transfer**” and “**assignment**”.

## 2.3 **Finance Parties’ rights and obligations**

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of a Loan or other amount owed by an Obligor which relates to a Finance Party’s participation in the Facility or its role under a Finance Document (including any such amount payable to the Agent on its behalf) is a debt owing to that Finance Party by the relevant Obligor.
- (c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

## 3. **PURPOSE**

### 3.1 **Purpose**

Each Borrower shall apply all amounts borrowed by it under the Facility towards the general corporate and working capital purpose of the Group (including financing any acquisitions, licenses, capital expenditure and payment of dividends to the extent permitted under Clause 21.20 (*Dividends*)).

### 3.2 **Monitoring**

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

## 4. **CONDITIONS OF UTILISATION**

### 4.1 **Initial conditions precedent**

- (a) No Borrower may deliver a Utilisation Request unless the Agent has received all of the documents and other evidence listed in Schedule 2 (*Conditions precedent*) in form and substance satisfactory to the Agent. The Agent shall notify the Company and the Lenders promptly upon being so satisfied.
- (b) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (a) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

#### 4.2 **Further conditions precedent**

The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (a) there is no breach of Clause 21.16 (*Financial indebtedness*);
- (b) no Default is continuing or would result from the proposed Loan; and
- (c) the Repeating Representations to be made by each Obligor are true in all material respects.

#### 4.3 **Maximum number of Loans**

- (a) A Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation the aggregate number of Loans outstanding under the Facility would exceed 3.
- (b) A Borrower may not request that a Loan be divided if, as a result of the proposed division, 3 or more Loans would be outstanding.

**SECTION 3  
UTILISATION**

**5. UTILISATION - LOANS**

**5.1 Delivery of a Utilisation Request**

A Borrower may utilise the Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

**5.2 Completion of a Utilisation Request**

- (a) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
  - (i) the proposed Utilisation Date is a Business Day within the Availability Period;
  - (ii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and
  - (iii) the proposed Interest Period complies with Clause 9 (*Interest Periods*).
- (b) Only one Loan may be requested in each Utilisation Request.

**5.3 Currency and amount**

- (a) The currency specified in a Utilisation Request must be dollars.
- (b) The amount of the proposed Loan must be a minimum of US\$ 10,000,000 or, if less, the Available Facility.

**5.4 Lenders' participation**

- (a) If the conditions set out in this Agreement have been met, each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office.
- (b) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.

**5.5 Lender Affiliates and Facility Office**

- (a) In respect of a Loan or Loans to a particular Borrower ("**Designated Loans**") a Lender (a "**Designating Lender**") may at any time and from time to time designate (by written notice to the Agent and the Company):
  - (i) a substitute Facility Office from which it will make Designated Loans (a "**Substitute Facility Office**"); or
  - (ii) nominate an Affiliate to act as the Lender of Designated Loans (a "**Substitute Affiliate Lender**").

- (b) A notice to nominate a Substitute Affiliate Lender must be in the form set out in Schedule 12 (*Form of Substitute Affiliate Lender Designation Notice*) and be countersigned by the relevant Substitute Affiliate Lender confirming it will be bound as a Lender under this Agreement in respect of the Designated Loans in respect of which it acts as Lender.
- (c) The Designating Lender will act as the representative of any Substitute Affiliate Lender it nominates for all administrative purposes under this Agreement. The Obligors, the Agent and the other Finance Parties will be entitled to deal only with the Designating Lender, except that payments will be made in respect of Designated Loans to the Facility Office of the Substitute Affiliate Lender. In particular the Commitments of the Designating Lender will not be treated as reduced by the introduction of the Substitute Affiliate Lender for voting purposes under this Agreement or the other Finance Documents.
- (d) Save as mentioned in paragraph (c) above, a Substitute Affiliate Lender will be treated as a Lender for all purposes under the Finance Documents and having a Commitment equal to the principal amount of all Designated Loans in which it is participating if and for so long as it continues to be a Substitute Affiliate Lender under this Agreement.
- (e) A Designating Lender may revoke its designation of an Affiliate as a Substitute Affiliate Lender by notice in writing to the Agent and the Company provided that such notice may only take effect when there are no Designated Loans outstanding to the Substitute Affiliate Lender. Upon such Substitute Affiliate Lender ceasing to be a Substitute Affiliate Lender the Designating Lender will automatically assume (and be deemed to assume without further action by any Party) all rights and obligations previously vested in the Substitute Affiliate Lender.
- (f) If, as a result of the designation of a Substitute Facility Office or a Substitute Affiliate Lender, an Obligor would be obliged to make a payment to the Designating Lender acting through its Substitute Facility Office or the Substitute Affiliate Lender under Clause 12 (*Tax gross-up and indemnities*) or Clause 13 (*Increased costs*), then the Designating Lender acting through its Substitute Facility Office or the Substitute Affiliate Lender (as applicable) is only entitled to receive payment under those Clauses to the same extent as the Designating Lender would have been if such designation had not occurred.

## 5.6 Cancellation of Commitment

The Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period.

**SECTION 4**  
**REPAYMENT, PREPAYMENT AND CANCELLATION**

**6. REPAYMENT**

**6.1 Repayment of Loans**

- (a) Each Borrower which has drawn a Loan shall repay that Loan on the Termination Date.
- (b) The Borrowers may not reborrow any part of the Facility which is repaid.

**7. PREPAYMENT AND CANCELLATION**

**7.1 Illegality**

If, in any applicable jurisdiction, it becomes unlawful for any Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Loan or it becomes unlawful for any Affiliate of a Lender for that Lender to do so:

- (a) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Company, the Commitment of that Lender will be immediately cancelled; and
- (c) each Borrower shall repay that Lender's participation in the Loans made to that Borrower on the last day of the Interest Period for each Loan occurring after the Agent has notified the Company or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment shall be cancelled in the amount of the participations repaid.

**7.2 Merger**

- (a) Prior to any Merger, the Company shall promptly, and in any event no later than 30 days prior to the completion of that Merger, notify the Agent of the proposed Merger.
- (b) If a Lender so requires and notifies the Agent within 20 days of the Company notifying the Agent of the Merger in accordance with paragraph (a) above, the Agent shall, by not less than 3 days' notice to the Company, cancel the Commitment of that Lender and declare the participation of that Lender in all outstanding Loans of that Lender or Affiliate of that Lender, together with accrued interest and all other amounts accrued under the Finance Documents, due and payable within 5 Business Days or, if earlier, the Business Day preceding the date on which the Merger is completed, at which time the Commitment of that Lender will be cancelled and all such outstanding amounts will become due and payable prior to the completion of the Merger.



### 7.3 **Change of Control**

Upon the occurrence of a Change of Control:

- (a) the Company shall promptly notify the Agent upon becoming aware of that event;
- (b) a Lender shall not be obliged to fund a Utilisation; and
- (c) the Commitment of each Lender shall be immediately cancelled, and if a Lender so requires and notifies the Agent within 20 days of the Company notifying the Agent of the event, the Agent shall declare the participation of that Lender in all outstanding Loans of that Lender or Affiliate of that Lender, together with accrued interest and all other amounts accrued under the Finance Documents, to be due and payable not less than 20 days following the delivery of such notice by the Lender.

### 7.4 **Mandatory Prepayment Event**

- (a) Subject to paragraph (b) below, upon the occurrence of a Mandatory Prepayment Event, the Facility will immediately be cancelled and all outstanding Utilisations, together with accrued interest, and all other amounts accrued under the Finance Documents, shall become immediately due and payable, and each Borrower shall prepay all outstanding amounts borrowed or otherwise payable by it within three Business Days of that date.
- (b) No cancellation shall occur and no prepayment shall be required to be made under paragraph (a) above, if:
  - (i) the aggregate amount of the Debt that is the subject of a Mandatory Prepayment Event, when aggregated with Debt that is the subject of a Cross Payment Default and/or Cross Acceleration (without double counting), is less than US\$ 100,000,000 (or its equivalent in any other currency or currencies); or
  - (ii) the Mandatory Prepayment Event is waived by the Majority Lenders.

### 7.5 **Voluntary cancellation**

The Company may, if it gives the Agent not less than ten Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of US\$ 10,000,000) of an Available Facility. Any cancellation under this Clause 7.5 shall reduce the Commitments of the Lenders rateably under the Facility.

### 7.6 **Voluntary prepayment of Loans**

The Borrower to which a Loan has been made may, if it gives the Agent not less than ten Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of a Loan (but if in part, being an amount that reduces the amount of the Loan by a minimum amount of US\$ 10,000,000).

7.7 **Right of replacement or repayment and cancellation in relation to a single Lender**

- (a) If:
- (i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 12.2 (*Tax gross-up*); or
  - (ii) any Lender claims indemnification from the Company under Clause 12.3 (*Tax indemnity*) or Clause 13.1 (*Increased costs*);
- the Company may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Loans or give the Agent notice of its intention to replace that Lender in accordance with paragraph (d) below.
- (b) On receipt of a notice of cancellation referred to in paragraph (a) above, the Commitment of that Lender shall immediately be reduced to zero.
- (c) On the last day of each Interest Period which ends after the Company has given notice of cancellation under paragraph (a) above (or, if earlier, the date specified by the Company in that notice), each Borrower to which a Loan is outstanding shall repay that Lender's participation in that Loan.
- (d) The Company may, in the circumstances set out in paragraph (a) above, on 15 Business Days' prior notice to the Agent and that Lender, replace that Lender by requiring that Lender to (and to the extent permitted by law, that Lender shall) transfer pursuant to Clause 23 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity selected by the Company which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 23 (*Changes to the Lenders*) for a purchase price in cash or other cash payment payable at the time of the transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Loans and all accrued interest (to the extent that the Agent has not given a notification under Clause 23.9 (*Pro rata interest settlement*)), Break Costs and other amounts payable in relation thereto under the Finance Documents.
- (e) The replacement of a Lender pursuant to paragraph (d) above shall be subject to the following conditions:
- (i) the Company shall have no right to replace the Agent in its capacity as agent of the Finance Parties;
  - (ii) neither the Agent nor any Lender shall have any obligation to find a replacement Lender;

- (iii) in no event shall the Lender replaced under paragraph (d) above be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents; and
  - (iv) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (d) above once it is satisfied that it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to that transfer.
- (f) A Lender shall perform the checks described in paragraph (e)(iv) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (d) above and shall notify the Agent and the Company when it is satisfied that it has complied with those checks.

**7.8 Right of cancellation in relation to a Defaulting Lender**

- (a) If any Lender becomes a Defaulting Lender, the Company may, at any time whilst the Lender continues to be a Defaulting Lender, give the Agent at least 10 Business Days’ notice of cancellation of the Available Commitment of that Lender.
- (b) On the notice referred to in paragraph (a) above becoming effective, the Available Commitment of the Defaulting Lender shall immediately be reduced to zero.
- (c) The Agent shall as soon as practicable after receipt of a notice referred to in paragraph (a) above, notify all the Lenders.

**7.9 Restrictions**

- (a) Any notice of cancellation or prepayment given by any Party under this Clause 7 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.
- (b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.
- (c) No Borrower may reborrow any part of the Facility which is prepaid.
- (d) The Borrowers shall not repay or prepay all or any part of the Loans or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.
- (e) Subject to Clause 2.2 (*Increase*), no amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.
- (f) If the Agent receives a notice under this Clause 7 it shall promptly forward a copy of that notice to either the Company or the affected Lender, as appropriate.

- (g) If all or part of any Lender's participation in a Loan is repaid or prepaid an amount of that Lender's Commitment (equal to the amount of the participation which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment. Any cancellation under this paragraph (g) shall reduce the Commitments of the Lenders rateably under the Facility.

**SECTION 5**  
**COSTS OF UTILISATION**

**8. INTEREST**

**8.1 Calculation of interest**

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) LIBOR.

**8.2 Payment of interest**

- (a) The Borrower to which a Loan has been made shall pay accrued interest on that Loan on the last day of each Interest Period (and, if the Interest Period is longer than six Months, on the dates falling at six Monthly intervals after the first day of the Interest Period).
- (b) If the Compliance Certificate received by the Agent which relates to the relevant Quarterly Report or audited consolidated financial statements for any Financial Year shows that a higher Margin should have applied during a certain period, then the Company shall (or shall ensure the relevant Borrower shall) promptly pay to the Agent any amounts necessary to put the Agent and the Lenders in the position they would have been in had the appropriate rate of the Margin applied during such period.

**8.3 Default interest**

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is one per cent per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 8.3 shall be immediately payable by the Obligor on demand by the Agent.
- (b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:
  - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and
  - (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be one per cent. per annum higher than the rate which would have applied if the overdue amount had not become due.

- (c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

#### 8.4 **Notification of rates of interest**

The Agent shall promptly notify the Lenders and the relevant Borrower of the determination of a rate of interest under this Agreement.

### 9. **INTEREST PERIODS**

#### 9.1 **Selection of Interest Periods**

- (a) A Borrower (or the Company on behalf of a Borrower) may select an Interest Period for a Loan in the Utilisation Request for that Loan or (if the Loan has already been borrowed) in a Selection Notice.
- (b) Each Selection Notice for a Loan is irrevocable and must be delivered to the Agent by the Borrower (or the Company on behalf of a Borrower) to which that Loan was made not later than the Specified Time.
- (c) If a Borrower (or the Company) fails to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period will be three Months.
- (d) Subject to this Clause 9, a Borrower (or the Company on behalf of a Borrower) may select an Interest Period of one, three or six Months or any other period agreed between the Company and the Agent (acting on the instructions of all the Lenders in relation to the relevant Loan), **provided that** a Borrower (or the Company on behalf of a Borrower) shall not be permitted to select an Interest Period of one Month more than 4 times in any calendar year.
- (e) An Interest Period for a Loan shall not extend beyond the Termination Date.
- (f) Each Interest Period for a Loan shall start on the Utilisation Date or (if already made) on the last day of its preceding Interest Period.

#### 9.2 **Non-Business Days**

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

#### 9.3 **Consolidation and division of Loans**

- (a) Subject to paragraph (b) below, if two or more Interest Periods:
  - (i) relate to Loans made to the same Borrower; and
  - (ii) end on the same date,

those Loans will, unless that Borrower (or the Company on its behalf) specifies to the contrary in the Selection Notice for the next Interest Period, be consolidated into, and treated as, a single Loan on the last day of the Interest Period.

- (b) Subject to Clause 4.3 (*Maximum number of Loans*) and Clause 5.3 (*Currency and amount*), if a Borrower (or the Company on its behalf) requests in a Selection Notice that a Loan be divided into two or more Loans, that Loan will, on the last day of its Interest Period, be so divided into the amounts specified in that Selection Notice, being an aggregate amount equal to the amount of the Loan immediately before its division.

## 10. CHANGES TO THE CALCULATION OF INTEREST

### 10.1 Absence of quotations

Subject to Clause 10.2 (*Market disruption*), if LIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by the Specified Time on the Quotation Day, the applicable LIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

### 10.2 Market disruption

- (a) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's share of that Loan for the Interest Period shall be the percentage rate per annum which is the sum of:
  - (i) the Margin; and
  - (ii) the rate notified to the Agent by that Lender as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select.
- (b) In this Agreement "**Market Disruption Event**" means:
  - (i) at or about noon on the Quotation Day for the relevant Interest Period LIBOR is to be determined by reference to the Reference Banks and none or only one of the Reference Banks supplies a rate to the Agent to determine LIBOR for the relevant currency and the relevant Interest Period; or
  - (ii) before close of business in London on the Quotation Day for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 35 per cent. of that Loan) that the cost to it of obtaining matching deposits in the Relevant Interbank Market would be in excess of LIBOR.

### 10.3 **Alternative basis of interest or funding**

- (a) If a Market Disruption Event occurs and the Agent or the Company so requires, the Agent and the Company shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.
- (b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and the Company, be binding on all Parties.

### 10.4 **Break Costs**

- (a) Each Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

## 11. **FEES**

### 11.1 **Commitment Fee**

- (a) The Company shall pay to the Agent (for the account of each Lender) a fee in dollars on that Lender's Available Commitment computed at the following rates: (i) from the first day of the Availability Period to and including the date falling 30 days thereafter, 0.525 per cent. per annum, and (ii) from the date falling 31 days after the first day of the Availability Period to and including the last day of the Availability Period, 1.05 per cent. per annum.
- (b) The accrued commitment fee is payable on the last day of each successive period of three Months which ends during the Availability Period, on the last day of the Availability Period and, if cancelled in full, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.
- (c) No commitment fee is payable to the Agent (for the account of a Lender) on any Available Commitment of that Lender for any day on which that Lender is a Defaulting Lender.

### 11.2 **Upfront Fees**

The Company shall pay to the Agent (for the account of each Lender) an upfront fee in the amounts and at the times agreed in a Fee Letter.

### 11.3 **Agency fee**

The Company shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.



**SECTION 6**  
**ADDITIONAL PAYMENT OBLIGATIONS**

**12. TAX GROSS UP AND INDEMNITIES**

**12.1 Definitions**

(a) In this Agreement:

“**Protected Party**” means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

“**Tax Credit**” means a credit against, relief or remission for, or repayment of any Tax.

“**Tax Deduction**” means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

“**Tax Payment**” means either the increase in a payment made by an Obligor to a Finance Party under Clause 12.2 (*Tax gross-up*) or a payment under Clause 12.3 (*Tax indemnity*).

(b) Unless a contrary indication appears, in this Clause 12 a reference to “determines” or “determined” means a determination made in the absolute discretion of the person making the determination.

**12.2 Tax gross-up**

(a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.

(b) The Company shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Company and that Obligor.

(c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required

(d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(e) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment a statement under section 975 of the ITA or other evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

### 12.3 Tax indemnity

- (a) The Company shall (within three Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.
- (b) Paragraph (a) above shall not apply:
  - (i) with respect to any Tax assessed on a Finance Party:
    - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
    - (B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or
  - (ii) to the extent a loss, liability or cost:
    - (A) is compensated for by an increased payment under Clause 12.2 (*Tax gross-up*);
    - (B) relates to a FATCA Deduction required to be made by a Party.
- (c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Company.
- (d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 12.3, notify the Agent.

### 12.4 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and
- (b) that Finance Party has obtained and utilised that Tax Credit, the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

## 12.5 Stamp taxes

The Company shall pay and, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

## 12.6 VAT

- (a) All amounts expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that Party) or, where applicable, directly account for such VAT at the appropriate rate under the reverse charge procedure provided for by the Council Directive 2006/112/EC on the common system of value added tax, as amended, and any relevant VAT provision of the jurisdiction in which the Party receives such supply.
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the “**Supplier**”) to any other Finance Party (the “**Recipient**”) under a Finance Document, and any Party other than the Recipient (the “**Relevant Party**”) is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):
  - (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
  - (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.

- (c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.
- (d) Any reference in this Clause 12.6 to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term “representative member” to have the same meaning as in the Value Added Tax Act 1994).
- (e) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party’s VAT registration and such other information as is reasonably requested in connection with such Finance Party’s VAT reporting requirements in relation to such supply.

#### 12.7 **FATCA Information**

- (a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:
  - (i) confirm to that other Party whether it is:
    - (A) a FATCA Exempt Party; or
    - (B) not a FATCA Exempt Party; and
  - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA (including its applicable “passthru payment percentage” or other information required under the US Treasury Regulations or other official guidance including intergovernmental agreements) as that other Party reasonably requests for the purposes of that other Party’s compliance with FATCA.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Finance Party to do anything which would or might in its reasonable opinion constitute a breach of:
  - (i) any law or regulation;
  - (ii) any fiduciary duty; or
  - (iii) any duty of confidentiality.

- (d) If a Party fails to confirm its status or to supply forms, documentation or other information requested in accordance with paragraph (a) above (including, for the avoidance of doubt, where paragraph (c) above applies), then:
- (i) if that Party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such Party shall be treated for the purposes of the Finance Documents as if it is not a FATCA Exempt Party; and
  - (ii) if that Party failed to confirm its applicable “passthru payment percentage” then such Party shall be treated for the purposes of the Finance Documents (and payments made thereunder) as if its applicable “passthru payment percentage” is 100%,

until (in each case) such time as the Party in question provides the requested confirmation, forms, documentation or other information.

- (e) If a Borrower is a US Tax Obligor, or where the Agent reasonably believes that its obligations under FATCA require it, each Lender shall, within ten Business Days of:

- (i) where a Borrower is a US Tax Obligor and the relevant Lender is an Original Lender, the date of this Agreement;
- (ii) where a Borrower is a US Tax Obligor and the relevant Lender is a New Lender, the relevant Transfer Date;
- (iii) the date a new US Tax Obligor accedes as a Borrower; or
- (iv) where the Borrower is not a US Tax Obligor, the date of a request from the Agent,

supply to the Agent:

- (v) a withholding certificate on Form W-8 or Form W-9 (or any successor form) (as applicable); or
- (vi) any withholding statement and other documentation, authorisations and waivers as the Agent may require to certify or establish the status of such Lender under FATCA.

The Agent shall provide any withholding certificate, withholding statement, documentation, authorisations and waivers it receives from a Lender pursuant to this paragraph (e) to the Borrower and shall be entitled to rely on any such withholding certificate, withholding statement, documentation, authorisations and waivers provided without further verification. The Agent shall not be liable for any action taken by it under or in connection with this paragraph (e).

- (f) Each Lender agrees that if any withholding certificate, withholding statement, documentation, authorisations and waivers provided to the Agent pursuant to paragraph (e) above is or becomes materially inaccurate or incomplete, it shall promptly update such withholding certificate, withholding statement, documentation, authorisations and waivers or promptly notify the Agent in writing of its legal inability to do so. The Agent shall provide any such updated withholding certificate, withholding statement, documentation, authorisations and waivers to the Borrower. The Agent shall not be liable for any action taken by it under or in connection with this paragraph (f).

## 12.8 **FATCA Deduction**

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction) notify the Party to whom it is making the payment and, in addition, shall notify the Company, the Agent and the other Finance Parties.

## 13. **INCREASED COSTS**

### 13.1 **Increased costs**

- (a) Subject to Clause 13.3 (*Exceptions*) the Company shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:
  - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation after the date of this Agreement;
  - (ii) compliance with any law or regulation made after the date of this Agreement; or
  - (iii) the implementation or application of, or compliance with, Basel III or CRD IV or any law or regulation that implements or applies Basel III or CRD IV, to the extent such Increased Costs were not capable of being calculated with sufficient accuracy prior to the date of this Agreement.
- (b) In this Agreement:
  - (i) **“Increased Costs”** means:
    - (A) a reduction in the rate of return from the Facility or on a Finance Party’s (or its Affiliate’s) overall capital;
    - (B) an additional or increased cost; or
    - (C) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document; and

(ii) **“Basel III”** means:

- (A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
- (B) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
- (C) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”; and

(iii) **“CRD IV”** means:

- (A) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms; and
- (B) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

13.2 **Increased cost claims**

- (a) A Finance Party intending to make a claim pursuant to Clause 13.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Company.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

### 13.3 Exceptions

- (a) Clause 13.1 (*Increased costs*) does not apply to the extent any Increased Cost is:
  - (i) attributable to a Tax Deduction required by law to be made by an Obligor;
  - (ii) attributable to a FATCA Deduction required to be made by a Party;
  - (iii) compensated for by Clause 12.3 (*Tax indemnity*) (or would have been compensated for under Clause 12.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 12.3 (*Tax indemnity*) applied); or
  - (iv) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation.
- (b) In this Clause 13.3, a reference to a “**Tax Deduction**” has the same meaning given to the term in Clause 12.1 (*Definitions*).

## 14. OTHER INDEMNITIES

### 14.1 Currency indemnity

- (a) If any sum due from an Obligor under the Finance Documents (a “**Sum**”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:
  - (i) making or filing a claim or proof against that Obligor; or
  - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,that Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.
- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.



#### 14.2 Other indemnities

The Company shall (or shall procure that an Obligor will), within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability incurred by that Finance Party as a result of:

- (a) the occurrence of any Event of Default;
- (b) a failure by an Obligor to pay any amount due and payable by such Obligor under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 27 (*Sharing among the Finance Parties*);
- (c) funding, or making arrangements to fund, its participation in a Loan requested by a Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or
- (d) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by a Borrower or the Company.

#### 14.3 Indemnity to the Agent

The Company shall promptly indemnify the Agent against:

- (a) any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:
  - (i) investigating any event which it reasonably believes is a Default, **provided that** the Agent shall provide the Company with prior written notice thereof; or
  - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

### 15. MITIGATION BY THE LENDERS

#### 15.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*), Clause 12 (*Tax gross-up and indemnities*) or Clause 13 (*Increased costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

15.2 **Limitation of liability**

- (a) The Company shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 15.1 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under Clause 15.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

16. **COSTS AND EXPENSES**

16.1 **Transaction expenses**

- (a) Subject to paragraph (b) below, the Company shall promptly, and in any event within 30 Business Days of, written demand pay the Agent and the Arranger the amount of all documented costs and expenses (including legal fees, up to the limit of an agreed amount) reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution and syndication of:
  - (i) this Agreement and any other documents referred to in this Agreement; and
  - (ii) any other Finance Documents executed after the date of this Agreement.
- (b) Cost and expenses other than legal fees, incurred by the Agent and the Arranger, in an amount in excess of:
  - (i) US\$ 15,000, individually; or
  - (ii) US\$ 30,000 in the aggregate (or its equivalent in any currency or currencies),

shall be reimbursed by the Company in accordance with paragraph (a) above, only if such costs and expenses were incurred with the prior consent of the Company.

16.2 **Amendment costs**

If (a) an Obligor requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 28.10 (*Change of currency*), the Company shall, within three Business Days of demand, reimburse the Agent for the amount of all documented costs and expenses (including legal fees), in each case up to the limit of an agreed amount (**provided that** the Agent shall not be obliged to take any action pursuant to this Clause 16.2 in the absence of any such agreement), reasonably incurred by the Agent in responding to, evaluating, negotiating or complying with that request or requirement.

16.3    **Enforcement costs**

The Company shall, within three Business Days of demand, pay to each Finance Party the amount of all documented costs and expenses (including legal fees) incurred by it in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

**SECTION 7  
GUARANTEE**

**17. GUARANTEE AND INDEMNITY**

**17.1 Guarantee and indemnity**

The Guarantor irrevocably and unconditionally:

- (a) guarantees to each Finance Party punctual performance by each Borrower of all that Borrower's obligations under the Finance Documents;
- (b) undertakes with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, the Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of a Borrower not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by the Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 17 if the amount claimed had been recoverable on the basis of a guarantee.

**17.2 Continuing guarantee**

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Borrower under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

**17.3 Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Guarantor under this Clause 17 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

**17.4 Waiver of defences**

The obligations of the Guarantor under this Clause 17 will not be affected by any act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Clause 17 (without limitation and whether or not known to it or any Finance Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;

- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension or restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including without limitation any change in the purpose of, any extension of, or any increase in, any facility or the addition of any new facility under any Finance Document or other document;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

#### 17.5 **Immediate recourse**

The Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor under this Clause 17. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

#### 17.6 **Appropriations**

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Guarantor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Clause 17.

#### 17.7 **Deferral of Guarantor's rights**

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, the Guarantor will not exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 17:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which the Guarantor has given a guarantee, undertaking or indemnity under Clause 17.1 (*Guarantee and Indemnity*);
- (e) to exercise any right of set-off against any Obligor; and/or
- (f) to claim or prove as a creditor of any Obligor in competition with any Finance Party.

If the Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 28 (*Payment mechanics*).

#### 17.8 **Additional security**

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

**SECTION 8**  
**REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT**

**18. REPRESENTATIONS**

Each Obligor makes the representations and warranties set out in this Clause 18 to each Finance Party on the date of this Agreement.

**18.1 Status**

- (a) It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- (b) It and each of its Subsidiaries has the power to own its assets and carry on its business as it is being conducted.

**18.2 Binding obligations**

The obligations expressed to be assumed by it in each Finance Document are, subject to any general principles of law limiting its obligations which are specifically referred to in any legal opinion delivered pursuant to Clause 4 (*Conditions of Utilisation*) or Clause 24 (*Changes to the Obligors*), (the “**Legal Reservations**”), legal, valid, binding and enforceable obligations.

**18.3 Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) it's or any of its Subsidiaries' constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its Subsidiaries or any of its or any of its Subsidiaries' assets which has or could reasonably be expected to have a Material Adverse Effect.

**18.4 Power and authority**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

**18.5 Validity and admissibility in evidence**

All Authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and
- (b) to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation, have been obtained or effected and are in full force and effect.

**18.6 Governing law and enforcement**

- (a) Subject to the Legal Reservations, the choice of English law as the governing law of the Finance Documents will be recognised and enforced in its jurisdiction of incorporation.
- (b) Subject to the Legal Reservations, any judgment obtained in England in relation to a Finance Document will be recognised and enforced in its jurisdiction of incorporation.

**18.7 Insolvency**

No:

- (a) corporate action, legal proceeding or other procedure or step described in paragraph (a) of Clause 22.7(*Insolvency proceedings*); or
- (b) creditors' process described in Clause 22.8 (*Creditors' process*),

has been taken or, to the knowledge of the Company, threatened in relation to a Material Company, and none of the circumstances described in Clause 22.6 (*Insolvency*) applies to a Material Company.

**18.8 Deduction of Tax**

It is not required to make any deduction for or on account of Tax from any payment it may make under any Finance Document.

**18.9 No filing or stamp taxes**

Under the law of its jurisdiction of incorporation it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.

**18.10 No default**

- (a) No Event of Default is continuing or might reasonably be expected to result from the making of any Utilisation.
- (b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or on any Significant Subsidiary, or to which its (or any Significant Subsidiary's) assets are subject which might have a Material Adverse Effect.

**18.11 No misleading information**

- (a) Any factual information contained in the Annual Report was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.



- (b) Nothing has occurred or been omitted from the Annual Report and no information has been given or withheld that results in the information contained in the Annual Report being untrue or misleading in any material respect, in each case as at the date it was provided or as at the date (if any) at which it is stated.

**18.12 Financial statements**

- (a) Its Original Financial Statements were prepared in accordance with IFRS consistently applied.
- (b) Its Original Financial Statements fairly represent its financial condition and operations (consolidated in the case of the Company) during the relevant Financial Year.
- (c) There has been no material adverse change in its business or financial condition (or the business or consolidated financial condition of the Group, in the case of the Company) since the date of the most recent financial statements delivered pursuant to Clause 19.1 (*Financial statements*).

**18.13 Pari passu ranking**

Its payment obligations under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

**18.14 No proceedings**

Save as disclosed in the Original Financial Statements or relating to a Disclosed Investigation, no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, are reasonably likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

**18.15 Environmental compliance**

Each Obligor and Significant Subsidiary has performed and observed in all material respects all Environmental Law, Environmental Permits and all other material covenants, conditions, restrictions or agreements directly or indirectly concerned with any contamination, pollution or waste or the release or discharge of any toxic or hazardous substance in connection with any real property which is or was at any time owned, leased or occupied by any Obligor or Significant Subsidiary or on which any Obligor or Significant Subsidiary has conducted any activity where failure to do so might reasonably be expected to have a Material Adverse Effect.

**18.16 Taxation**

- (a) Except for any Permitted Tax Non-Payments, it has duly and punctually paid and discharged all Taxes imposed upon it or its assets within the time period allowed.
- (b) It is not materially overdue in the filing of any Tax returns.

- (c) No claims are being or are reasonably likely to be asserted against it with respect to Taxes that could reasonably be expected to have a Material Adverse Effect.

**18.17 Anti-corruption, anti-bribery and anti-money laundering laws and regulations**

Save for any Disclosed Investigation, no Obligor, and no Subsidiary, director or officer of any Obligor and, to the best of its knowledge and belief, no Affiliate, has engaged in any activity or conducted its businesses in any way which would violate any applicable anti-corruption, anti-bribery or anti-money laundering laws or regulations and each Obligor has instituted and maintains policies and procedures designed to promote and achieve compliance with such laws and regulations.

**18.18 Sanctions**

Each Obligor represents in respect of itself and in respect of its Subsidiaries, directors and officers that:

- (a) it is not the subject of any Sanctions; and
- (b) it is not violating any Sanctions,

in either case applicable to it, **provided that**, this representation and warranty shall not be deemed to be made to or for the benefit of any Finance Party or any director, officer or employee thereof to the extent that this provision would expose that Finance Party or any director, officer or employee thereof to any liability under any applicable anti- boycott law, regulation or statute.

**18.19 Intellectual Property**

It and each of its Subsidiaries:

- (a) is the sole legal and beneficial owner of or has licensed to it on normal commercial terms all the Intellectual Property which is material in the context of its business and which is required by it in order to carry on its business as it is being conducted;
- (b) does not (nor does any of its Subsidiaries), in carrying on its businesses, infringe any Intellectual Property of any third party; and
- (c) has taken all formal or procedural actions (including payment of fees) required to maintain any material Intellectual Property owned by it,

save, in each case, where failure to be so or to do so or to have done or does not and is not reasonably likely to have a Material Adverse Effect.

**18.20 Centre of main interests and establishments**

For the purposes of the Regulation, its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in Luxembourg, Sweden, the United Kingdom or the United States of America and it has no “establishment” (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

18.21 **Repetition**

The Repeating Representations are deemed to be made by each Obligor (by reference to the facts and circumstances then existing) on:

- (a) the date of each Utilisation Request and the first day of each Interest Period; and
- (b) in the case of an Additional Borrower, the day on which it becomes (or it is proposed that it becomes) an Additional Borrower.

19. **INFORMATION UNDERTAKINGS**

The undertakings in this Clause 19 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

19.1 **Financial statements**

The Company shall supply to the Agent:

- (a) as soon as the same become available, but in any event within 120 days after the end of each of its Financial Years:
  - (i) its audited consolidated financial statements for that Financial Year; and
  - (ii) its audited unconsolidated financial statements for that Financial Year;
- (b) as soon as it is available, but in any event within 60 days after the end of each Financial Quarter of each of its Financial Years (other than the Financial Quarter ending at the end of a Financial Year), its Quarterly Report for that Financial Quarter;
- (c) as soon as the same become available, but in any event within 90 days after the end of each Financial Quarter of each of its Financial Years (other than the Financial Quarter ending at the end of a Financial Year), if required to be prepared under IFRS, an unaudited *pro forma* interim condensed consolidated income statement and a statement of financial position of the Company, together with explanatory footnotes, for any acquisitions, dispositions or recapitalisations that have occurred since the beginning of the most recently completed Financial Year as to which such quarterly report relates; **provided that** such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Company will provide, in the case of a material acquisition, the financial statements of the acquired company to the extent available without unreasonable expense; and
- (d) as soon as the same become available, but in any event within 90 days after the end of each Financial Quarter of each of its Financial Years:
  - (i) the details of sums being upstreamed by way of dividend or loan on a Subsidiary by Subsidiary basis; and

- (ii) the unaudited unconsolidated quarterly, semi-annual and annual financial statements in respect of:
  - (A) each Significant Subsidiary incorporated in Guatemala and Paraguay for so long as such unconsolidated financial statements are prepared in respect of such Significant Subsidiaries; and
  - (B) any other Significant Subsidiary to the extent such unconsolidated financial statements are prepared in respect of those Significant Subsidiaries.

## 19.2 Compliance Certificate

- (a) The Company shall supply to the Agent, with each set of financial statements delivered pursuant to paragraphs (a)(i) and (b) of Clause 19.1 (*Financial statements*), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 20 (*Financial covenants*) as at the date at which those financial statements were drawn up.
- (b) Each Compliance Certificate shall be signed by the Chief Executive Officer or the Chief Financial Officer of the Company in the form agreed by the Company and the Majority Lenders.

## 19.3 Requirements as to financial statements

- (a) Each set of financial statements delivered by the Company pursuant to Clause 19.1 (*Financial statements*) shall be certified by a director of the relevant company as fairly representing its financial condition as at the date at which those financial statements were drawn up.
- (b)
  - (i) The Company shall procure that each set of financial statements of the Company or any of its Subsidiaries delivered pursuant to Clause 19.1 (*Financial statements*) is prepared using IFRS. If there is a change to IFRS that might result in any material alteration in the commercial effect of any of the terms of this Agreement (a “**Material IFRS Change**”), the Company shall notify the Agent and, if the Agent so requests, deliver to the Agent sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether Clause 22 (*Financial covenants*) has been complied with notwithstanding such Material IFRS Change.
  - (ii) If the Company notifies the Agent of a Material IFRS Change in accordance with paragraph (i) above, then the Company and Agent shall enter into negotiations in good faith with a view to agreeing any amendments to this Agreement which may be necessary to ensure that the Material IFRS Change does not result in any material alteration in the commercial effect of the terms of this Agreement, and if any amendments are agreed they shall take effect and be binding on each of the Parties in accordance with their terms.

#### 19.4 Information: miscellaneous

- (a) The Company shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):
  - (i) all documents despatched by the Company to the shareholders of its publicly listed shares (or any class of them) or its creditors generally (or any class of them) at the same time as they are dispatched;
  - (ii) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Group and which might, if adversely determined, have a Material Adverse Effect, **provided that** this requirement and the notification requirement under Clause 21.12 (*Environmental Claims*) shall be deemed satisfied where such details are contained in the Quarterly Report or the annual financial statements of the Company;
  - (iii) promptly after the occurrence of any material acquisition, disposition or restructuring of the Group, or any changes to the Chief Executive Officer or Chief Financial Officer at the Company, or any other material event that the Company announces publicly, a press release or report containing a description of such event; and
  - (iv) promptly, such further information (which is not of a confidential nature) regarding the financial condition, assets and operations of any member of the Group as any Finance Party (through the Agent) may reasonably request.

#### 19.5 Notification of default

- (a) Each Obligor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).
- (b) Promptly upon a request by the Agent, the Company shall supply to the Agent a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

#### 19.6 Use of websites

- (a) The Company may satisfy its obligation under this Agreement to deliver any information in relation to:
  - (i) the Original Lenders; and
  - (ii) those Lenders who accept this method of communication, (together with the Original Lenders, the “**Website Lenders**”), by posting this information onto an electronic website designated by the Company and the Agent (the “**Designated Website**”) if:

- (A) the Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;
- (B) both the Company and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and
- (C) the information is in a format previously agreed between the Company and the Agent.

If any Lender (a “**Paper Form Lender**”) does not agree to the delivery of information electronically then the Agent shall notify the Company accordingly and the Company shall supply the information to the Agent (in sufficient copies for each Paper Form Lender) in paper form. In any event the Company shall supply the Agent with at least one copy in paper form of any information required to be provided by it.

- (b) The Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Company and the Agent.
- (c) The Company shall promptly upon becoming aware of its occurrence notify the Agent if:
  - (i) the Designated Website cannot be accessed due to technical failure;
  - (ii) the password specifications for the Designated Website change;
  - (iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;
  - (iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or
  - (v) the Company becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If the Company notifies the Agent under paragraph (c)(i) or paragraph (c)(v) above, all information to be provided by the Company under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

- (d) Any Website Lender may request, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Company shall comply with any such request within ten Business Days.

19.7 “Know your customer” checks

- (a) If:
- (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
  - (ii) any change in:
    - (A) the status of an Obligor; or
    - (B) the composition of the shareholders of an Obligor (other than the Company),after the date of this Agreement; or
  - (iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.
- (c) The Company shall, by not less than ten Business Days’ prior written notice to the Agent, notify the Agent (which shall promptly notify the Lenders) of its intention to request that one of its Subsidiaries becomes an Additional Borrower pursuant to Clause 24 (*Changes to the Obligors*).
- (d) Following the giving of any notice pursuant to paragraph (c) above, if the accession of such Additional Borrower obliges the Agent or any Lender to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Company shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective new Lender) in order for the Agent or such Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this Agreement as an Additional Borrower.

20. **FINANCIAL COVENANTS**

20.1 **Financial definitions**

In this Clause 20:

“**Acquired Debt**” means Debt of any person (i) incurred and outstanding at the time it becomes a member of the Group or is merged, consolidated, amalgamated or otherwise combined with or into a member of the Group including pursuant to any acquisition of assets and assumption of related liabilities or (ii) incurred to provide all or part of the funds utilised to consummate the transaction or series of related transactions pursuant to which such person became a member of the Group or was otherwise acquired by a member of the Group; provided that, after giving pro forma effect to the transaction or transactions by which such person becomes a member of the Group or is merged, consolidated, amalgamated or otherwise combined with or into a member of the Group, either (i) the Company is in compliance with the requirements of paragraph (a) of Clause 20.2 (*Financial Condition*) or (ii) the Net Leverage Ratio would not be more than such ratio before giving effect to such transaction or transactions.

“**Cash Equivalents**” means, with respect to any person:

- (a) Government Securities;
- (b) deposit accounts, certificates of deposit and Eurodollar time deposits and money market deposits, bankers’ acceptances and overnight bank deposits, in each case issued by or with (i) any of the Original Lenders; (ii) a bank or trust company which is organized under the laws of the United States of America, any state thereof, the United Kingdom, Switzerland, Canada, Australia or any member state of the European Union, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of US\$ 100,000,000 (or its equivalent in any other currency or currencies) and has outstanding debt which is rated “A” (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act), or (iii) any money market fund sponsored by a U.S. registered broker dealer or mutual fund distributor;
- (c) repurchase obligations with a term of not more than seven days for underlying securities of the types described in paragraph (b)(i) and paragraph (b)(ii) entered into with any financial institution meeting the qualifications specified in paragraph (b)(ii) above;



- (d) commercial paper having one of the two highest ratings obtainable from Fitch Ratings Ltd or Moody's Investor Services Limited and in each case maturing within 365 days after the date of acquisition;
- (e) money market funds mutual funds at least 95% of the assets of which constitute Cash Equivalents of the types described in paragraphs (a) through (d) of this definition; and
- (f) with respect to any person organised under the laws of, or having its principal business operations in, a jurisdiction outside the United States, those investments that are of the same type as investments in paragraphs (a), (c) and (d) of this definition except that the obligor thereon is organised under the laws of the country (or any political subdivision thereof) in which such person is organised or conducting business.

**"Consolidated EBITDA"** means, for any period, operating profit, as such amount is determined in the Company's consolidated income statement in accordance with IFRS, plus the sum of the following amounts, in each case, without double counting. Losses shall be added (as a positive number) and gains shall be deducted, in each case, to the extent such amounts were included in calculating operating profit:

- (a) depreciation and amortization expenses, as indicated in the Company's consolidated statement of cash flows;
- (b) the net loss or gain on the disposal and impairment of assets, as indicated in the Company's consolidated statement of cash flows;
- (c) share-based compensation expenses, as indicated in the Company's consolidated statement of cash flows;
- (d) in accordance with IFRS accounting practice other non-cash charges reducing operating profit (provided that if any such non-cash charge represents an accrual of or reserve for potential cash charges in any future period, the cash payment in respect thereof in such future period shall reduce operating profit to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period) less other non-cash items of income increasing operating income (excluding any such non-cash item of income to the extent it represents (x) a receipt of cash payments in any future period, (y) the reversal of an accrual or reserve for a potential cash item that reduced operating income in any prior period and (z) any non-cash gains with respect to cash actually received in a prior period so long as such cash did not increase operating income in such prior period);
- (e) any material extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs, acquisition costs, disposition costs, business optimization, information technology implementation or development costs, costs related to governmental investigations and curtailments or modifications to pension or postretirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);

- (f) the effects of adjustments in its consolidated financial statements pursuant to IFRS (including inventory, property, equipment, software, goodwill, intangible assets, in process research and development, deferred revenue and debt line items) attributable to the application of recapitalization accounting or acquisition accounting, as the case may be, in relation to any consummated acquisition or joint venture investment or the amortization or write-off or writedown of amounts thereof, net of taxes;
- (g) any reasonable expenses, charges or other costs related to any sale of Capital Stock (other than Redeemable Stock) of the Company or a Holding Company of the Company, Investment, acquisition, disposition, recapitalization or the incurrence of any Debt, in each case, as determined in good faith by a responsible financial or accounting officer of the Company;
- (h) any gains or losses on associates;
- (i) any unrealized gains or losses due to changes in the fair value of equity Investments;
- (j) any unrealized gains or losses due to changes in the fair value of Permitted Interest Rate, Currency or Commodity Price Agreements;
- (k) any unrealized gains or losses due to changes in the carrying value of put options in respect of Capital Stock of, or voting rights with respect to, any Subsidiary, joint venture or associate;
- (l) any unrealized gains or losses due to changes in the carrying value of call options in respect of Capital Stock of, or voting rights with respect to, any Subsidiary, joint venture or associate;
- (m) any net foreign exchange gains or losses;
- (n) in accordance with IFRS accounting practice, any adjustments to reduce the impact of the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies;
- (o) accruals and reserves that are established or adjusted within twelve months after the closing date of any acquisition that are so required to be established or adjusted in accordance with IFRS;
- (p) any expenses, charges or losses to the extent covered by insurance or indemnity and actually reimbursed, or, so long as the Company or a Subsidiary has received confirmation that such amount will be reimbursed by the insurer or indemnifying party and only to the extent that such amount is in fact reimbursed within 365 days of the date of the insurable or indemnifiable event (net of any amount so added back in any prior period to the extent not so reimbursed within the applicable 365-day period);

- (q) the amount of proceeds received from business interruption insurance and reimbursements of any expenses and charges that are covered by indemnification or other reimbursement provisions in connection with any acquisition, Investment or any sale, conveyance, transfer or other disposition of assets; and
- (r) any net gain (or loss) realized upon any sale/leaseback transaction that is not sold or otherwise disposed of in the ordinary course of business, determined in good faith by a responsible financial or accounting officer of the Company.

For the purposes of calculating Consolidated EBITDA for any period, as of such date of determination:

- (i) if, since the beginning of such period the Company or any Subsidiary has made any disposal of assets not in the ordinary course of business or disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a “**Sale**”), including any Sale occurring in connection with a transaction causing a calculation to be made hereunder, then Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period;
- (ii) if, since the beginning of such period the Company or any Subsidiary (by merger or otherwise) will have made an Investment in any Person that thereby becomes a Subsidiary, or otherwise acquires any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a “**Purchase**”), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, then Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Purchase occurred on the first day of such period;
- (iii) if, since the beginning of such period any Person (that became a Subsidiary or was merged with or into the Company or any Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clauses (i) or (ii) above if made by the Company or a Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period, including anticipated synergies and cost savings as if such Sale or Purchase occurred on the first day of such period; and
- (iv) whenever pro forma effect is applied, the pro forma calculations will be as determined in good faith by a responsible financial or accounting officer of the Company (including in respect of anticipated synergies and cost savings) as though the full effect of such synergies and cost savings were realized on the first day of the relevant period and shall also include the reasonably anticipated full run rate cost savings effect (as calculated in good faith by a responsible financial or chief accounting officer of the Company) of cost savings programs that have been initiated by the Company or its Subsidiaries as though such cost savings programs had been fully implemented on the first day of the relevant period, provided that if the aggregate amount of such anticipated synergies and cost savings exceeds 5% of Consolidated EBITDA (calculated without reference to the applicable Purchase or Sale), such amounts are confirmed by a reputable, independent third party advisor.

For the purpose of calculating the Consolidated EBITDA of the Company, any Joint Venture Consolidated EBITDA shall be added to the amount determined in accordance with the foregoing.

**“Consolidated Interest Expense”** means for any Relevant Period, the consolidated interest expense included in the consolidated income statement (without deduction of interest income) of the Company and its Subsidiaries for such Relevant Period prepared in accordance with IFRS, excluding the interest component of any Capital Lease Obligation, and calculated without double counting any obligations described in paragraphs (a), (b) or (h) of the first paragraph of the definition of Debt that are incurred by any member of the Group and any obligations described in paragraph (a) of the definition of Debt.

**“Consolidated Net Debt”** means, with respect to the Company as of any date of determination, the sum without duplication of:

- (a) the total amount of Debt of the Company and its Subsidiaries on a consolidated basis that would be stated on the statement of financial position of the Company as of such date in accordance with IFRS, **minus**
- (b) the sum without duplication of:
  - (i)
    - (A) all Debt outstanding under Minority Shareholder Loans, **plus**
    - (B) any Debt which is a contingent obligation of the Company or its Subsidiaries on the date of the most recent financial statements, **plus**
    - (C) the amount of cash and Cash Equivalents (other than cash or Cash Equivalents received from the incurrence of Debt by any member of the Group to the extent such cash or Cash Equivalents has not been subsequently applied or used for any purpose not prohibited by this Agreement) of the Company and its Subsidiaries on a consolidated basis that would be stated on the statement of financial position of the Company as of such date in accordance with IFRS, **plus**
    - (D) deposits pledged to secure Debt, as such amount is recorded under the line item “pledged deposits” under non-current assets on the Company’s statement of financial position, **plus**

- (E) Debt of the Company and its Subsidiaries under any Capital Lease Obligation or operating lease,  
less  
(ii) Restricted Cash.

**“Financial Quarter”** means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

**“Financial Year”** means the annual accounting period of the Company ending on or about 31 December in each year.

**“Government Securities”** means direct obligations of, or obligations guaranteed by, the United States of America for the payment of which obligations or guarantee the full faith and credit of the United States of America is pledged and which have a remaining weighted average life to maturity of not more than one year from the date of Investment therein.

**“Interest Cover”** means the ratio of Consolidated EBITDA to Consolidated Interest Expense in respect of any Relevant Period.

**“Investment”** by any person means any direct or indirect loan, advance or other extension of credit or capital contribution (by means of transfers of cash or other property to others or payments for property or services for the account or use of others, or otherwise) to, or purchase or acquisition of Capital Stock, bonds, notes, debentures or other securities or evidence of Debt issued by, any other person, including any payment on a guarantee of any obligation of such other person, together with all items that are or would be classified as Investments on a statement of financial position (excluding the footnotes thereto) prepared in accordance with IFRS, but shall not include:

- (a) trade accounts receivable in the ordinary course of business on credit terms made generally available to the customers of such person; or
- (b) commission, travel, payroll, entertainment, relocation and similar advances to officers and employees and profit sharing and other employee benefit plan contributions made in the ordinary course of business.

Except as otherwise provided in this Agreement, the amount of an Investment will be determined at the time the Investment is made and without giving effect to a subsequent change in value and, to the extent applicable, shall be determined based on the equity value of such Investment.

**“Joint Venture Consolidated EBITDA”** means an amount equal to the product of (i) the Consolidated EBITDA of any joint venture (determined in good faith by a responsible financial or accounting officer of the Company on the same basis as provided for in the definition of “Consolidated EBITDA” (with the exception of clause (i) and the last sentence thereof) as if each reference to the “Company” in such definition was to such joint venture) whose financial results are not consolidated with those of the Company in accordance with IFRS and (ii) a percentage equal to the direct equity ownership percentage of the Company and/or its Subsidiaries in the Capital Stock of such joint venture and its Subsidiaries.

“**Minority Shareholder Loan**” means Debt of a Subsidiary of the Company that is issued to and held by an equity owner of such Subsidiary, other than the Company or a subsidiary of the Company.

“**Net Leverage Ratio**” means, with respect to the Company, the ratio of (a) the Consolidated Net Debt (excluding Debt consisting of Permitted Interest Rate, Currency or Commodity Price Agreements) to (b) the Consolidated EBITDA of the Company for the four most recent Financial Quarters ending immediately prior to such date for which consolidated financial statements are available, determined on a *pro forma* basis as if any such Debt had been incurred, or such other Debt had been repaid, redeemed or repurchased, as applicable, at the beginning of such four Financial Quarter period. For the avoidance of doubt, in determining Net Leverage Ratio, no cash or Cash Equivalents shall be included that are the proceeds of Debt in respect of which the *pro forma* calculation is to be made.

“**Quarter Date**” means each of 31 March, 30 June, 30 September and 31 December.

“**Relevant Period**” means each period of twelve months ending on or about the last day of the Financial Year and each period of twelve months ending on or about the last day of each Financial Quarter.

“**Restricted Cash**” means the sum of (a) Restricted MFS Cash, and (b) without duplication, the amount of cash that would be stated as “restricted cash” on the consolidated statement of financial position of the Company as of such date in accordance with IFRS.

## 20.2 **Financial condition**

The Company shall ensure that:

- (a) *Net Leverage Ratio*: Net Leverage Ratio in respect of any Relevant Period shall be less than 3.00:1 at all times.
- (b) *Interest Cover*: Interest Cover in respect of any Relevant Period shall not be less than 4.00:1 at any time.

## 20.3 **Financial testing**

The financial covenants set out in Clause 20.2 (*Financial condition*) shall be tested quarterly by reference to each of the financial statements delivered pursuant to paragraphs (a)(i) and (b) of Clause 19.1 (*Financial Statements*) and/or each Compliance Certificate delivered pursuant to Clause 19.2 (*Compliance Certificate*).

## 21. **GENERAL UNDERTAKINGS**

The undertakings in this Clause 21 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

### 21.1 Authorisations

Each Obligor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Agent of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Finance Documents and to ensure, subject to the Legal Reservations, the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.

### 21.2 Compliance with laws

Each Obligor shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Finance Documents.

### 21.3 Negative pledge

In this Clause 21.3, “**Quasi-Security**” means an arrangement or transaction described in paragraph (b) below.

- (a) No Obligor shall (and the Company shall ensure that no other member of the Group will) create or permit to subsist any Lien over any of its assets.
- (b) No Obligor shall (and the Company shall ensure that no other member of the Group will):
  - (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group;
  - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
  - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
  - (iv) enter into any other preferential arrangement having a similar effect,in circumstances where the arrangement or transaction is entered into primarily as a method of raising Debt or of financing the acquisition of an asset.
- (c) Paragraphs (a) and (b) above do not apply to any Lien or (as the case may be) Quasi-Security which is a Permitted Lien.

#### 21.4 Disposals

- (a) No Obligor shall (and the Company shall ensure that no other member of the Group will), enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.
- (b) Paragraph (a) above does not apply to any sale, lease, transfer or other disposal which is a Permitted Disposal.

#### 21.5 Arm's length basis

- (a) Except as permitted by paragraph (b) below, no Obligor shall (and the Company shall ensure that no other member of the Group will) enter into any transaction with any person except on arm's length terms and for full market value.
- (b) The following transactions shall not be a breach of this Clause 21.5:
  - (i) intra-Group loans permitted under Clause 21.16 (*Loans or credit*); and
  - (ii) any Permitted Reorganisation to the extent that it only involves members of the Group; or
  - (iii) fees, costs and expenses payable under the Finance Documents in the amounts set out in the Finance Documents delivered to the Agent under Clause 4.1 (*Initial conditions precedent*) or agreed by the Agent.

#### 21.6 Pari passu ranking

Each Obligor shall ensure that at all times any unsecured and unsubordinated claims of a Finance Party against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

#### 21.7 Change of business

- (a) Except as permitted under paragraph (b) below, the Company shall ensure that no substantial change is made to the general nature of the business of the Company or the Group from that carried on at the date of this Agreement.
- (b) Paragraph (a) shall not prevent the Company from engaging in any Permitted Business.

#### 21.8 Preservation of properties

Subject to Permitted Discontinuance of Property Maintenance, each Obligor shall (and the Company shall ensure that each other member of the Group will) maintain in good repair, working order and condition (ordinary wear and tear excepted) all of its material properties necessary or desirable in the conduct of its business, all in accordance with the judgment of the Company (acting reasonably).



#### 21.9 **Joint Ventures**

- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Company shall ensure that no other member of the Group will):
  - (i) enter into, invest in or acquire (or agree to acquire) any shares, stocks, securities or other interest in any Joint Venture; or
  - (ii) transfer any assets or lend to or guarantee or give an indemnity for or give Security for the obligations of a Joint Venture or maintain the solvency of or provide working capital to any Joint Venture (or agree to do any of the foregoing).
- (b) Paragraph (a) above does not apply to any acquisition of (or agreement to acquire) any interest in a Joint Venture or transfer of assets (or agreement to transfer assets) to a Joint Venture or loan made to or guarantee given in respect of the obligations of a Joint Venture if such transaction is a Permitted Joint Venture.

#### 21.10 **Insurance**

Each Obligor shall (and the Company shall ensure that each member of the Group will) maintain insurances on and in relation to its properties with reputable underwriters or insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

#### 21.11 **Environmental Compliance**

Each Obligor shall (and the Company shall ensure that each member of the Group will) comply in all material respects with all Environmental Law and obtain and maintain any Environmental Permits where failure to do so has or is reasonably expected to have a Material Adverse Effect.

#### 21.12 **Environmental Claims**

Subject to paragraph 19.4(a)(ii) of Clause 19.4 (*Information: miscellaneous*), the Company shall inform the Agent in writing as soon as reasonably practicable upon becoming aware of:

- (a) any Environmental Claim that has been commenced or (to the best of its knowledge and belief) is threatened against any member of the Group; or
- (b) any facts or circumstances which will or are reasonably likely to result in any Environmental Claim being commenced or threatened against any member of the Group,

where the claim would be reasonably likely, if determined against that member of the Group, to have a Material Adverse Effect.

#### 21.13 **Anti-corruption law**

- (a) No Obligor shall (and the Company shall ensure that no other member of the Group will) directly or indirectly use the proceeds of the Facility for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions to which the relevant member of the Group or any Finance Party is subject.
- (b) Each Obligor shall (and the Company shall ensure that each other member of the Group will):
  - (i) conduct its businesses in compliance with applicable anti-corruption laws; and
  - (ii) maintain policies and procedures designed to promote and achieve compliance with such laws.

#### 21.14 **Sanctions**

- (a) No Obligor shall (and the Company shall ensure that no other member of the Group will) contribute or otherwise use the proceeds or make available the proceeds of the Facility, directly or indirectly, to any person or entity listed on any Sanctions List or located in a Sanctioned Country, to the extent such contribution or provision of proceeds would be prohibited by Sanctions or would otherwise cause any Finance Party to be in breach of applicable Sanctions (at the time the proceeds were made available or contributed).
- (b) No Obligor shall (and the Company shall ensure that no other member of the Group will) fund all or part of any payment under the Facility out of proceeds derived from transactions which are prohibited by Sanctions or would otherwise cause any Finance Party to be in breach of applicable Sanctions (at the time the proceeds were made available or contributed).
- (c) This covenant shall not be deemed to be made to or for the benefit of any Finance Party or any director, officer or employee thereof to the extent that this provision would expose that Finance Party or any director, officer or employee thereof to any liability under any applicable anti-boycott law, regulation or statute.

#### 21.15 **Taxation**

- (a) Except as permitted under paragraph (b) below, each Obligor shall (and the Company shall ensure that each member of the Group will) duly and punctually pay and discharge all material Taxes imposed upon it or its assets within the time period allowed without incurring penalties.
- (b) Paragraph (a) above, shall not apply to any payment which is a Permitted Tax Non-Payments.

#### 21.16 Financial indebtedness

The Company shall ensure that none of its Subsidiaries will incur or allow to remain outstanding any Debt, if and to the extent that such Debt would cause or result in a Net Leverage Ratio of 2.75:1 or more, excluding in this calculation all Debt that only has recourse against the Company and any Consolidated EBITDA generated by the Company.

#### 21.17 Loans and credit

No Obligor shall (and the Company shall ensure that no other member of the Group will) make any loans or grant any credit to or for the benefit of any person, other than a Permitted Loan.

#### 21.18 Intellectual Property

Each Obligor shall (and the Company shall procure that each other member of the Group will):

- (a) preserve and maintain the subsistence and validity of the Intellectual Property necessary for the business of the relevant Group member (“**Material Intellectual Property**”);
- (b) use reasonable endeavours to prevent any infringement in any material respect of the Material Intellectual Property;
- (c) make registrations and pay all registration fees and taxes necessary to maintain the Material Intellectual Property in full force and effect and record its interest in that Material Intellectual Property;
- (d) not use or permit the Material Intellectual Property to be used in a way or take any step or omit to take any step in respect of that Material Intellectual Property which may materially and adversely affect the existence or value of the Material Intellectual Property or imperil the right of any member of the Group to use such property; and
- (e) not discontinue the use of the Material Intellectual Property,

where failure to do so, in the case of paragraphs (a) and (b) above, or, in the case of paragraphs (d) and (e) above, such use, permission to use, omission or discontinuation, is reasonably likely to have a Material Adverse Effect.

#### 21.19 Treasury transactions

No Obligor shall (and the Company will procure that no other member of the Group will) enter into any Interest Rate, Currency or Commodity Price Agreement, other than a Permitted Interest Rate, Currency or Commodity Price Agreement.

#### 21.20 Dividends

The Company shall not pay, make or declare any dividend or other distribution to all or any of its shareholders whilst and for so long as (i) an Event of Default has occurred and is continuing, and (ii) any Utilisation is outstanding under the Facility.

#### 21.21 Centre of main interests and establishment

For the purposes of the Regulation, the Company shall ensure that its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in either Luxembourg, Sweden, the United Kingdom or the United States of America and that it shall have no “establishment” (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

### 22. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 22 is an Event of Default, save for Clause 22.16 (*Acceleration*).

#### 22.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by:
  - (i) administrative or technical error; or
  - (ii) a Disruption Event; and
- (b) payment is made within five Business Days of its due date.

#### 22.2 Financial covenants

Any requirement of Clause 20 (*Financial covenants*) is not satisfied.

#### 22.3 Other obligations

- (a)
  - (i) An Obligor does not comply with the provision of Clauses 21.3 (*Negative Pledge*), 21.4 (*Disposals*), 21.6 (*Pari passu ranking*), 21.9 (*Joint Ventures*), 21.13 (*Anti-corruption law*), 21.14 (*Sanctions*), 21.17 (*Loans and credit*), 21.20 (*Dividends*) or 21.21 (*Centre of main interests and establishment*).
  - (ii) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 20 days of the earlier of (A) the Agent giving notice to the Company, and (B) a member of the executive committee or the treasury department of the Company becoming aware of the failure to comply.

(b)

- (i) An Obligor does not comply with any provision of the Finance Documents, other than those referred to in Clauses 22.1 (*Non-payment*), 20 (*Financial covenants*), paragraph (a) of 22.3 (*Other obligations*) and 21.16 (*Financial Indebtedness*).
- (ii) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 30 days of the earlier of (A) the Agent giving notice to the Company and (B) a member of the executive committee or the treasury department of the Company becoming aware of the failure to comply.

#### 22.4 **Misrepresentation**

Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made, and, the circumstance or event giving rise to such misrepresentation, if capable of remedy, is not remedied within 21 days of the earlier of the Agent giving notice to the Company and the Company becoming aware of the relevant misrepresentation.

#### 22.5 **Cross Payment Default and Cross Acceleration**

- (a) The occurrence of a Cross Payment Default.
- (b) The occurrence of a Cross Acceleration.
- (c) No Event of Default will occur under this Clause 22.5 if the aggregate amount of Debt which is the subject of the events referred to in paragraphs (a) and (b) above is less than US\$ 50,000,000 (or its equivalent in any other currency or currencies) without double counting.

#### 22.6 **Insolvency**

- (a) A Material Company is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- (b) The value of the assets of any Material Company is less than its liabilities (taking into account contingent and prospective liabilities).
- (c) A moratorium is declared in respect of any indebtedness of any Material Company.

## **22.7 Insolvency proceedings**

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Material Company;
- (b) a composition, compromise, assignment or arrangement with any creditor of any Material Company;
- (c) the appointment of a liquidator (other than in respect of a solvent liquidation of a member of the Group which is not an Obligor), receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Material Company or any of its assets; or
- (d) enforcement of any Lien over any assets of any Material Company,

or any analogous procedure or step is taken in any jurisdiction.

This Clause 22.7 shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement.

## **22.8 Creditors' process**

Any attachment, sequestration, distress or execution affects any asset or assets of a Material Company having an aggregate value of US\$ 50,000,000 and is not discharged within 30 days or, where the Company reasonably believes such action is frivolous, vexatious or without merit, and is challenging such action in good faith, it is not discharged within 180 days.

## **22.9 Ownership of the Obligors**

An Obligor (other than the Company) is not or ceases to be a Subsidiary of the Company.

## **22.10 Cessation of business**

Any member of the Group suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business, except as a result of a Permitted Reorganisation or a Permitted Disposal.

## **22.11 Unlawfulness**

It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents.

## **22.12 Repudiation**

An Obligor repudiates a Finance Document or evidences an intention to repudiate a Finance Document.

#### 22.13 **Expropriation**

The authority or ability of any member of the Group to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any member of the Group or any of its assets, where such action has or is reasonably likely to have a Material Adverse Effect.

#### 22.14 **Litigation**

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened, against any member of the Group or its assets which, in the reasonable opinion of the Majority Lenders (having taken into account appropriate local legal advice):

- (a) is likely to be adversely determined; and
- (b) if adversely determined, would have a Material Adverse Effect.

#### 22.15 **Material adverse change**

Any event or circumstance occurs which in the opinion of the Majority Lenders (acting reasonably) has or is reasonably likely to have a Material Adverse Effect.

#### 22.16 **Acceleration**

On and at any time after the occurrence of an Event of Default which is continuing, the Agent may, and shall if so directed by the Majority Lenders, by notice to the Company:

- (a) cancel the Total Commitments, at which time they shall immediately be cancelled;
- (b) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (c) declare that all or part of the Loans be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders

**SECTION 9  
CHANGES TO PARTIES**

**23. CHANGES TO THE LENDERS**

**23.1 Assignments and transfers by the Lenders**

Subject to this Clause 23, a Lender (the “**Existing Lender**”) may:

- (a) assign any of its rights; or
- (b) transfer by novation any of its rights and obligations,

to (i) another bank or financial institution or (ii) a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (a “**Fund**”) (the “**New Lender**”).

**23.2 Conditions of assignment or transfer**

- (a) The consent of the Company is required for an assignment or transfer by an Existing Lender unless the assignment or transfer is:
  - (i) to another Lender or an Affiliate of a Lender (provided such Lender or its Affiliate is not a Fund); or
  - (ii) made at a time when an Event of Default is continuing; and
- (b) The consent of the Company to an assignment or transfer must not be unreasonably withheld or delayed (**provided that** a refusal to consent if the proposed assignee or transferee is a Fund, shall not be deemed unreasonable). The Company will be deemed to have given its consent 10 Business Days after the Existing Lender has requested it (**provided that** the request for consent is transmitted to two individuals at the Company whose details have been provided to the Agent in connection with Clause 30 (*Notices*)) unless consent is expressly refused by the Company within that time.
- (c) An assignment will only be effective on:
  - (i) receipt by the Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties as it would have been under if it was an Original Lender; and
  - (ii) performance by the Agent of all necessary “**know your customer**” or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.
- (d) An assignment or transfer shall be in a minimum amount of US\$ 5,000,000.



- (e) A transfer will only be effective if the procedure set out in Clause 23.5 (*Procedure for transfer*) is complied with.
- (f) If:
  - (i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and
  - (ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 12 (*Tax gross-up and indemnities*) or Clause 13 (*Increased costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred. This paragraph (f) shall not apply in respect of an assignment or transfer made in the ordinary course of the primary syndication of the Facility.

- (g) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

### 23.3 Assignment or transfer fee

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of US\$ 3,500.

### 23.4 Limitation of responsibility of Existing Lenders

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
  - (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;
  - (ii) the financial condition of any Obligor;
  - (iii) the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or
  - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,and any representations or warranties implied by law are excluded.

- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:
  - (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and
  - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
  - (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 23; or
  - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

#### 23.5 Procedure for transfer

- (a) Subject to the conditions set out in Clause 23.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.
- (b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.
- (c) Subject to Clause 23.9 (*Pro rata interest settlement*), on the Transfer Date:
  - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the **“Discharged Rights and Obligations”**);
  - (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;

- (iii) the Agent, the Arranger, the New Lender and the other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Arranger and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
- (iv) the New Lender shall become a Party as a “Lender”.

#### 23.6 Procedure for assignment

- (a) Subject to the conditions set out in Clause 23.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.
- (b) The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.
- (c) Subject to Clause 23.9 (*Pro rata interest settlement*), on the Transfer Date:
  - (i) the Existing Lender will assign absolutely to the New Lender the rights under the Finance Documents expressed to be the subject of the assignment in the Assignment Agreement;
  - (ii) the Existing Lender will be released by each Obligor and the other Finance Parties from the obligations owed by it (the “**Relevant Obligations**”) and expressed to be the subject of the release in the Assignment Agreement; and
  - (iii) the New Lender shall become a Party as a “Lender” and will be bound by obligations equivalent to the Relevant Obligations.
- (d) Lenders may utilise procedures other than those set out in this Clause 23.6 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 23.5 (*Procedure for transfer*), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in Clause 23.2 (*Conditions of assignment or transfer*).

23.7 **Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Company**

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, an Assignment Agreement or an Increase Confirmation send to the Company a copy of that Transfer Certificate, Assignment Agreement or Increase Confirmation.

23.8 **Security over Lenders' rights**

In addition to the other rights provided to Lenders under this Clause 23.8, each Lender may without consulting with or obtaining consent from any Obligor at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and
- (b) in the case of any Lender which is a Fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as Security for those obligations or securities,

except that no such charge, assignment or Security shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

23.9 **Pro rata interest settlement**

If the Agent has notified the Lenders that it is able to distribute interest payments on a “*pro rata* basis” to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 23.5 (*Procedure for transfer*) or any assignment pursuant to Clause 23.6 (*Procedure for assignment*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

- (a) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date (“**Accrued Amounts**”) and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six Months, on the next of the dates which falls at six Monthly intervals after the first day of that Interest Period); and

- (b) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts, so that, for the avoidance of doubt:
  - (i) when the Accrued Amounts become payable, those Accrued Amounts will be payable to the Existing Lender; and
  - (ii) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 23.8, have been payable to it on that date, but after deduction of the Accrued Amounts.
- (c) In this Clause 23.9 references to “Interest Period” shall be construed to include a reference to any other period for accrual of fees.

## 24. CHANGES TO THE OBLIGORS

### 24.1 Assignments and transfers by Obligors

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

### 24.2 Additional Borrowers

- (a) Subject to compliance with the provisions of paragraphs (c) and (d) of Clause 19.7 (“*Know your customer*” checks), the Company may request that any of its wholly owned Subsidiaries becomes an Additional Borrower. That Subsidiary shall become an Additional Borrower if:
  - (i) all the Lenders approve the addition of that Subsidiary;
  - (ii) the Company delivers to the Agent a duly completed and executed Accession Letter;
  - (iii) the Company confirms that no Default is continuing or would occur as a result of that Subsidiary becoming an Additional Borrower; and
  - (iv) the Agent has received all of the documents and other evidence listed in Part II of Schedule 2 (*Conditions precedent*) in relation to that Additional Borrower, each in form and substance satisfactory to the Agent.
- (b) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part II of Schedule 2 (*Conditions precedent*).
- (c) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (b) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

#### 24.3 **Resignation of a Borrower**

- (a) The Company may request that a Borrower (other than the Company) ceases to be a Borrower by delivering to the Agent a Resignation Letter.
- (b) The Agent shall accept a Resignation Letter and notify the Company and the Lenders of its acceptance if:
  - (i) no Default is continuing or would result from the acceptance of the Resignation Letter (and the Company has confirmed this is the case); and
  - (ii) the Borrower is under no actual or contingent obligations as a Borrower under any Finance Documents,at which time that company shall cease to be a Borrower and shall have no further rights or obligations under the Finance Documents.

#### 24.4 **Repetition of Representations**

Delivery of an Accession Letter constitutes confirmation by the relevant Subsidiary that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

**SECTION 10**  
**THE FINANCE PARTIES**

**25. ROLE OF THE AGENT AND THE ARRANGER**

**25.1 Appointment of the Agent**

- (a) Each other Finance Party appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each other Finance Party authorises the Agent to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

**25.2 Duties of the Agent**

- (a) Subject to paragraph (b) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (b) Without prejudice to Clause 23.7 (*Copy of Transfer Certificate or Assignment Agreement to Company*), paragraph (a) above shall not apply to any Transfer Certificate or to any Assignment Agreement.
- (c) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (d) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (e) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent or the Arranger) under this Agreement it shall promptly notify the other Finance Parties.
- (f) The Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).
- (g) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

**25.3 Role of the Arranger**

Except as specifically provided in the Finance Documents, the Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document.

#### 25.4 **No fiduciary duties**

- (a) Nothing in this Agreement constitutes the Agent or the Arranger as a trustee or fiduciary of any other person.
- (b) Neither the Agent nor the Arranger shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

#### 25.5 **Business with the Group**

The Agent and the Arranger may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

#### 25.6 **Rights and discretions of the Agent**

- (a) The Agent may rely on:
  - (i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised;
  - (ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify; and
  - (iii) a certificate from any person:
    - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
    - (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.
- (b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
  - (i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 22.1 (*Non-payment*));
  - (ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised; and
  - (iii) any notice or request made by the Company (other than a Utilisation Request or Selection Notice) is made on behalf of and with the consent and knowledge of all the Obligors.
- (c) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.



- (d) The Agent may act in relation to the Finance Documents through its personnel and agents.
- (e) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (f) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor the Arranger is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

25.7 **Majority Lenders' instructions**

- (a) Unless a contrary indication appears in a Finance Document, the Agent shall (i) exercise any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.
- (b) The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.
- (c) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all the Finance Parties.
- (d) The Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received any indemnification and/or such security as it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.
- (e) In the absence of instructions from the Majority Lenders, (or, if appropriate, the Lenders) the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.
- (f) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

#### 25.8 Responsibility for documentation

Neither the Agent nor the Arranger:

- (a) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, the Arranger, an Obligor or any other person given in or in connection with any Finance Document;
- (b) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document; or
- (c) is responsible for any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

#### 25.9 No duty to monitor

The Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or
- (c) whether any other event specified in any Finance Document has occurred.

#### 25.10 Exclusion of liability

- (a) Without limiting paragraph (b) below (and without prejudice to the provisions of paragraph (e) of Clause 28.11 (*Disruption to Payment Systems etc.*)), the Agent will not be liable (including, without limitation, for negligence or any other category of liability whatsoever) for:
  - (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct;
  - (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document, unless directly caused by its gross negligence or wilful misconduct; or
  - (iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of:

(A) any act, event or circumstance not reasonably within its control; or

(B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

(b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this Clause subject to Clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

(c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

(d) Nothing in this Agreement shall oblige the Agent or the Arranger to carry out:

(i) any “know your customer” or other checks in relation to any person; or

(ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender,

on behalf of any Lender and each Lender confirms to the Agent and the Arranger that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arranger.

(e) Without prejudice to any provision of any Finance Document excluding or limiting the Agent’s liability, any liability of the Agent arising under or in connection with any Finance Document shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at any time which increase the amount of that loss. In no event shall the Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages.

#### 25.11 Lenders' indemnity to the Agent

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 28.11 (*Disruption to Payment Systems etc.*) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).

#### 25.12 Resignation of the Agent

- (a) The Agent may resign and appoint one of its Affiliates acting through an office in the United Kingdom, Sweden or Norway as successor by giving notice to the other Finance Parties and the Company.
- (b) Alternatively the Agent may resign by giving 30 days' notice to the other Finance Parties and the Company, in which case the Majority Lenders (after consultation with the Company) may appoint a successor Agent.
- (c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Agent (after consultation with the Company) may appoint a successor Agent (acting through an office in the United Kingdom).
- (d) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (e) The Agent's resignation notice shall only take effect upon the appointment of a successor.
- (f) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 25. Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (g) After consultation with the Company, the Majority Lenders may, by notice to the Agent, require it to resign in accordance with paragraph (b) above. In this event, the Agent shall resign in accordance with paragraph (b) above.
- (h) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:

- (i) the Agent fails to respond to a request under Clause 12.7 (*FATCA Information*) and the Company or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
- (ii) the information supplied by the Agent pursuant to Clause 12.7 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
- (iii) the Agent notifies the Company and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date,

and (in each case) the Company or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Company or that Lender, by notice to the Agent, requires it to resign.

#### 25.13 Confidentiality

- (a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

#### 25.14 Relationship with the Lenders

- (a) Subject to Clause 23.9 (*Pro rata Interest Settlement*), the Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:
  - (i) entitled to or liable for any payment due under any Finance Document on that day; and
  - (ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

- (b) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 30.6 (*Electronic communication*)) electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address, department and officer by that Lender for the purposes of Clause 30.2 (*Addresses*) and paragraph (a)(ii) of Clause 30.6 (*Electronic communication*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

#### 25.15 Credit appraisal by the Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent and the Arranger that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (c) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (d) the adequacy, accuracy and/or completeness of the Annual Report and any other information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

#### 25.16 Reference Banks

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Agent shall (in consultation with the Company) appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.

#### 25.17 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

25.18 **Role of Reference Banks**

- (a) No Reference Bank is under any obligation to provide a quotation or any other information to the Agent.
- (b) No Reference Bank will be liable for any action taken by it under or in connection with any Finance Document in its capacity as a Reference Bank, or for any Reference Bank Quotation, unless directly caused by its gross negligence or wilful misconduct.
- (c) No Party (other than the relevant Reference Bank) may take any proceedings against any officer, employee or agent of any Reference Bank in respect of any claim it might have against that Reference Bank or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document, or to any Reference Bank Quotation, and any officer, employee or agent of each Reference Bank may rely on this Clause subject to Clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

25.19 **Third party Reference Banks**

Any Reference Bank may rely on Clause 25.18 (*Role of Reference Banks*), Clause 35 (*Confidentiality*) and paragraph (b) of Clause 34.2 (*Exceptions*) subject to Clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

26. **CONDUCT OF BUSINESS BY THE FINANCE PARTIES**

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

27. **SHARING AMONG THE FINANCE PARTIES**

27.1 **Payments to Finance Parties**

- (a) If a Finance Party (a “**Recovering Finance Party**”) receives or recovers any amount from an Obligor other than in accordance with Clause 28 (*Payment mechanics*) (a “**Recovered Amount**”) and applies that amount to a payment due under the Finance Documents then:

- (i) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery to the Agent;
- (ii) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 28 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
- (iii) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the **“Sharing Payment”**) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 28.6 (*Partial payments*).

#### 27.2 **Redistribution of payments**

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the **“Sharing Finance Parties”**) in accordance with Clause 28.6 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

#### 27.3 **Recovering Finance Party’s rights**

On a distribution by the Agent under Clause 27.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from an Obligor as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.

#### 27.4 **Reversal of redistribution**

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the **“Redistributed Amount”**); and
- (b) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.



27.5    **Exceptions**

- (a)      This Clause 27 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.
- (b)      A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
  - (i)       it notified that other Finance Party of the legal or arbitration proceedings; and
  - (ii)      that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

**SECTION 11  
ADMINISTRATION**

**28. PAYMENT MECHANICS**

**28.1 Payments to the Agent**

- (a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency and with such bank as the Agent, in each case, specifies.

**28.2 Distributions by the Agent**

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 28.3 (*Distributions to an Obligor*), Clause 28.4 (*Clawback and pre-funding*) and Clause 25.17 (*Deduction from amounts payable by the Agent*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency.

**28.3 Distributions to an Obligor**

The Agent may (with the consent of the Obligor or in accordance with Clause 29 (*Set-off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

**28.4 Clawback and pre-funding**

- (a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) Unless paragraph (c) below applies, if the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.
- (c) If the Agent has notified the Lenders that it is willing to make available amounts for the account of a Borrower before receiving funds from the Lenders then if and to the extent that the Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to a Borrower:

- (i) the Agent shall notify the Company of that Lender's identity and the Borrower to whom that sum was made available shall on demand refund it to the Agent; and
- (ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Borrower to whom that sum was made available, shall on demand pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

#### 28.5 Impaired Agent

- (a) If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with Clause 28.1 (*Payments to the Agent*) may instead either:
  - (i) pay that amount direct to the required recipient(s); or
  - (ii) if in its absolute discretion it considers that it is not reasonably practicable to pay that amount direct to the required recipient(s), pay that amount or the relevant part of that amount to an interest-bearing account held with an Acceptable Bank and in relation to which no Insolvency Event has occurred and is continuing, in the name of the relevant Borrower or the Lender making the payment (the "**Paying Party**") and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents (the "**Recipient Party**" or "**Recipient Parties**"). In each case such payments must be made on the due date for payment under the Finance Documents.
- (b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the Recipient Party or the Recipient Parties *pro rata* to their respective entitlements.
- (c) A Party which has made a payment in accordance with this Clause 28.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (d) A Paying Party shall, promptly upon request by a Recipient Party and to the extent that it has been provided with the necessary information by that Recipient Party, give all requisite instructions to the bank with whom the trust account is held to transfer the relevant amount (together with any accrued interest) to that Recipient Party.

28.6 **Partial payments**

- (a) If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:
- (i) **first**, in or towards payment *pro rata* of any unpaid amount owing to the Agent and the Arranger under the Finance Documents;
  - (ii) **secondly**, in or towards payment *pro rata* of any accrued interest, fee or commission due but unpaid under this Agreement;
  - (iii) **thirdly**, in or towards payment *pro rata* of any principal due but unpaid under this Agreement; and
  - (iv) **fourthly**, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.
- (b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (iv) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

28.7 **No set-off by Obligors**

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

28.8 **Business Days**

- (a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

28.9 **Currency of account**

- (a) Subject to paragraphs (b) and (c) below, the dollar is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

- (c) Any amount expressed to be payable in a currency other than dollars shall be paid in that other currency.

**28.10 Change of currency**

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
- (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Company); and
  - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Company) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

**28.11 Disruption to Payment Systems etc.**

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Company that a Disruption Event has occurred:

- (a) the Agent may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facility as the Agent may deem necessary in the circumstances;
- (b) the Agent shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Agent and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 34 (*Amendments and Waivers*);
- (e) the Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 28.11; and

(f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

29. **SET-OFF**

(a) A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

30. **NOTICES**

30.1 **Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

30.2 **Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Company, that identified with its name below;
- (b) in the case of each Lender or any other Obligor, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and
- (c) in the case of the Agent, that identified with its name below,

or any substitute address or fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.

30.3 **Delivery**

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
  - (i) if by way of fax, when received in legible form; or
  - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address, and, if a particular department or officer is specified as part of its address details provided under Clause 30.2 (*Addresses*), if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Agent will be effective only when actually received by the Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's signature below (or any substitute department or officer as the Agent shall specify for this purpose).
- (c) All notices from or to an Obligor shall be sent through the Agent.
- (d) Any communication or document made or delivered to the Company in accordance with this Clause will be deemed to have been made or delivered to each of the Obligors.
- (e) Any communication or document which becomes effective, in accordance with paragraphs (a) to (d) above after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

**30.4 Notification of address and fax number**

Promptly upon receipt of notification of an address and fax number or change of address or fax number pursuant to Clause 30.2 (*Addresses*) or changing its own address or fax number, the Agent shall notify the other Parties.

**30.5 Communication when Agent is Impaired Agent**

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

**30.6 Electronic communication**

- (a) Any communication to be made between any two Parties under or in connection with the Finance Documents may be made by electronic mail or other electronic means to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if those two Parties:
  - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
  - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- (b) Any electronic communication made between those two Parties will be effective only when actually received in readable form and in the case of any electronic communication made by a Party to the Agent only if it is addressed in such a manner as the Agent shall specify for this purpose.

- (c) Any electronic communication which becomes effective, in accordance with paragraph (b) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

30.7 **English language**

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
  - (i) in English; or
  - (ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

31. **CALCULATIONS AND CERTIFICATES**

31.1 **Accounts**

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

31.2 **Certificates and determinations**

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

31.3 **Day count convention**

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

32. **PARTIAL INVALIDITY**

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.



33. **REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under the Finance Documents shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any of the Finance Documents on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

34. **AMENDMENTS AND WAIVERS**

34.1 **Required consents**

- (a) Subject to Clause 34.2 (*Exceptions*) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Obligors and any such amendment or waiver will be binding on all Parties.
- (b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause.

34.2 **Exceptions**

- (a) An amendment or waiver that has the effect of changing or which relates to:
  - (i) the definition of “Majority Lenders” in Clause 1.1 (*Definitions*);
  - (ii) an extension to the date of payment of any amount under the Finance Documents;
  - (iii) an increase or reduction in the Margin or an increase or reduction in the amount of any payment of principal, interest, fees or commission payable;
  - (iv) a change in currency of payment of any amount under the Finance Documents;
  - (v) an increase in any Commitment or the Total Commitments, an extension of any Availability Period or any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably under the relevant Facility;
  - (vi) a change to the Borrowers other than in accordance with Clause 24 (*Changes to the Obligors*) or the Guarantor;
  - (vii) any provision which expressly requires the consent of all the Lenders;
  - (viii) Clause 2.3 (*Finance Parties’ rights and obligations*), Clause 7 (*Prepayment and cancellation*), Clause 12 (*Tax Gross-Up and Indemnities*) (but only to the extent it relates to FATCA), Clause 18.18 (*Sanctions*), Clause 21.14 (*Sanctions*), Clause 23 (*Changes to the Lenders*), this Clause 34, Clause 38 (*Governing law*) or Clause 39.1 (*Jurisdiction*); or

(ix) the nature or scope of the guarantee and indemnity granted under Clause 17 (*Guarantee and indemnity*), shall not be made without the prior consent of all the Lenders.

(b) An amendment or waiver which relates to the rights or obligations of the Agent, the Arranger or a Reference Bank (each in their capacity as such) may not be effected without the consent of the Agent, the Arranger or that Reference Bank as the case may be.

### 34.3 **Replacement of Screen Rate**

Subject to paragraph (a) of Clause 34.2 (*Exceptions*), any amendment or waiver which relates to:

- (a) providing for the use of a Replacement Benchmark; and
- (b)
  - (i) aligning any provision of any Finance Document to the use of that Replacement Benchmark;
  - (ii) enabling that Replacement Benchmark to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Benchmark to be used for the purposes of this Agreement);
  - (iii) implementing market conventions applicable to that Replacement Benchmark;
  - (iv) providing for appropriate fallback (and market disruption) provisions for that Replacement Benchmark; or
  - (v) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Benchmark (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Agent (acting on the instructions of the Majority Lenders) and the Company.

If any Lender fails to respond to a request for a consent pursuant to this Clause 34.3 within 20 Business Days (unless the Company and the Agent agree to a longer time period in relation to such request) of that request being made:

- (a) that Lender shall not be included for the purpose of calculating the Total Commitments under the Facility when ascertaining whether the agreement of the majority of Total Commitments has been obtained to approve that request; and
- (b) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of the Majority Lenders has been obtained to approve that request.

#### 34.4 Replacement of Lenders

- (a) If:
  - (i) any Lender becomes a Non-Consenting Lender (as defined in paragraph (d) below); or
  - (ii) an Obligor becomes obliged to repay any amount in accordance with Clause 7.1 (*Illegality*) or to pay additional amounts pursuant to Clause 13 (*Increased costs*), Clause 12.2 (*Tax gross-up*) or Clause 12.3 (*Tax Indemnity*), to any Lender;

then the Company may, on at least 10 Business Days' prior written notice to the Agent and such Lender, replace such Lender by requiring such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 23 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity (a "**Replacement Lender**") selected by the Company, and which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 23 (*Changes to the Lenders*) for a purchase price in cash payable at the time of transfer in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest (to the extent that the Agent has not given a notification under Clause 23.9 (*Pro rata interest settlement*)), Break Costs and other amounts payable in relation thereto under the Finance Documents.

- (b) The replacement of a Lender pursuant to this Clause 34.4 shall be subject to the following conditions:
  - (i) the Company shall have no right to replace the Agent in its capacity as agent of the Finance Parties;
  - (ii) neither the Agent nor the Lender shall have any obligation to the Company to find a Replacement Lender;
  - (iii) in the event of a replacement of a Non-Consenting Lender such replacement must take place no later than 30 Business Days after the date on which that Lender is deemed a Non-Consenting Lender;

- (iv) in no event shall the Lender replaced under Clause 34.4 be required to pay or surrender to such Replacement Lender any of the fees received by such Lender pursuant to the Finance Documents; and
  - (v) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to that transfer.
- (c) A Lender shall perform the checks described in paragraph (b)(v) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Company when it is satisfied that it has complied with those checks.
- (d) In the event that:
- (i) the Company or the Agent (at the request of the Company) has requested the Lenders to give a consent in relation to, or to agree to a waiver or amendment of, any provisions of the Finance Documents;
  - (ii) the consent, waiver or amendment in question requires the approval of all the Lenders; and
  - (iii) Lenders whose Commitments aggregate in the case of a consent, waiver or amendment requiring the approval of all the Lenders, more than 85 per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 85 per cent. of the Total Commitments prior to that reduction) have consented or agreed to such waiver or amendment, then any Lender who does not and continues not to consent or agree to such waiver or amendment shall be deemed a **“Non-Consenting Lender”**.

#### 34.5 Disenfranchisement of Defaulting Lenders

- (a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining:
- (i) the Majority Lenders; or
  - (ii) whether:
    - (A) any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments under the Facility; or
    - (B) the agreement of any specified group of Lenders,
- has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, that Defaulting Lender’s Commitment under the relevant Facility will be reduced by the amount of its Available Commitment under the relevant Facility and to the extent that that reduction results in that Defaulting Lender’s Total Commitments being zero, that Defaulting Lender shall be deemed not to be a Lender for the purposes of paragraphs (i) and (ii) above.

- (b) For the purposes of this Clause 34.4, the Agent may assume that the following Lenders are Defaulting Lenders:
- (i) any Lender which has notified the Agent that it has become a Defaulting Lender;
  - (ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b) or (c) of the definition of “**Defaulting Lender**” has occurred,

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

#### 34.6 Excluded Commitments

If any Defaulting Lender fails to respond to a request for a consent, waiver, amendment of or in relation to any term of any Finance Document or any other vote of Lenders under the terms of this Agreement within 10 Business Days (unless the Company and the Agent agree to a longer time period in relation to any request) of that request being made:

- (a) its Commitment shall not be included for the purpose of calculating the Total Commitments under the relevant Facility when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments has been obtained to approve that request; and
- (b) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

#### 34.7 Replacement of a Defaulting Lender

- (a) The Company may, at any time a Lender has become and continues to be a Defaulting Lender, by giving at least 10 Business Days’ prior written notice to the Agent and such Lender:
  - (i) replace such Lender by requiring such Lender to (and to the extent permitted by law, such Lender shall) transfer pursuant to Clause 23 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement; or
  - (ii) require such Lender to (and to the extent permitted by law, such Lender shall) transfer pursuant to Clause 23 (*Changes to the Lenders*) all (and not part only) of the undrawn Commitment of the Lender,

to a Lender or other bank, financial institution, trust, fund or other entity (a “**Replacement Non-Defaulting Lender**”) selected by the Company which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Lender in accordance with Clause 23 (*Changes to the Lenders*) for a purchase price in cash payable at the time of transfer which is either:

- (A) in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest (to the extent that the Agent has not given a notification under Clause 23.9 (*Pro rata interest settlement*)), Break Costs and other amounts payable in relation thereto under the Finance Documents; or
  - (B) in an amount agreed between that Defaulting Lender, the Replacement Non-Defaulting Lender and the Company and which does not exceed the amount described in paragraph (A) above.
- (b) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause shall be subject to the following conditions:
  - (i) the Company shall have no right to replace the Agent in its capacity as agent of the Finance Parties;
  - (ii) neither the Agent nor the Defaulting Lender shall have any obligation to the Company to find a Replacement Non-Defaulting Lender;
  - (iii) the transfer must take place no later than 10 Business Days after the notice referred to in paragraph (a) above unless any failure to effect the transfer within that period is due to the Defaulting Lender's failure to complete the checks referred to in paragraph (b) (iv) below;
  - (iv) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Non-Defaulting Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents; and
  - (v) the Defaulting Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer to the Replacement Non-Defaulting Lender.
- (c) The Defaulting Lender shall perform the checks described in paragraph (b)(v) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Company when it is satisfied that it has complied with those checks.

## 35. **CONFIDENTIALITY**

### 35.1 **Confidential Information**

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 35.2 (*Disclosure of Confidential Information*) and Clause 35.3 (*Disclosure to numbering service providers*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

## 35.2 Disclosure of Confidential Information

Any Finance Party may disclose:

- (a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- (b) to any person:
  - (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
  - (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
  - (iii) appointed by any Finance Party or by a person to whom sub paragraph (b)(i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (b) of Clause 25.14 (*Relationship with the Lenders*));
  - (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (b)(i) or (ii) above;
  - (v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
  - (vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;

- (vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 23.8 (*Security over Lenders' rights*);
- (viii) who is a Party; or
- (ix) with the consent of the Company;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

- (A) in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
  - (B) in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;
  - (C) in relation to paragraphs (b)(v), (b)(vi) and (b)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information; and
  - (D) in relation to paragraphs (b)(vi) and (b)(vii) above, the Company is informed of any such disclosure;
- (c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Company and the relevant Finance Party;
  - (d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information,



**provided that** in all cases the prior consent of the Company shall be required for disclosure of Confidential Information by a Finance Party to a Fund or to any commercial competitor of any member of the Group.

35.3 **Disclosure to numbering service providers**

- (a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Obligors the following information:
- (i) names of Obligors;
  - (ii) country of domicile of Obligors;
  - (iii) place of incorporation of Obligors;
  - (iv) date of this Agreement;
  - (v) the names of the Agent and the Arranger;
  - (vi) date of each amendment and restatement of this Agreement;
  - (vii) amount of Total Commitments;
  - (viii) currencies of the Facility;
  - (ix) type of Facility;
  - (x) ranking of Facility;
  - (xi) Termination Date;
  - (xii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xi) above; and
  - (xiii) such other information agreed between such Finance Party and the Company,
- to enable such numbering service provider to provide its usual syndicated loan numbering identification services.
- (b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

- (c) The Company represents that none of the information set out in paragraphs (a)(i) to (a)(xiii) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.
- (d) The Agent shall notify the Company and the other Finance Parties of:
  - (i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facility and/or one or more Obligors; and
  - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Obligors by such numbering service provider.

**35.4 Entire agreement**

This Clause 35 (*Confidentiality*) constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

**35.5 Inside information**

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

**35.6 Notification of disclosure**

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Company:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 35.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 35 (*Confidentiality*).

**35.7 Continuing obligations**

The obligations in this Clause 35 (*Confidentiality*) are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of twelve months from the earlier of:

- (a) the date on which all amounts payable by the Obligors under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and

- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

36. **CONFIDENTIALITY OF REFERENCE BANK RATES**

36.1 **Confidentiality and disclosure**

- (a) The Agent agrees to keep each Reference Bank Rate confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b), (c) and (d) below.
- (b) The Agent may disclose any Reference Bank Quotation to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Agent and the relevant Lender or Reference Bank, as the case may be.
- (c) The Agent may disclose any Reference Bank Quotation to:
- (i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Reference Bank Quotation is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Reference Bank Quotation or is otherwise bound by requirements of confidentiality in relation to it;
  - (ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent, as the case may be, it is not practicable to do so in the circumstances;
  - (iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent, as the case may be, it is not practicable to do so in the circumstances; and

(iv) any person with the consent of the relevant Reference Bank, as the case may be.

- (d) The Agent's obligations in this Clause 36 relating to Reference Bank Quotations are without prejudice to its obligations to make notifications under Clause 8.4 (*Notification of rates of interest*) provided that (other than pursuant to paragraph (b)(i) above) the Agent shall not include the details of any individual Reference Bank Quotation as part of any such notification.

**36.2 Other obligations**

- (a) The Agent acknowledges that each Reference Bank Quotation is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Agent undertakes not to use any Reference Bank Quotation for any unlawful purpose.
- (b) The Agent agrees (to the extent permitted by law and regulation) to inform the relevant Reference Bank, as the case may be:
- (i) of the circumstances of any disclosure made pursuant to paragraph (c)(ii) of Clause 36.1 (*Confidentiality and disclosure*) above except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (ii) upon becoming aware that any information has been disclosed in breach of this Clause 36.

**37. COUNTERPARTS**

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

**SECTION 12**  
**GOVERNING LAW AND ENFORCEMENT**

**38. GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

**39. ENFORCEMENT**

**39.1 Jurisdiction**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Agreement) (a “**Dispute**”).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 39.1 (*Jurisdiction*) is for the benefit of the Finance Parties only. As a result, and notwithstanding paragraph (a) of Clause 39.1, any Finance Party may take proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

**39.2 Service of process**

Each Obligor agrees that the documents which start any proceedings in relation to any Finance Document, and any other documents required to be served in connection with those proceedings, may be served on it by being delivered (for the attention of the Company) to:

Law Debenture Corporate Services Limited

Fifth Floor, 100 Wood Street, London EC2V 7EX

or to such other address in England and Wales as each such Obligor may specify by notice in writing to the Agent. Nothing in this paragraph shall affect the right of any Finance Party to serve process in any other manner permitted by law. This Clause applies to proceedings in England and proceedings elsewhere.

**39.3 Waiver of Immunity**

Each Obligor waives generally all immunity it or its assets or revenues may otherwise have in any jurisdiction, including immunity in respect of:

- (a) the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues; and
- (b) the issue of any process against its assets or revenues for the enforcement of a judgment or, in an action *in rem*, for the arrest, detention or sale of any of its assets and revenues.

**This Agreement has been entered into on the date stated at the beginning of this Agreement.**

**SCHEDULE 1  
THE ORIGINAL PARTIES**

**PART I  
THE ORIGINAL OBLIGORS**

<b>Name of Original Borrower</b>	<b>Registration number (or equivalent, if any)</b>
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Millicom International Cellular S.A.	
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<b>Name of Guarantor</b>	<b>Registration number (or equivalent, if any)</b>
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Millicom International Cellular S.A.	
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**PART II**  
**THE ORIGINAL LENDERS**

<b>Name of Original Lender</b>	<b>Commitment (USD)</b>
DNB Sweden AB	150,000,000
Nordea Bank Abp, filial i Sverige	150,000,000
<b>TOTAL</b>	<b>300,000,000</b>



**SCHEDULE 2**  
**CONDITIONS PRECEDENT**

**PART I**  
**CONDITIONS PRECEDENT TO INITIAL UTILISATION**

**1. Original Obligors**

- (a) A copy of the constitutional documents of each Original Obligor.
- (b) A copy of a resolution of the board of directors of each Original Obligor:
  - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;
  - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
  - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request and Selection Notice) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
- (c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above.
- (d) A certificate of the Company (signed by an authorised signatory) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guaranteeing or similar limit binding on any Original Obligor to be exceeded.
- (e) A certificate of an authorised signatory of the relevant Original Obligor certifying that each copy document relating to it specified in this Part I of this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

**2. Legal opinions**

- (a) A legal opinion of Clifford Chance LLP, legal advisers to the Arranger and the Agent in England, substantially in the form distributed to the Original Lenders prior to signing this Agreement.
- (b) A legal opinion of Hogan Lovells (Luxembourg) LLP, legal advisers to the Company in Luxembourg, substantially in the form distributed to the Original Lenders prior to signing this Agreement.
- (c) If an Original Obligor is incorporated in a jurisdiction other than England and Wales, or Luxembourg, a legal opinion of the legal advisers to the Arranger and the Agent in the relevant jurisdiction, substantially in the form distributed to the Original Lenders prior to signing this Agreement.

3. **Other documents and evidence**

- (a) This Agreement and the Fee Letters each duly executed by the Obligors party to it.
- (b) The 2018 Annual Report.
- (c) A Group structure chart which shows the Group as at the date of this Agreement.
- (d) A copy of any other Authorisation or other document, opinion or assurance which the Agent reasonably considers to be necessary or desirable (if it has notified the Company accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.
- (e) The Original Financial Statements of each Original Obligor.
- (f) Evidence that the fees, costs and expenses then due from the Company pursuant to Clause 11 (*Fees*) and Clause 16 (*Costs and expenses*) have been paid or will be paid by the first Utilisation Date (**provided that** invoices in respect of any costs and expenses (including, without limitation, legal fees) have been received by the Company at least three Business Days prior to the first Utilisation Date).
- (g) Evidence satisfactory to the Agent that each Lender has carried out and is satisfied with the results of all “**know your customer**” or other similar checks required in respect of the Original Obligors.

**PART II**  
**CONDITIONS PRECEDENT REQUIRED TO BE DELIVERED**  
**BY AN ADDITIONAL BORROWER**

1. An Accession Letter, duly executed by the Additional Borrower and the Company.
2. A copy of the constitutional documents of the Additional Borrower.
3. A copy of a resolution of the board of directors of the Additional Borrower:
  - (a) approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents and resolving that it execute the Accession Letter;
  - (b) authorising a specified person or persons to execute the Accession Letter on its behalf; and
  - (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices (including, in relation to an Additional Borrower, any Utilisation Request or Selection Notice) to be signed and/or despatched by it under or in connection with the Finance Documents.
4. A specimen of the signature of each person authorised by the resolution referred to in paragraph 3 above.
5. A certificate of the Additional Borrower (signed by an authorised signatory) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guaranteeing or similar limit binding on it to be exceeded.
6. A certificate of an authorised signatory of the Additional Borrower certifying that each copy document listed in this Part II of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Letter.
7. A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Letter or for the validity and enforceability of any Finance Document.
8. If available, the latest audited financial statements of the Additional Borrower.
9. A legal opinion of the legal advisers to the Agent, addressed to the Finance Parties.
10. If the Additional Borrower is incorporated in a jurisdiction other than England and Wales, a legal opinion of the legal advisers to the Agent in the jurisdiction in which the Additional Borrower is incorporated (or by legal advisers to the Company if it is standard market practice in that jurisdiction for the Company's legal advisers to provide such opinions).
11. If the Additional Borrower is incorporated in a jurisdiction other than England and Wales, evidence that any process agent referred to in Clause 39.2 (*Service of process*) has accepted its appointment in relation to the Additional Borrower.
12. Evidence satisfactory to the Agent that each Lender has carried out and is satisfied with the results of all “**know your customer**” or other similar checks required in respect of the Additional Borrower.

**SCHEDULE 3  
REQUESTS**

**PART I  
UTILISATION REQUEST**

From: [name of relevant Borrower]

To: DNB Bank SAS as Agent

Dated:

Dear Sirs

**Millicom International Cellular S.A. – US\$ 300,000,000 Facility Agreement  
dated [●] 2019 (the “Agreement”)**

1. We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. We wish to borrow a Loan on the following terms:

Proposed Utilisation Date:	[·] (or, if that is not a Business Day, the next Business Day)
Facility to be utilised:	The Facility
Currency of Loan:	[·]
Amount:	[·] or, if less, the Available Facility
Interest Period:	[·]
Net Leverage Ratio <sup>1</sup>	
3. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) of the Agreement is satisfied on the date of this Utilisation Request.
4. The proceeds of this Loan should be credited to [account].
5. This Utilisation Request is irrevocable.

Yours faithfully

\_\_\_\_\_  
authorised signatory for and on behalf of  
[name of relevant Borrower]

<sup>1</sup> Based on most recently delivered financial statements/Compliance Certificate.

**PART II**  
**SELECTION NOTICE**

From: [name of relevant Borrower]

To: DNB Bank SAS as Agent

Dated:

Dear Sirs

**Millicom International Cellular S.A. – US\$ 300,000,000 Facility Agreement  
dated [-] 2019 (the “Agreement”)**

1. We refer to the Agreement. This is a Selection Notice. Terms defined in the Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.
2. We refer to the following Loan[s] with an Interest Period ending on [ ] \*.
3. [We request that the above Loan[s] be divided into [ ] Loans with the following amounts and Interest Periods:]\*\*  
  
or  
  
[We request that the next Interest Period for the above Loan[s] is [.]\*\*\*
4. This Selection Notice is irrevocable.

Yours faithfully

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authorised signatory for  
[the Company on behalf of]  
[name of relevant Borrower]

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\* Insert details of all Loans which have an Interest Period ending on the same date.

\*\* Use this option if division of Loans is requested.

\*\*\* Use this option if sub-division is not required.

**SCHEDULE 4**  
**FORM OF TRANSFER CERTIFICATE**

To: DNB Bank SAS as Agent

From: [*The Existing Lender*] (the “**Existing Lender**”) and [*The New Lender*] (the “**New Lender**”)

Dated:

**Millicom International Cellular S.A. – US\$ 300,000,000 Facility Agreement**  
**dated [·] 2019 (the “Agreement”)**

1. We refer to the Agreement. This is a Transfer Certificate. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.
  2. We refer to Clause 23.5 (*Procedure for transfer*):
    - (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation, and in accordance with Clause 23.5 (*Procedure for transfer*), all of the Existing Lender’s rights and obligations under the Agreement and other Finance Documents which relate to that portion of the Existing Lender’s Commitment(s) and participations in Loans under the Agreement as specified in the Schedule.
    - (b) The proposed Transfer Date is [·].
    - (c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 30.2 (*Addresses*) are set out in the Schedule.
  3. The New Lender expressly acknowledges the limitations on the Existing Lender’s obligations set out in paragraph (c) of Clause 23.4 (*Limitation of responsibility of Existing Lenders*).
- [5/6]. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.
- [6/7]. This Transfer Certificate and any non-contractual obligations arising out of or in connection with it are governed by English law.
- [7/8]. This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate.

**THE SCHEDULE**

**Commitment/rights and obligations to be transferred**

*[insert relevant details]*

*[Facility Office address, fax number and attention details for notices and account details for payments,]*

For and on behalf of  
[Existing Lender]

For and on behalf of  
[New Lender]

By:

By:

This Transfer Certificate is accepted by the Agent and the Transfer Date is confirmed as [·].

For and on behalf of  
[·]

By:

**SCHEDULE 5**  
**FORM OF ASSIGNMENT AGREEMENT**

To: DNB Bank SAS as Agent and Millicom International Cellular S.A. as Company, for and on behalf of each Obligor

From: [the *Existing Lender*] (the “**Existing Lender**”) and [the *New Lender*] (the “**New Lender**”)

Dated:

**Millicom International Cellular S.A. – US\$ 300,000,000 Facility Agreement**  
**dated [·] 2019 (the “Agreement”)**

1. We refer to the Agreement. This is an Assignment Agreement. Terms defined in the Agreement have the same meaning in this Assignment Agreement unless given a different meaning in this Assignment Agreement.
2. We refer to Clause 23.6 (*Procedure for assignment*):
  - (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Agreement and the other Finance Documents which relate to that portion of the Existing Lender’s Commitment(s) and participations in Loans under the Agreement as specified in the Schedule.
  - (b) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender’s Commitment(s) and participations in Loans under the Agreement specified in the Schedule.
  - (c) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.<sup>2</sup>
3. The proposed Transfer Date is [·].
4. On the Transfer Date the New Lender becomes Party to the Finance Documents as a Lender.
5. The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 30.2 (*Addresses*) are set out in the Schedule.
6. The New Lender expressly acknowledges the limitations on the Existing Lender’s obligations set out in paragraph (c) of Clause 23.4 (*Limitation of responsibility of Existing Lenders*).
- [8/9]. This Assignment Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause 23.7 (*Copy of Transfer Certificate or Assignment Agreement to Company*), to the Company (on behalf of each Obligor) of the assignment referred to in this Assignment Agreement.

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<sup>2</sup> If the Assignment Agreement is used in place of a Transfer Certificate in order to avoid a novation of rights/obligations for reasons relevant to a civil jurisdiction, local law advice should be sought to check the suitability of the Assignment Agreement due to the assumption of obligations contained in paragraph 2(c).



[9/10]. This Assignment Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Assignment Agreement.

[10/11]. This Assignment Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

[11/12]. This Assignment Agreement has been entered into on the date stated at the beginning of this Assignment Agreement.

**THE SCHEDULE**

**Rights to be assigned and obligations to be released and undertaken**

*[insert relevant details]*

*[Facility office address, fax number and attention details for notices and account details for payments]*

For and on behalf of  
[Existing Lender]

For and on behalf of  
[New Lender]

By:

By:

This Assignment Agreement is accepted by the Agent and the Transfer Date is confirmed as [·].

Signature of this Assignment Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to herein, which notice the Agent receives on behalf of each Finance Party.

For and on behalf of  
[·]

By:

**SCHEDULE 6  
FORM OF ACCESSION LETTER**

To: DNB Bank SAS as Agent

From: [Subsidiary] and Millicom International Cellular S.A.

Dated:

Dear Sirs

**Millicom International Cellular S.A. – US\$ 300,000,000 Facility Agreement  
dated [·] 2019 (the “Agreement”)**

1. We refer to the Agreement. This is an Accession Letter. Terms defined in the Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.
2. [Subsidiary] agrees to become an Additional Borrower and to be bound by the terms of the Agreement as an Additional Borrower pursuant to Clause 24.2 (*Additional Borrowers*) of the Agreement. [Subsidiary] is a company duly incorporated under the laws of [name of relevant jurisdiction].
3. [The Company confirms that no Default is continuing or would occur as a result of [Subsidiary] becoming an Additional Borrower.]<sup>3</sup>
4. [Subsidiary's] administrative details are as follows:  
  
Address:  
  
Fax No:  
  
Attention:
5. This Accession Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

[This Accession Letter is entered into by deed.]

For and on behalf of  
**Millicom International Cellular S.A.**

For and on behalf of  
**[Subsidiary]**

By:

By:

---

<sup>3</sup> Include in the case of an Additional Borrower.

**SCHEDULE 7  
FORM OF RESIGNATION LETTER**

To: DNB Bank SAS as Agent

From: [resigning Borrower] and Millicom International Cellular S.A.

Dated:

Dear Sirs

**Millicom International Cellular S.A. – US\$ 300,000,000 Facility Agreement  
dated [·] 2019 (the “Agreement”)**

1. We refer to the Agreement. This is a Resignation Letter. Terms defined in the Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.
2. Pursuant to Clause 24.3 (*Resignation of a Borrower*), we request that [resigning Borrower] be released from its obligations as a Borrower under the Agreement.
3. We confirm that:
  - (a) no Default is continuing or would result from the acceptance of this request; and
  - (b) [·]\*
4. This Resignation Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

For and on behalf of  
**Millicom International Cellular S.A.**

For and on behalf of  
**[Subsidiary]**

By:

By:

**NOTES:**

\* Insert any other conditions required by the Facility Agreement.

**SCHEDULE 8**  
**FORM OF COMPLIANCE CERTIFICATE**

To: DNB Bank SAS as Agent

From: Millicom International Cellular S.A.

Dated:

Dear Sirs

**Millicom International Cellular S.A. – US\$ 300,000,000 Facility Agreement**  
**dated [·] 2019 (the “Agreement”)**

1. We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
2. We confirm that:
  - (a) in respect of the Relevant Period ending on [·], Consolidated Net Debt for such Relevant Period was [·] and Consolidated EBITDA was [·]. Therefore Net Leverage Ratio was [·] and the covenant contained in paragraph (a) of Clause 20.2 (*Financial Condition*) [has/has not] been complied with; and
  - (b) in respect of the Relevant Period ending on [·], Consolidated EBITDA for such Relevant Period was [·] and Consolidated Interest Expense was [·]. Therefore Interest Cover was [·] and the covenant contained in paragraph (b) of Clause 20.2 (*Financial Condition*)) [has/has not] been complied with.
3. [We confirm that no Default is continuing.]\*

Signed:

\_\_\_\_\_  
Director  
of  
Company

\_\_\_\_\_  
Director  
of  
Company

NOTES:

- \* If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.

**SCHEDULE 9**  
**LMA FORM OF CONFIDENTIALITY UNDERTAKING**

**THIS MASTER CONFIDENTIALITY UNDERTAKING** is dated [·] and made between:

- (1) [·]; and
- (2) [·].

Either party (in this capacity the “**Purchaser**”) may from time to time consider acquiring an interest from the other party (in this capacity the “**Seller**”) in certain Agreements which, subject to the Agreements, may be by way of novation, assignment, the entering into, whether directly or indirectly, of a sub-participation or any other transaction under which payments are to be made or may be made by reference to one or more relevant Finance Documents and/or one or more relevant Obligors or by way of investing in or otherwise financing, directly or indirectly, any such novation, assignment, sub-participation or other transaction (each an “**Acquisition**”). In consideration of the Seller agreeing to make available to the Purchaser certain information in relation to each Acquisition it is agreed as follows:

**1. CONFIDENTIALITY UNDERTAKING**

The Purchaser undertakes in relation to each Acquisition made or which may be made by it (a) to keep all Confidential Information which the Seller supplies to the Purchaser in relation to that Acquisition confidential and not to disclose it to anyone, save to the extent permitted by paragraph 2 below and to ensure that all Confidential Information which the Seller supplies to the Purchaser in relation to that Acquisition is protected with security measures and a degree of care that would apply to the Purchaser’s own confidential information and (b) until that Acquisition is completed, to use the Confidential Information which the Seller supplies to the Purchaser in relation to that Acquisition only for the Permitted Purpose.

**2. PERMITTED DISCLOSURE**

The Purchaser may disclose in relation to each Acquisition made or which may be made by it:

- 2.1 to any of its Affiliates and any of its or their officers, directors, employees, professional advisers and auditors such Confidential Information as the Purchaser shall consider appropriate if any person to whom such Confidential Information is to be given pursuant to this paragraph 2.1 is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to such Confidential Information;
- 2.2 subject to the requirements of the relevant Agreement, to any person:
  - (a) to (or through) whom the Purchaser assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations which it may acquire under that Agreement such Confidential Information which the Seller supplies to the Purchaser in relation to that Acquisition as the Purchaser shall consider appropriate if the person to whom such Confidential Information is to be given pursuant to this sub-paragraph (a) of paragraph 2.2 has delivered a letter to the Purchaser in equivalent form to this undertaking;

- (b) with (or through) whom the Purchaser enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to that Agreement or any relevant Obligor such Confidential Information which the Seller supplies to the Purchaser in relation to that Acquisition as the Purchaser shall consider appropriate if the person to whom such Confidential Information is to be given pursuant to this sub-paragraph (b) of paragraph 2.2 has delivered a letter to the Purchaser in equivalent form to this undertaking;
  - (c) to whom information is required or requested to be disclosed by any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation such Confidential Information which the Seller supplies to the Purchaser in relation to that Acquisition as the Purchaser shall consider appropriate; and
- 2.3 notwithstanding paragraphs 2.1 and 2.2 above, Confidential Information to such persons to whom, and on the same terms as, a Finance Party is permitted to disclose such Confidential Information under the Agreement to which that Acquisition relates, as if such permissions were set out in full in this undertaking for the purposes of that Acquisition and as if references in those permissions to Finance Party were references to the Purchaser for the purposes of that Acquisition.
3. **NOTIFICATION OF DISCLOSURE**
- The Purchaser agrees in relation to each Acquisition made or which may be made by it (to the extent permitted by law and regulation) to inform the Seller:
- 3.1 of the circumstances of any disclosure of Confidential Information made pursuant to sub-paragraph (c) of paragraph 2.2 above except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- 3.2 upon becoming aware that Confidential Information relating to that Acquisition has been disclosed in breach of this undertaking.
4. **RETURN OF COPIES**
- If the Purchaser does not enter into an Acquisition and the Seller so requests in writing, the Purchaser shall return or destroy all Confidential Information supplied to the Purchaser by the Seller in relation to that Acquisition and destroy or permanently erase (to the extent technically practicable) all copies of such Confidential Information made by the Purchaser and use its reasonable endeavours to ensure that anyone to whom the Purchaser has supplied any such Confidential Information destroys or permanently erases (to the extent technically practicable) such Confidential Information and any copies made by them, in each case save to the extent that the Purchaser or the recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body or in accordance with internal policy, or where the Confidential Information has been disclosed under sub- paragraph (c) of paragraph 2.2 above.

5. **CONTINUING OBLIGATIONS**

The obligations in this undertaking are continuing and, in particular, shall survive and remain binding on the Purchaser in relation to each Acquisition made or which may be made by it until (a) if the Purchaser becomes a party to the Agreement to which that Acquisition relates as a lender of record, the date on which the Purchaser becomes such a party to such Agreement; (b) if the Purchaser enters into that Acquisition but it does not result in the Purchaser becoming a party to the Agreement to which that Acquisition relates as a lender of record, the date falling twelve months after the date on which all of the Purchaser's rights and obligations contained in the documentation entered into to implement that Acquisition have terminated; or (c) in any other case the date falling twelve months after the date of the Purchaser's final receipt (in whatever manner) of any Confidential Information in relation to that Acquisition.

6. **NO REPRESENTATION; CONSEQUENCES OF BREACH, ETC.**

The Purchaser acknowledges and agrees that, in relation to each Acquisition made or which may be made by it:

- 6.1 neither the Seller, nor any member of the relevant Group nor any of the Seller's or the relevant Group's respective officers, employees or advisers (each a "**Relevant Person**") (i) make any representation or warranty, express or implied, as to, or assume any responsibility for, the accuracy, reliability or completeness of any of the Confidential Information supplied by the Seller to the Purchaser in relation to that Acquisition or any other information supplied by the Seller to the Purchaser in relation to that Acquisition or the assumptions on which it is based or (ii) shall be under any obligation to update or correct any inaccuracy in the Confidential Information supplied by the Seller to the Purchaser in relation to that Acquisition or any other information supplied by the Seller to the Purchaser in relation to that Acquisition or be otherwise liable to the Purchaser or any other person in respect of the Confidential Information supplied by the Seller to the Purchaser in relation to that Acquisition or any such information; and
- 6.2 the Seller or members of the relevant Group may be irreparably harmed by the breach of the terms of this undertaking and damages may not be an adequate remedy; each Relevant Person may be granted an injunction or specific performance for any threatened or actual breach of the provisions of this undertaking by the Purchaser.

7. **ENTIRE AGREEMENT: NO WAIVER; AMENDMENTS, ETC.**

- 7.1 This undertaking constitutes the entire agreement between the Seller and the Purchaser in relation to the Purchaser's obligations regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.



7.2 No failure to exercise, nor any delay in exercising any right or remedy under this undertaking will operate as a waiver of any such right or remedy or constitute an election to affirm this letter. No election to affirm this letter will be effective unless it is in writing. No single or partial exercise of any right or remedy will prevent any further or other exercise or the exercise of any other right or remedy under this undertaking.

7.3 The terms of this undertaking and the Purchaser's obligations under this undertaking may only be amended or modified by written agreement between the parties.

## 8. **INSIDE INFORMATION**

The Purchaser acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Purchaser undertakes not to use any Confidential Information for any unlawful purpose.

## 9. **NATURE OF UNDERTAKINGS**

The undertakings given by the Purchaser in this undertaking are given to the Seller and are also given for the benefit of the relevant Company and each other member of the relevant Group.

## 10. **THIRD PARTY RIGHTS**

10.1 Subject to this paragraph 10 and to paragraphs 6 and 9, a person who is not a party to this undertaking has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or to enjoy the benefit of any term of this undertaking.

10.2 The Relevant Persons may enjoy the benefit of the terms of paragraphs 6 and 9 subject to and in accordance with this paragraph 10 and the provisions of the Third Parties Act.

10.3 Notwithstanding any provisions of this undertaking, the parties to this undertaking do not require the consent of any Relevant Person to rescind or vary this undertaking at any time.

## 11. **GOVERNING LAW AND JURISDICTION**

11.1 This undertaking and any non-contractual obligations arising out of or in connection with it (including any non-contractual obligations arising out of the negotiation of any Acquisition) are governed by English law.

11.2 The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this undertaking (including a dispute relating to any non-contractual obligation arising out of or in connection with either this undertaking or the negotiation of any Acquisition).

## 12. DEFINITIONS

In this undertaking terms defined in the relevant Agreement (as defined below) shall, unless the context otherwise requires, have the same meaning and:

“**Agreement**” means the USD 300,000,000 facility agreement dated [·] 2019 between, amongst others, Millicom International Cellular S.A. as the company, [·] as agent and certain financial institutions named therein as lenders.

“**Company**” means Millicom International Cellular S.A.

“**Confidential Information**” means, in relation to each Acquisition, all information relating to the relevant Company, any relevant Obligor, the relevant Group, the relevant Finance Documents, [the/a] relevant Facility and/or that Acquisition which is received by the Purchaser in relation to the relevant Finance Documents or [the/a] relevant Facility from the Seller or any of its affiliates or advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (a) is or becomes public information other than as a direct or indirect result of any breach by the Purchaser of this undertaking; or
- (b) is identified in writing at the time of delivery as non-confidential by the Seller or its advisers; or
- (c) is known by the Purchaser before the date the information is disclosed to the Purchaser by the Seller or any of its affiliates or advisers or is lawfully obtained by the Purchaser after that date, from a source which is, as far as the Purchaser is aware, unconnected with the relevant Group and which, in either case, as far as the Purchaser is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

“**Group**” means, in relation to each Acquisition, the relevant Company and its subsidiaries for the time being (as such term is defined in the Companies Act 2006).

“**Permitted Purpose**” means, in relation to each Acquisition, considering and evaluating whether to enter into that Acquisition.

This undertaking has been entered into on the date stated at the beginning of this undertaking

**SIGNATURES**

[•]

By:

[•]

By:

**SCHEDULE 10**  
**TIMETABLES**

Delivery of a duly completed Utilisation Request (Clause 5.1 <i>(Delivery of a Utilisation Request)</i> )	U-3  9.30am
Agent notifies the Lenders of the Loan in accordance with Clause 5.4 <i>(Lenders' participation)</i>	U-3  3.00pm
LIBOR is fixed	Quotation Day as of 11:00 a.m. London time
“U” = date of utilisation	
“U - X” = Business Days prior to date of utilisation	

**SCHEDULE 11**  
**FORM OF INCREASE CONFIRMATION**

To: DNB Bank SAS as Agent, and Millicom International Cellular S.A. as Company, for and on behalf of each Obligor

From: [the *Increase Lender*] (the “**Increase Lender**”)

Dated:

**Millicom International Cellular S.A. – US\$ 300,000,000 Facility Agreement dated [·] 2019 (the “Agreement”)**

1. We refer to the Agreement. This is an Increase Confirmation. Terms defined in the Agreement have the same meaning in this Increase Confirmation unless given a different meaning in this Increase Confirmation.
  2. We refer to Clause 2.2 (*Increase*) of the Agreement.
  3. The Increase Lender agrees to assume and will assume all of the obligations corresponding to the Commitment specified in the Schedule (the “**Relevant Commitment**”) as if it was an Original Lender under the Agreement.
  4. The proposed date on which the increase in relation to the Increase Lender and the Relevant Commitment is to take effect (the “**Increase Date**”) is [·].
  5. On the Increase Date, the Increase Lender becomes party to the Finance Documents as a Lender.
  6. The Facility Office and address, fax number and attention details for notices to the Increase Lender for the purposes of Clause 30.2 (*Addresses*) are set out in the Schedule.
  7. The Increase Lender expressly acknowledges the limitations on the Lenders’ obligations referred to in paragraph (g) of Clause 2.2 (*Increase*).
- [10/11.] This Increase Confirmation may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Increase Confirmation.
- [11/12.] This Increase Confirmation and any non-contractual obligations arising out of or in connection with it are governed by English law.
- [12/13]. This Increase Confirmation has been entered into on the date stated at the beginning of this Increase Confirmation.

**THE SCHEDULE**

**Relevant Commitment/rights and obligations to be assumed by the Increase Lender**

*[insert relevant details]*

*[Facility office address, fax number and attention details for notices and account details for payments]*

*[Increase Lender]*

By:

This Increase Confirmation is accepted as an Increase Confirmation for the purposes of the Agreement by the Agent and the Increase Date is confirmed as [·].

Agent

By:

**SCHEDULE 12**  
**FORM OF SUBSTITUTE AFFILIATE LENDER DESIGNATION NOTICE**

To: DNB Bank SAS as Agent

Cc: Millicom International Cellular S.A. as the Company

From: [Designating Lender] (the “**Designating Lender**”)

Dated: [-]

Dear Sirs

**Millicom International Cellular S.A. – US\$ 300,000,000 Facility Agreement**  
**dated [●] 2019 (the “Agreement”)**

1. We refer to the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this Designation Notice.
2. We hereby designate our Affiliate details of which are given below as a Substitute Affiliate Lender in respect of any Loans required to be advanced to [*specify name of borrower or refer to all borrowers in a particular jurisdiction etc*] (“**Designated Loans**”).
3. The details of the Substitute Affiliate Lender are as follows:  
  
Name:  
  
Facility Office:  
  
Fax Number:  
  
Attention:  
  
Jurisdiction of Incorporation:
4. By countersigning this notice below the Substitute Affiliate Lender agrees to become a Designated Affiliate Lender in respect of Designated Loans as indicated above and agrees to be bound by the terms of the Facility Agreement accordingly.
5. This Designation Notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

---

For and on behalf of  
[Designating Lender]

We acknowledge and agree to the terms of the above.

---

For and on behalf of  
[Substitute Affiliate Lender]

We acknowledge the terms of the above.

---

For and on behalf of  
The Agent

Dated: [·]



## SIGNATURES

### THE COMPANY

For and on behalf of  
**MILlicom INTERNATIONAL CELLULAR S.A.**

By: *Bart Vanhaeren, VP Corporate Finance*



By:  CFO

*Tim Pimmington*

Address: 2, rue du Fort Bourbon, L-1249, Luxembourg, Grand Duchy of Luxembourg

### THE ORIGINAL BORROWER

For and on behalf of  
**MILlicom INTERNATIONAL CELLULAR S.A.**

By: *Bart Vanhaeren, VP Corporate Finance*



By: *Tim Pimmington* CRO




Address: 2, rue du Fort Bourbon, L-1249, Luxembourg, Grand Duchy of Luxembourg

### THE GUARANTOR

For and on behalf of  
**MILlicom INTERNATIONAL CELLULAR S.A.**

By: *Bart Vanhaeren, VP Corporate Finance*



By: *Tim Pimmington* CRO




Address: 2, rue du Fort Bourbon, L-1249, Luxembourg, Grand Duchy of Luxembourg

**THE ARRANGERS**

For and on behalf of

**DNB BANK ASA, SWEDEN BRANCH**

By:

 Sture Holm

Address:



Sture Holm

Fax:

For and on behalf of  
**NORDEA BANK ABP, FILIAL I SVERIGE**

By:



Address:

Fax:

Linda Ågren



Oskar Hjärpe  
Senior Legal Counsel

**THE AGENT**

For and on behalf of  
**DNB BANK ASA**

By:

Address:

Fax:

  
Silje Lothe Søråa  
Advisor

  
Marianne Navestad  
Advisor

**THE ORIGINAL LENDERS**

For and on behalf of  
**DNB SWEDEN AB**

By:

  
Ole Andreas



Address:

Sture Holm

Fax:

For and on behalf of  
**NORDEA BANK ABP, FILIAL I SVERIGE**

By:



Address:

Fax:

Linda Ågren



Oskar Hjärpe  
Senior Legal Counsel

70-40715208

*Original Lender signature page to Facility Agreement*

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**TERMS AND CONDITIONS FOR  
MILlicom INTERNATIONAL CELLULAR S.A.**

**SEK 2,000,000,000**

**SENIOR UNSECURED FLOATING RATE SUSTAINABILITY NOTES**

**ISIN: SE0012454841**



## TABLE OF CONTENTS

1.	DEFINITIONS AND CONSTRUCTION	1
2.	STATUS OF THE NOTES	32
3.	USE OF PROCEEDS	33
4.	CONDITIONS PRECEDENT	33
5.	NOTES IN BOOK-ENTRY FORM	34
6.	RIGHT TO ACT ON BEHALF OF A NOTEHOLDER	34
7.	PAYMENTS IN RESPECT OF THE NOTES	35
8.	INTEREST	35
9.	REDEMPTION AND REPURCHASE OF THE NOTES	36
10.	INFORMATION TO NOTEHOLDERS	40
11.	GENERAL UNDERTAKINGS	41
12.	ACCELERATION OF THE NOTES	47
13.	DISTRIBUTION OF PROCEEDS	50
14.	DECISIONS BY NOTEHOLDERS	50
15.	NOTEHOLDERS' MEETING	53
16.	WRITTEN PROCEDURE	54
17.	AMENDMENTS AND WAIVERS	54
18.	APPOINTMENT AND REPLACEMENT OF THE TRUSTEE	55
19.	APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT	58
20.	APPOINTMENT AND REPLACEMENT OF THE CSD	58
21.	NO DIRECT ACTIONS BY NOTEHOLDERS	59
22.	PRESCRIPTION	59
23.	NOTICES AND PRESS RELEASES	59
24.	FORCE MAJEURE AND LIMITATION OF LIABILITY	60
25.	CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999	60
26.	GOVERNING LAW AND JURISDICTION	60

## 1. DEFINITIONS AND CONSTRUCTION

### 1.1 Definitions

In these terms and conditions (the “**Terms and Conditions**”):

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator pursuant to the Financial Instruments Accounts Act and through which a Noteholder has opened a Securities Account in respect of its Notes.

“**Acquired Debt**” means Financial Indebtedness of a person or its Subsidiary:

- (a) incurred and outstanding on the date on which such person (i) was acquired by a Group Company or (ii) is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) a Group Company; or
- (b) incurred to provide all or part of the funds utilised to consummate the transaction or series of related transactions pursuant to which such person became a Restricted Subsidiary or was otherwise acquired by a Group Company; *provided* that, after giving pro forma effect to the transactions by which such person became a Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with a Group Company, (i) the Issuer would have been able to incur \$1.00 (or its equivalent in any other currency or currencies) of additional Financial Indebtedness pursuant to clause (a) of Condition 11.3 hereof; or (ii) the Net Leverage Ratio would not be greater than such ratio before giving effect to such transactions.

“**Additional Notes**” means any Notes issued after the First Issue Date on one or more occasions.

“**Adjusted Nominal Amount**” means the Total Nominal Amount less the Nominal Amount of all Notes owned by a Group Company or an Affiliate, irrespective of whether such person is directly registered as owner of such Notes.

“**Affiliate**” means (i) means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company, and (ii) any other person or entity owning any Notes (irrespective of whether such person is directly registered as owner of such Notes) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Notes in accordance with the instructions given by a Group Company or an entity referred to in item (i).

“**Asset Disposition**” means any transfer, conveyance, sale, lease or other disposition by a Group Company (including a consolidation or merger or other sale of any Restricted Subsidiary with, into or to another person in a transaction in which such Restricted Subsidiary ceases to be a Restricted Subsidiary of the Issuer, but excluding a disposition by a Restricted Subsidiary which is an 80 per cent. or more owned Restricted Subsidiary of the Issuer) of (i) shares of Capital Stock (other than directors’ qualifying shares and shares to be held by third parties to satisfy applicable legal requirements) or other ownership interests of a Restricted Subsidiary, (ii) substantially all of the assets of a Group Company representing a division or line of business or (iii) other assets or rights of a Group Company outside of the ordinary course of business; *provided* that the term “Asset Disposition” shall not include:

- (a) any dispositions of assets in a single transaction or series of transactions with an aggregate Fair Market Value in any calendar year of not more than the greater of (x) \$25 million (or its equivalent in any other currency or currencies) and (y) 1 per cent. of Total Assets (with unused amounts in any calendar year being carried over to the next succeeding year subject to a maximum of the greater of \$25 million (or its equivalent in any other currency or currencies) and 1 per cent. of Total Assets of carried over amounts for any calendar year);
- (b) any disposition of Tower Equipment, including any sale/leaseback transaction; provided that any cash or Cash Equivalents received in connection with such disposition or sale/leaseback transaction must be applied in accordance with Condition 11.5;
- (c) any Specified Subsidiary Sale;
- (d) a transfer of assets between or among Group Companies;
- (e) the issuance of Capital Stock by a Restricted Subsidiary to another Group Company;
- (f) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a person (other than a Group Company) from whom such Restricted Subsidiary was acquired or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;
- (g) the sale, lease or other transfer of products, services, accounts receivable, inventory or other assets in the ordinary course of business and any sale or other disposition of damaged, surplus, worn-out or obsolete assets;
- (h) dispositions in connection with Permitted Liens;
- (i) disposals of assets, rights or revenue not constituting part of the Permitted Business and other disposals of non-core assets acquired in connection with any acquisition permitted under these Terms and Conditions;
- (j) licenses and sublicenses of a Group Company in the ordinary course of business;
- (k) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;
- (l) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings;
- (m) the granting of Liens not prohibited by Condition 11.4 hereof;

- (n) a transfer or disposition of assets that is governed by the provisions of these Terms and Conditions described under Condition 11.6 hereof;
- (o) the sale or other disposition of cash or Cash Equivalents;
- (p) the foreclosure, condemnation or any similar action with respect to any property or other assets;
- (q) sales of accounts receivable and related assets or an interest therein of the type specified in the definition of “Qualified Receivables Transaction” to a Receivables Entity, and Investments in a Receivables Entity consisting of cash or Securitisation Obligations;
- (r) any disposition or expropriation of assets or Capital Stock which a Group Company is required by, or made in response to concerns raised by, a regulatory authority or court of competent jurisdiction;
- (s) any disposition of Capital Stock, Financial Indebtedness or other securities of an Unrestricted Subsidiary;
- (t) disposal of non-core assets acquired in connection with any acquisition permitted under these Terms and Conditions;
- (u) any disposition of assets to a person who is providing services related to such assets, the provision of which have been or are to be outsourced by a Group Company to such person;
- (v) any disposition of investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding agreements; provided that any cash or Cash Equivalents received in such disposition is applied in accordance with the requirements set forth in Condition 11.5;
- (w) any sale or disposition with respect to property built, repaired, improved, owned or otherwise acquired by a Group Company pursuant to customary sale and leaseback transactions, asset securitisations and other similar financings permitted by these Terms and Conditions;
- (x) any dispositions constituting the surrender of tax losses by a Group Company (i) to another Group Company; (ii) in order to eliminate, satisfy or discharge any tax liability of any person that was formerly a Subsidiary of the Issuer which has been disposed of pursuant to a disposal permitted by the terms of these Terms and Conditions, to the extent that a Group Company would have a liability (in the form of an indemnification obligation or otherwise) to one or more persons in relation to such tax liability if not so eliminated, satisfied or discharged; and
- (y) any other disposal of assets not described in clauses (a) to (x) above comprising in aggregate percentage value 10 per cent. or less of Total Assets.

“**Beneficial Owner**” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the U.S. Securities Exchange Act of 1934, as amended and the rules and regulations promulgated pursuant thereto (the “**Exchange Act**”), except that in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3) of the Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms “**Beneficially Owns**” and “**Beneficially Owned**” have a corresponding meaning.

“**Business Day**” means a day in Luxembourg or Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (*midsommarafton*), Christmas Eve (*julafton*) and New Year’s Eve (*nyårsafton*) and any other day on which banking institutions are closed in Luxembourg or Sweden shall for the purpose of this definition be deemed to be public holidays.

“**Business Day Convention**” means the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

“**Capital Lease Obligation**” means the obligation to pay rent or other payment amounts under a lease of real or personal property of a person which is required to be classified and accounted for as a capital lease on the face of a statement of financial position of such person in accordance with IFRS. The stated maturity of such obligation shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. The principal amount of Financial Indebtedness represented by such obligation shall be the capitalised amount thereof that would appear on the face of a statement of financial position of such person in accordance with IFRS.

“**Capital Stock**” of any person means any and all shares, interests, participation or other equivalents (however designated) of corporate stock or other equity participation, including partnership interests, whether general or limited, of such person.

“**Cash Equivalents**” means, with respect to any person:

- (a) (i) direct obligations of, or obligations guaranteed by, the United States of America for the payment of which obligations or guarantee the full faith and credit of the United States of America is pledged and which have a remaining weighted average life to maturity of not more than one year from the date of Investment therein and (ii) any direct obligations of, or obligations guaranteed by, a member of the European Union for the payment of which the full faith and credit of such member of the European Union is pledged and which have a remaining weighted average life to maturity of not more than one year from the date of Investment therein;
- (b) term deposit accounts (excluding current and demand deposit accounts), certificates of deposit and Eurodollar time deposits and money market deposits and bankers’ acceptances, in each case, issued by or with (i) Banco Itaú BBA, BBVA, BNP Paribas, Citigroup, Credit Agricole CIB, DNB, Goldman Sachs, J.P. Morgan, ICBC, Bank of China, Nordea, Standard Bank, Standard Chartered Bank, The Bank of Nova Scotia, Morgan Stanley, and their respective Affiliates (ii) a bank or trust company which is organised under the laws of the United States of America, any state thereof, the United Kingdom, Switzerland, Canada, Australia or any member state of the European Union, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of \$100,000,000 (or its equivalent in any other currency or currencies) and has outstanding debt which is rated “A3/A-” (or such similar equivalent rating) or higher by at least one nationally recognised statistical rating organisation (as defined in Rule 436 under the United States Securities Act of 1933, as amended from time to time), or (iii) any money market fund sponsored by a U.S. registered broker dealer or mutual fund distributor;

- (c) repurchase obligations with a term of not more than seven days for underlying securities of the types described in paragraphs (b)(i) and (ii) entered into with any financial institution meeting the qualifications specified in paragraph (b)(ii) above;
- (d) commercial paper having one of the two highest ratings obtainable from Fitch Ratings Ltd or Moody's Investor Services Limited and in each case maturing within 365 days after the date of acquisition;
- (e) money market funds mutual funds at least 95 per cent. of the assets of which constitute Cash Equivalents of the types described in paragraphs (a) through (d) of this definition; and
- (f) with respect to any person organised under the laws of, or having its principal business operations in, a jurisdiction outside the United States, the United Kingdom or the European Union, those investments that are of the same type as investments in paragraphs (a), (c) and (d) of this definition except that the obligor thereon is organised under the laws of the country (or any political subdivision thereof) in which such person is organised or conducting business.

**“Change of Control”** means:

- (a) any person (other than a Permitted Holder) becomes the Beneficial Owner, directly or indirectly, of more than 50 per cent. of the Voting Stock of the Issuer, measured by voting power rather than number of shares;
- (b) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its subsidiaries, taken as a whole, to any person (other than a Permitted Holder) occurs; or
- (c) a plan relating to the liquidation or dissolution of the Issuer is adopted.

**“Change of Control Triggering Event”** means the occurrence of a Change of Control and a Rating Decline, *provided* that if at the time a Change of Control occurs the Issuer is not rated by any Rating Agency, then a Change of Control Triggering Event shall be deemed to occur upon the occurrence of a Change of Control.

**“Consolidated EBITDA”** means, for any period, operating profit of the Issuer, as such amount is determined on a consolidated basis in accordance with IFRS, plus the sum of the following amounts, in each case, without duplication. Losses shall be added (as a positive number) and gains shall be deducted, in each case, to the extent such amounts were included in calculating operating profit:

- (a) depreciation and amortisation expenses;
- (b) the net loss or gain on the disposal and impairment of assets;

- (c) share-based compensation expenses;
- (d) at the Issuer's option, other non-cash charges reducing operating profit (provided that if any such non-cash charge represents an accrual of or reserve for potential cash charges in any future period, the cash payment in respect thereof in such future period shall reduce operating profit to such extent, and excluding amortisation of a prepaid cash item that was paid in a prior period) less other non cash items of income increasing operating income (excluding any such non-cash item of income to the extent it represents (x) a receipt of cash payments in any future period, (y) the reversal of an accrual or reserve for a potential cash item that reduced operating income in any prior period and (z) any non-cash gains with respect to cash actually received in a prior period so long as such cash did not increase operating income in such prior period);
- (e) any material extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs, acquisition costs, disposition costs, business optimization, information technology implementation or development costs, costs related to governmental investigations and curtailments or modifications to pension or postretirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);
- (f) at the Issuer's option, the effects of adjustments in its consolidated financial statements pursuant to IFRS (including inventory, property, equipment, software, goodwill, intangible assets, in process research and development, deferred revenue and debt line items) attributable to the application of recapitalization accounting or acquisition accounting, as the case may be, in relation to any consummated acquisition or joint venture investment or the amortisation or write-off or write- down of amounts thereof, net of taxes;
- (g) any reasonable expenses, charges or other costs related to any sale of Capital Stock (other than Redeemable Stock) of the Issuer or a Holding Company of the Issuer, Investment, acquisition, disposition, recapitalization or the incurrence, waiver or amendment of any Financial Indebtedness (or the refinancing thereof) (whether or not successful or consummated), in each case, as determined in good faith by a responsible financial or accounting officer of the Issuer;
- (h) any gains or losses on associates;
- (i) any unrealised gains or losses due to changes in the fair value of equity Investments;
- (j) any unrealised gains or losses due to changes in the fair value of Permitted Interest Rate, Currency or Commodity Price Agreements;
- (k) any unrealised gains or losses due to changes in the carrying value of put options in respect of Capital Stock of, or voting rights with respect to, any Subsidiary, joint venture or associate;

- (l) any unrealised gains or losses due to changes in the carrying value of call options in respect of Capital Stock of, or voting rights with respect to, any Subsidiary, joint venture or associate;
- (m) any net foreign exchange gains or losses;
- (n) at the Issuer's option, any adjustments to reduce the impact of the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies;
- (o) accruals and reserves that are established or adjusted within twelve months after the closing date of any acquisition that are so required to be established or adjusted as a result of such acquisition that are so required to be established as a result of such acquisition in accordance with IFRS;
- (p) any expenses, charges or losses to the extent covered by insurance or indemnity and actually reimbursed, or, so long as the Issuer or a Restricted Subsidiary has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer or indemnifying party and only to the extent that such amount is in fact reimbursed within 365 days of the date of the insurable or indemnifiable event (net of any amount so added back in any prior period to the extent not so reimbursed within the applicable 365-day period);
- (q) the amount of proceeds received from business interruption insurance and reimbursements of any expenses and charges that are covered by indemnification or other reimbursement provisions in connection with any acquisition, Investment or any sale, conveyance, transfer or other disposition of assets;
- (r) any net gain (or loss) realised upon any sale/leaseback transaction that is not sold or otherwise disposed of in the ordinary course of business, determined in good faith by a responsible financial or accounting officer of the Issuer;
- (s) the amount of loss on the sale or transfer of any assets in connection with an asset securitisation program, receivables factoring transaction or other receivables transaction (including, without limitation, a Qualified Receivables Transaction); and
- (t) Specified Legal Expenses.

For the purposes of calculating Consolidated EBITDA for any period, as of such date of determination:

- (i) if, since the beginning of such period the Issuer or any Restricted Subsidiary has made any Asset Disposition or disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a "Sale"), including any Sale occurring in connection with a transaction causing a calculation to be made hereunder, then Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period;



- (ii) if, since the beginning of such period the Issuer or any Restricted Subsidiary (by merger or otherwise) will have made an Investment in any person that thereby becomes a Restricted Subsidiary, or otherwise acquires any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a “**Purchase**”), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, then Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Purchase occurred on the first day of such period;
- (iii) if, since the beginning of such period any person (that became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to paragraphs (i) or (ii) above if made by the Issuer or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period, including anticipated synergies and cost savings as if such Sale or Purchase occurred on the first day of such period;
- (iv) whenever pro forma effect is applied, the pro forma calculations will be as determined in good faith by a responsible financial or accounting officer of the Issuer (including in respect of anticipated synergies and cost savings) as though the full effect of synergies and cost savings were realised on the first day of the relevant period and shall also include the reasonably anticipated full run rate cost savings effect (as calculated in good faith by a responsible financial or chief accounting officer of the Issuer) of cost savings programs that have been initiated by the Issuer or its Restricted Subsidiaries as though such cost savings programs had been fully implemented on the first day of the relevant period;
- (v) for the purposes of determining the amount of Consolidated EBITDA under this definition denominated in a foreign currency, the Issuer may, at its option, calculate the U.S. Dollar equivalent amount of such Consolidated EBITDA based on either (i) the weighted average exchange rates for the relevant period used in the consolidated financial statements of the Issuer for such relevant period or (ii) the relevant currency exchange rate in effect on the First Issue Date; and
- (vi) the amount of any fees payable by any member of the Group to another member of the Group in connection with any services rendered (including, without limitation, any management fees, value creation fees and similar fees), shall be excluded.

For the purpose of calculating the Consolidated EBITDA of the Issuer, any Joint Venture Consolidated EBITDA shall be added to the amount determined in accordance with the foregoing.

“**Consolidated Net Debt**” means, with respect to the Issuer as of any date of determination, the sum without duplication of:

- (a) the total amount of Financial Indebtedness of the Issuer and its Restricted Subsidiaries on a consolidated basis that would be stated on the statement of financial position of the Issuer as of such date in accordance with IFRS, *minus*

- (b) the sum without duplication of (i) all Financial Indebtedness outstanding under Minority Shareholder Loans, (ii) any Financial Indebtedness which is a contingent obligation of the Issuer or its Restricted Subsidiaries on such date, (iii) all Financial Indebtedness permitted by paragraph (c) of the definition of Permitted Financial Indebtedness and (iv) all Financial Indebtedness permitted by paragraph (q) of the definition of Permitted Financial Indebtedness, *minus*
- (c) the amount of cash and Cash Equivalents (other than cash or Cash Equivalents received from the incurrence of Financial Indebtedness by the Issuer or any of its Restricted Subsidiaries to the extent such cash or Cash Equivalents has not been subsequently applied or used for any purpose not prohibited by these Terms and Conditions) of the Issuer and its Restricted Subsidiaries on a consolidated basis that would be stated on the statement of financial position of the Issuer as of such date in accordance with IFRS, excluding, for the avoidance of doubt, Restricted Cash.

**“Credit Facility”** means, a debt facility, arrangement, instrument, trust deed, note purchase agreement, indenture, purchase money financing, commercial paper facility or overdraft facility with banks or other institutions or investors providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Financial Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended, in whole or in part from time to time, and in each case, including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including, but not limited to, any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term “Credit Facility” shall include any agreement or instrument (i) changing the maturity of any Financial Indebtedness incurred thereunder or contemplated thereby, (ii) adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder, (iii) increasing the amount of Financial Indebtedness incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

**“Cross Acceleration”** means any Financial Indebtedness of the Issuer or any of its Restricted Subsidiaries is cancelled, or declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

**“Cross Payment Default”** means any event of default (howsoever described) arising from a failure by the Issuer or any of its Restricted Subsidiaries to pay any Financial Indebtedness when due or within any originally applicable grace period.

**“CSD”** means the Issuer’s central securities depository and registrar in respect of the Notes, Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden, or another party replacing it, as CSD, in accordance with these Terms and Conditions.

**“CSD Regulations”** means the CSD’s rules and regulations applicable to the Issuer, the Trustee and the Notes from time to time.

**“Default”** means an Event of Default or any event or circumstance specified in Condition 12.1 which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

**“Eligible Assets and Projects”** means one or more of the “Eligible Assets and Projects with Environmental Benefits” or “Eligible Assets and Projects with Social Benefits” identified in the Sustainability Bond Framework.

**“Event of Default”** means an event or circumstance specified in Condition 12.1.

**“Excess Proceeds”** has the meaning set forth in Condition 11.5.3.

**“Excess Proceeds Offer”** has the meaning set forth in Condition 9.5.1.

**“Fair Market Value”** means, with respect to any asset or property, the sale value that would be obtained in an arm’s length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Issuer’s Chief Executive Officer, Chief Financial Officer or responsible accounting or financial officer.

**“Final Maturity Date”** means 15 May 2024.

**“Finance Documents”** means the Trust Deed (including these Terms and Conditions) and any other document designated by the Issuer and the Trustee (on behalf of the Noteholders) as a Finance Document.

**“Financial Indebtedness”** means (without duplication), with respect to any person, whether recourse is to all or a portion of the assets of such person and whether or not contingent:

- (a) the principal of and premium, if any, in respect of every obligation of such person for money borrowed;
- (b) the principal of and premium, if any, in respect of every obligation of such person evidenced by bonds, debentures, notes or other similar instruments;
- (c) every reimbursement obligation of such person with respect to letters of credit, bankers’ acceptances or similar facilities issued for the account of such person (but only to the extent such obligations are not reimbursed within 30 days following receipt by such person of a demand for reimbursement); and
- (d) the principal component of every obligation of the type referred to in paragraphs (a) through (c) of another person and all dividends of another person the payment of which, in either case, such person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise to the extent not otherwise included in the Financial Indebtedness of such person.

The “**amount**” or “**principal amount**” of Financial Indebtedness at any time of determination as used herein represented by (x) any Financial Indebtedness issued at a price that is less than the principal amount at maturity thereof, shall be the amount of the liability in respect thereof determined in accordance with IFRS, (y) any Redeemable Stock, shall be the maximum fixed redemption or repurchase price in respect thereof; and (z) any amount of Financial Indebtedness that has been cash-collateralised, to the extent so cash- collateralised, shall be excluded from any calculation of Financial Indebtedness. Notwithstanding anything else to the contrary, for all purposes under these Terms and Conditions, the amount of Financial Indebtedness incurred, repaid, redeemed, repurchased or otherwise acquired by a Group Company shall equal the liability in respect thereof determined in accordance with IFRS and reflected on the Issuer’s consolidated statement of financial position.

The term “Financial Indebtedness” shall not include:

- (i) obligations described in paragraphs (a), (b) or (d) of the first paragraph of this definition of Financial Indebtedness that are incurred by a Group Company (the “**Proceeds Recipient**”) and owed to a bank or other lending institution (the “**On- Lend Bank**”) to facilitate the substantially concurrent on-lending of proceeds (the “**Proceeds On-Loan**”) from Financial Indebtedness incurred by the Issuer or any Group Company (other than the Proceeds Recipient) as permitted by Condition 11.3 to the extent (A) the principal obligations in respect of the Proceeds On-Loan are secured by security over cash granted in favour of the On-Lend Bank or any of its affiliates in an amount not less than the principal amount of the Proceeds On- Loan, (B) the Proceeds On-Loan is put in place substantially concurrently with a loan by any Group Company (other than the Proceeds Recipient) to the On-Lend Bank (the “**On-Lend Bank Borrowing**”) pursuant to which the Proceeds Recipient is entitled to reduce the principal amount of the Proceeds On-Loan by an amount equal to the principal amount of the On-Lend Bank Borrowing if a default or acceleration occurs with respect to such On-Lend Bank Borrowing, or (C) the substantial risks and rewards of the Proceeds On-Loan are transferred, using a synthetic instrument or any other arrangement or agreement, from the On-Lend Bank to any Group Company (other than the Proceeds Recipient) in exchange for an amount not less than (x) the amount of cash granted in favour of the On-Lend Bank or any of its Affiliates, or (y) the outstanding amount of the On-Lend Bank Borrowing, as applicable, in each case as at the effective date of such transfer;
- (ii) any liability of the Issuer or any other Group Company (other than the Proceeds Recipient) attributable to a synthetic instrument or any other arrangement or agreement described in paragraph (i)(C) above to the extent such obligation under the relevant instrument, arrangement or agreement has not come due but is classified as a financial liability in accordance with IFRS and recorded as a current liability on the Issuer’s consolidated statement of financial position;
- (iii) any liability of the Issuer or any Group Company to another Group Company;
- (iv) any Restricted MFS Cash;
- (v) any liability of the Issuer attributable to put option or similar instrument, arrangement or agreement entered into after the First Issue Date granted by the Issuer relating to an interest in any other entity, in each case to the extent such option has not been exercised or such obligation under the relevant instrument, arrangement or agreement has not come due but is classified as a financial liability in accordance with IFRS, and recorded as a current liability on the Issuer’s consolidated statement of financial position;

- (vi) any standby letter of credit, performance bond or surety bond provided by a Group Company that is customary in the Permitted Business to the extent such letters of credit or bonds are not drawn upon or, if and to the extent drawn upon, are honoured in accordance with their terms;
- (vii) any deposits or prepayments received by a Group Company from a customer or subscriber for its service and any other deferred or prepaid revenue;
- (viii) any obligations to make payments in relation to earn outs;
- (ix) Financial Indebtedness which is in the nature of equity (other than redeemable shares) or equity derivatives;
- (x) Capital Lease Obligations or operating leases;
- (xi) receivables sold or discounted, whether recourse or non-recourse, including for the avoidance of doubt any debt in respect of Qualified Receivables Transactions, including without limitation guarantees by a Receivables Entity of the obligations of another Receivables Entity;
- (xii) pension obligations or any obligation under employee plans or employment agreements;
- (xiii) any “parallel debt” obligations to the extent that such obligations mirror other Financial Indebtedness;
- (xiv) any payments or liability for assets acquired or services supplied deferred (including trade payables) in accordance with the terms pursuant to which the relevant assets were or are to be acquired or services were or are to be supplied;
- (xv) the principal component or liquidation preference of all obligations of such person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (including, in each case, any accrued dividends); and
- (xvi) the net obligations of such person under any Permitted Interest Rate, Currency or Commodity Price Agreement.

For the purposes of determining compliance with any covenant in these Terms and Conditions or whether an Event of Default has occurred, in each case, where Financial Indebtedness is denominated in a currency other than U.S. Dollars, the amount of such Financial Indebtedness will be the U.S. Dollar Equivalent determined on the date of such incurrence and any covenant in these Terms and Conditions shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values; *provided, however*, that if any such Financial Indebtedness that is denominated in a different currency is subject to an Interest Rate, Currency or Commodity Price Agreement with respect to U.S. Dollars covering principal and premium, if any, payable on such Financial Indebtedness, the amount of such Financial Indebtedness expressed in U.S. Dollars will be adjusted to take into account the effect of such an agreement.

**“Disqualified Stock”** means, with respect to any person, any Capital Stock of such person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (a) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;
- (b) is convertible or exchangeable for Financial Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Issuer or a Restricted Subsidiary); or
- (c) is redeemable at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of the date (a) of the Stated Maturity of the Notes or (b) on which there are no Notes outstanding, provided that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; provided, further that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Issuer to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (each defined in a substantially identical manner to the corresponding definitions in these Terms and Conditions) shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) provide that the Issuer may not repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) pursuant to such provision prior to compliance by the Issuer with the Condition 9.6 and Condition 11.5 hereof.

**“Financial Instruments Accounts Act”** means the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om kontoföring av finansiella instrument*).

**“Financial Quarter”** means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

**“Financial Year”** means the annual accounting period of the Issuer ending on or about 31 December in each year.

**“First Call Date”** means 15 May 2022.

**“First Issue Date”** means 15 May 2019.

**“Fitch”** has the meaning set forth in the definition “Rating Agency”.

**“Force Majeure Event”** has the meaning set forth in Condition 24.1.

**“GAAP”** means generally accepted accounting principles in the United States.

**“Gradation”** means a gradation within a Rating Category or a change to another Rating Category, which shall include: (i) “+” and “-” in the case of Fitch’s current Rating Categories (e.g., a decline from BB+ to BB would constitute a decrease of one gradation), (ii) 1, 2 and 3 in the case of Moody’s current Rating Categories (e.g., a decline from Ba1 to Ba2 would constitute a decrease of one gradation), or (iii) the equivalent in respect of successor Rating Categories of Fitch or Moody’s or Rating Categories used by Rating Agencies other than Fitch and Moody’s.

“**Group**” means the Issuer and its Restricted Subsidiaries (including the Issuer) from time to time (each a “**Group Company**”).

“**Holding Company**” means, in relation to a person, any other person in respect of which it is a Subsidiary.

“**IFRS**” means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements, as in effect on the First Issue Date; *provided* that the Issuer may, at any time, irrevocably elect by written notice to the Trustee to use IFRS as in effect from time to time, and, upon such notice, references herein to IFRS shall thereafter be construed to mean IFRS as in effect from time to time. The Issuer also may, at any time, irrevocably elect by written notice to the Trustee to use GAAP as in effect from time to time in lieu of IFRS and, upon such notice, references herein to IFRS shall thereafter be construed to mean GAAP as in effect from time to time; *provided* that upon first reporting its fiscal year results under GAAP, the Issuer shall restate the financial statements required to be delivered under Condition 10.1.1, on the basis of GAAP for the fiscal year ending immediately prior to the first fiscal year for which financial statements have been prepared on the basis of GAAP.

“**Initial Notes**” means the Notes issued on the First Issue Date.

“**Insolvent**” means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with all or substantially all of its creditors (other than the Noteholders and creditors of secured debt) with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

“**Interest**” means the interest on the Notes calculated in accordance with Conditions 8.1 to 8.3.

“**Interest Payment Date**” means 15 May, 15 August, 15 November and 15 February of each year or, to the extent any such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Initial Notes shall be 15 August 2019 and the last Interest Payment Date shall be the Final Maturity Date or any relevant Redemption Date prior thereto.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means a *per annum* rate equal to STIBOR plus 2.35 per cent.

**“Interest Rate, Currency or Commodity Price Agreement”** of any person means any forward contract, futures contract, swap, option or other financial agreement or arrangement (including, without limitation, caps, floors, collars and similar agreements) relating to, or the value of which is dependent upon, interest rates, currency exchange rates or commodity prices or indices (excluding contracts for the purchase or sale of goods in the ordinary course of business).

**“Investment”** by any person means any direct or indirect loan, advance or other extension of credit or capital contribution (by means of transfers of cash or other property to others or payments for property or services for the account or use of others, or otherwise) to, or purchase or acquisition of Capital Stock, bonds, notes, debentures or other securities or evidence of Financial Indebtedness issued by, any other person, including any payment on a guarantee of any obligation of such other person, together with all items that are or would be classified as Investments on a statement of financial position (excluding the footnotes thereto) prepared in accordance with IFRS, but shall not include:

- (a) trade accounts receivable in the ordinary course of business on credit terms made generally available to the customers of such person; or
- (b) commission, travel, payroll, entertainment, relocation and similar advances to officers and employees and profit sharing and other employee benefit plan contributions made in the ordinary course of business.

Except as otherwise provided in these Terms and Conditions, the amount of an Investment will be determined at the time the Investment is made and without giving effect to a subsequent change in value and, to the extent applicable, shall be determined based on the equity value of such Investment.

**“Investment Grade”** means (i) BBB- or above in the case of Fitch (or its equivalent under any successor Rating Categories of Fitch), (ii) Baa3 or above, in the case of Moody’s (or its equivalent under any successor Rating Categories of Moody’s), and (iii) the equivalent in respect of the Rating Categories of any Rating Agencies.

**“Issuer”** means Millicom International Cellular, S.A., a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, having its registered office at 2, rue du Fort Bourbon, L-1249 Luxembourg and registered with the Luxembourg Trade and Companies Register under number B 40630.

**“Issuing Agent”** means Nordea Bank Abp, acting through Nordea Bank Abp, filial i Sverige, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions and the CSD Regulations.

**“Joint Venture Consolidated EBITDA”** means an amount equal to the product of (i) the Consolidated EBITDA of any joint venture (determined in good faith by a responsible financial or accounting officer of the Issuer on the same basis as provided for in the definition of “Consolidated EBITDA” (with the exception of clause (i) and the last sentence thereof) as if each reference to the “ Issuer and its Restricted Subsidiaries” in such definition was to such joint venture) whose financial results are not consolidated with those of the Issuer in accordance with IFRS and (ii) a percentage equal to the direct or indirect equity ownership percentage of the Issuer and/or its Restricted Subsidiaries in the Capital Stock of such joint venture and its Subsidiaries.



“**Lien**” means, with respect to any property or assets, any mortgage, pledge, security interest, lien, charge, encumbrance, priority or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such property or assets (including, without limitation, any conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing).

“**Limited Condition Transaction**” means (i) any Investment or acquisition, including by way of merger, amalgamation or consolidation, in each case, by one or more of the Issuer and its Restricted Subsidiaries of any assets, business or person whose consummation is not conditioned on the availability of, or on obtaining, third party financing and (ii) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Financial Indebtedness requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment.

“**Listing Failure Event**” means (i) that the Note Loan is not admitted to trading on a Regulated Market within one hundred twenty (120) days following the First Issuing Date, or (ii) in the case of a successful admission, that a period of one hundred twenty (120) days has elapsed since the Note Loan ceased to be listed on a Regulated Market.

“**Market Loan**” means any loan or other indebtedness in the form of certificates, convertibles, subordinated debentures, notes or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on any Regulated Market or a multilateral trading facility (as defined in Directive 2014/65/EU on markets in financial instruments).

“**Material Company**” means:

- (a) the Issuer;
- (b) a Significant Subsidiary; or
- (c) any other Restricted Subsidiaries which are not Significant Subsidiaries but where taken together, account for more than 10 per cent. of the Consolidated EBITDA of the Group or consolidated revenues of the Group, or whose assets, taken together, represent more than 10 per cent. of the assets of the Group.

“**Minority Shareholder Loan**” means Financial Indebtedness of a Restricted Subsidiary that is issued to and held by an equity owner of such Restricted Subsidiary, other than a Group Company.

“**Moody’s**” has the meaning set forth in the definition “Rating Agency”.

“**Net Available Proceeds**” from any Asset Disposition means cash or readily marketable cash equivalents received (including by way of sale or discounting of a note, installment receivable or other receivable, but excluding any assets described in clauses (iv) and (v) of Condition 11.5.1(c) and other consideration received in the form of assumption by the acquiror of Financial Indebtedness or other obligations relating to such properties or assets) therefrom by the Issuer or any of its Restricted Subsidiaries, net of:

- (a) all legal, title and recording tax expenses, commissions and other fees and expenses incurred, including, without limitation, legal, consultant, accounting and investment banking fees, sales commissions, discounts and brokerage costs, and all federal, state, provincial, foreign and local taxes required to be accrued as a liability as a consequence of such Asset Disposition;

- (b) all payments made by the Issuer or any of its Restricted Subsidiaries, on any Financial Indebtedness which is secured by such assets in accordance with the terms of any Lien upon or with respect to such assets or which must by the terms of such Financial Indebtedness or Lien, or in order to obtain a necessary consent to such Asset Disposition or by applicable law, be repaid out of the proceeds from such Asset Disposition;
- (c) all distributions and other payments made to other equity holders in the Issuer's Subsidiaries or joint ventures as a result of such Asset Disposition; and
- (d) appropriate amounts to be provided by the Issuer or any of its Restricted Subsidiaries, as the case may be, as a reserve in accordance with IFRS, against any liabilities associated with such assets and retained by the Issuer or any of its Restricted Subsidiaries, as the case may be, after such Asset Disposition, including, without limitation, liabilities under any indemnification obligations, relocation costs and severance and other employee termination costs associated with such Asset Disposition, in each case as determined by the Issuer's senior management or board of directors, in its reasonable good faith judgment.

**"Net Leverage Ratio"** means, as of any date of determination, the ratio of (a) the Consolidated Net Debt to (b) the Consolidated EBITDA for the four most recent Financial Quarters ending immediately prior to such date for which consolidated financial statements are available, determined, in each case, on a pro forma basis as if any such Financial Indebtedness had been incurred, or such other Financial Indebtedness had been repaid, redeemed or repurchased, as applicable, at the beginning of such four Financial Quarter period; *provided, however*, that the pro forma calculation shall not give effect to (i) any Financial Indebtedness incurred on such determination date pursuant to Condition 11.3(b) (other than Financial Indebtedness incurred pursuant to paragraph (f) of the definition of "Permitted Financial Indebtedness"), or (ii) the discharge on such determination date of any Financial Indebtedness to the extent that such discharge results from the proceeds incurred pursuant to Condition 11.3(b) (other than the discharge of Financial Indebtedness using proceeds of Financial Indebtedness incurred pursuant to paragraph (f) of the definition of "Permitted Financial Indebtedness"). For the avoidance of doubt, in determining Net Leverage Ratio, no cash or Cash Equivalents shall be included that are the proceeds of Financial Indebtedness in respect of which the pro forma calculation is to be made.

**"Net Proceeds"** means the gross proceeds from the offering of the relevant Notes, minus (i) in respect of the Initial Notes, the costs incurred by the Issuer in conjunction with the issuance and listing on Nasdaq Stockholm (or any other Regulated Market, as applicable) thereof, and (ii) in respect of any Additional Notes, the costs incurred by the Issuer in conjunction with the issuance and listing on Nasdaq Stockholm (or any other Regulated Market, as applicable) thereof.

**"Nominal Amount"** has the meaning set forth in Condition 2.3.

**"Noteholder"** means a person who is registered on a Securities Account as direct registered owner (*ägare*) or nominee (*förvaltare*) with respect to a Note.

**“Noteholders’ Meeting”** means a meeting among the Noteholders held in accordance with Condition 15 (*Noteholders’ Meeting*).

**“Note Loan”** means the loan constituted by these Terms and Conditions and evidenced by the Notes.

**“Notes”** means the SEK Senior Unsecured Floating Rate Sustainability Notes due 15 May 2024, ISIN: SE0012454841 (including the Initial Notes and any Additional Notes), being debt instruments (*skuldförbindelser*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are issued on the terms set out in these Terms and Conditions and constituted by, are subject to and have the benefit of, the Trust Deed.

**“Offer Amount”** has the meaning set forth in Condition 9.5.3.

**“Offer Period”** has the meaning set forth in Condition 9.5.3.

**“Pari Passu Financial Indebtedness”** means any Financial Indebtedness of the Issuer that ranks *pari passu* in right of payment with the Notes.

**“Permitted Asset Swap”** means the concurrent purchase and sale or exchange of related business assets or a combination of related business assets, cash and Cash Equivalents between the Issuer or any of its Restricted Subsidiaries and another person.

**“Permitted Business”** means:

- (a) any business, services or activities engaged in by any Group Company on the First Issue Date; and
- (b) any business, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing, or are extensions or developments thereof, including, without limitation, broadband internet, network-related services, cable television, broadcast content, network neutral services, electronic transactional, financial and commercial services related to provision of telephony or internet services.

**“Permitted Discontinuance of Property Maintenance”** means the discontinuance of the operation or maintenance of the properties of any Group Company which is, in the Issuer’s judgment, desirable in the conduct of its business or the business of such other Group Company (as applicable), and which will not materially adversely affect the Noteholders.

**“Permitted Financial Indebtedness”** means:

- (a) the incurrence by the Issuer or the Issuer of Financial Indebtedness pursuant to the Notes (other than Additional Notes);
- (b) any Financial Indebtedness of a Group Company outstanding on the First Issue Date after giving effect to the use of proceeds of the Notes;
- (c) Pari Passu Financial Indebtedness of the Issuer and Financial Indebtedness of any Group Company under Credit Facilities in an aggregate principal amount at any one time outstanding that does not exceed an amount equal to the greater of (x) \$500 million (or its equivalent in any other currency or currencies) and (y) 8 per cent. of Total Assets; and any Permitted Refinancing Debt in respect thereof, plus, (A) any accrual or accretion of interest that increases the principal amount of Financial Indebtedness under Credit Facilities and (B) in the case of any refinancing of Financial Indebtedness permitted under this paragraph (c) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing;

- (d) Financial Indebtedness owed by the Issuer to any Restricted Subsidiary or Financial Indebtedness owed by any Restricted Subsidiary to the Issuer or any other Restricted Subsidiary; *provided*, however, that (A) if the Issuer is the obligor on such Financial Indebtedness and the payee is not the Issuer, such Financial Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all obligations then due with respect to the Issuer's obligations under the Notes, and (B) either (x) the transfer or other disposition by the Issuer or such Restricted Subsidiary of any Financial Indebtedness so permitted to a person (other than to the Issuer or any of its Restricted Subsidiaries) or (y) such Restricted Subsidiary ceasing to be a Restricted Subsidiary, will at the time of such transfer or other disposition, in each case, be deemed to be an incurrence of such Financial Indebtedness not permitted by this paragraph (d);
- (e) the guarantee by a Group Company of Financial Indebtedness of any of the Issuer's Restricted Subsidiaries to the extent that the guaranteed Financial Indebtedness was permitted to be incurred by another provision of this definition;
- (f) Acquired Debt;
- (g) Minority Shareholder Loans;
- (h) the incurrence by a Group Company of Permitted Refinancing Debt in exchange for, or the net proceeds of which are used to refund, replace or refinance, Financial Indebtedness incurred by it pursuant to clause (a) of Condition 11.3 and paragraphs (a), (b), (f) and (h) of this definition, as the case may be;
- (i) Financial Indebtedness of a Group Company represented by letters of credit in order to provide security for workers' compensation claims, health, disability or other employee benefits, payment obligations in connection with self-insurance or similar requirements of a Group Company in the ordinary course of business;
- (j) customary indemnification, adjustment of purchase price or similar obligations, in each case, incurred in connection with the disposition of any assets of a Group Company, and earn-out provisions or contingent payments in respect of purchase price or adjustment of purchase price or similar obligations in acquisition agreements other than guarantees of Financial Indebtedness incurred by any person acquiring all or any portion of such assets for the purpose of financing such acquisition; provided that the maximum aggregate liability in respect of each such incurrence of such Financial Indebtedness will at no time exceed the gross proceeds actually received by a Group Company in connection with the related disposition;
- (k) obligations in respect of (i) customs, VAT or other tax guarantees, (ii) bid, performance, completion, guarantee, surety and similar bonds, including guarantees or obligations of a Group Company with respect to letters of credit supporting such obligations, (iii) customary cash management, cash pooling or netting or setting off arrangements, and (iv) the financing of insurance premiums, in each case in the ordinary course of business and not related to Financial Indebtedness for borrowed money;

- (l) Financial Indebtedness of a Group Company arising from the honouring by a bank or other financial institution of a cheque, draft or similar instrument including, but not limited to, electronic transfers, wire transfers, netting services and commercial card payments, drawn against insufficient funds; provided that such Financial Indebtedness is extinguished within 30 days of incurrence; and
- (m) Financial Indebtedness consisting of (i) mortgage financings, Purchase Money Obligations or other financings, incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment acquired or constructed in the ordinary course of business or (ii) Financial Indebtedness otherwise incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in the ordinary course of business, whether through the direct purchase of assets or the Capital Stock of any person owning such assets, and any Financial Indebtedness that refinances, replaces or refunds such Financial Indebtedness, in an aggregate outstanding principal amount that, when taken together with the principal amount of all other Financial Indebtedness incurred pursuant to this paragraph (m) and then outstanding, will not exceed at any time the greater of \$250,000,000 and 3 per cent. of Total Assets;
- (n) Guarantees by a Group Company of Financial Indebtedness or any other obligation or liability of a Group Company (other than of any Financial Indebtedness incurred in violation of this covenant); provided, however, that if the Financial Indebtedness being Guaranteed is subordinated in right of payment to the Notes, then such Guarantee shall be subordinated substantially to the same extent as the relevant Financial Indebtedness Guaranteed;
- (o) Financial Indebtedness of a Group Company in an aggregate outstanding principal amount which, when taken together with any Permitted Refinancing Debt in respect thereof and the principal amount of all other Financial Indebtedness incurred pursuant to this paragraph (o) and then outstanding, will not exceed 100 per cent. of the cash proceeds (net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements)) received by the Issuer from the issuance or sale (other than to the Issuer or a Restricted Subsidiary) of its Subordinated Shareholder Loans or Capital Stock or otherwise contributed to the equity of the Issuer, in each case, subsequent to the First Issue Date (and in each case, other than through the issuance of Disqualified Stock or Preferred Stock);
- (p) Financial Indebtedness arising under borrowing facilities provided by a special purpose vehicle to a Group Company in connection with the issuance of notes or other similar debt securities intended to be supported primarily by the payment obligations of a Group Company in connection with any vendor financing platform; and

- (q) the incurrence by a Group Company of Financial Indebtedness not otherwise permitted to be incurred pursuant to paragraphs (a) through (p) above, which, together with any other outstanding Financial Indebtedness incurred pursuant to this paragraph (q), has an aggregate principal amount at any time outstanding not in excess of the greater of \$300,000,000 (or its equivalent in any other currency or currencies) and 4 per cent. of Total Assets, and any Permitted Refinancing Debt of any debt which on the date it was incurred was permitted to be incurred pursuant to this paragraph (q), plus, in the case of any refinancing of Financial Indebtedness permitted under this paragraph (q) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing.

In the event that an item of Financial Indebtedness meets the criteria of more than one of the types of Permitted Financial Indebtedness or is entitled to be incurred pursuant to paragraph (a) of Condition 11.3, the Issuer in its sole discretion may classify and from time to time reclassify such item of Financial Indebtedness or any portion thereof and only be required to include the amount of such Financial Indebtedness as one of such types.

**“Permitted Holders”** means (i) Investment Kinnevik AB, (ii) any controlling stockholder, partner or member, or any 50 per cent. (or more) owned Subsidiary, of Investment Kinnevik AB and (iii) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or person Beneficially Owning a majority or a controlling interest of which consists of Investment Kinnevik AB and/or such other persons referred to in clause (ii).

**“Permitted Interest Rate, Currency or Commodity Price Agreement”** means any Interest Rate, Currency or Commodity Price Agreement entered into with one or more financial institutions in the ordinary course of business that is designed to protect against fluctuations in interest rates or currency exchange rates and which shall have a notional amount no greater than the payments due with respect to the Financial Indebtedness being hedged thereby, or in the case of currency or commodity protection agreements against currency exchange or commodity price fluctuations in the ordinary course of business relating to the then existing financial obligations and not for purposes of speculation.

**“Permitted Investments”** means (i) loans or advances to employees and officers (or loans to any direct or indirect parent, the proceeds of which are used to make loans or advances to employees or officers, or guarantees of third-party loans to employees or officers) in the ordinary course of business; and (ii) customary cash management, cash pooling or netting or setting off arrangements; and (iii) the granting of Liens pursuant to paragraph (jj) of the definition of Permitted Liens.

**“Permitted Lien”** means:

- (a) Liens for taxes, assessments or governmental charges, or levies on the property of a Group Company if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceeds promptly instituted and diligently concluded, provided that any reserve or other appropriate provision that shall be required in conformity with IFRS shall have been made therefor;
- (b) Liens imposed by law, such as statutory Liens of landlords’, carriers’, materialmen’s, repairmen’s, construction, warehousemen’s and mechanics’ Liens and other similar Liens, on the property of a Group Company arising in the ordinary course of trading or Liens arising solely by virtue of any statutory or common law provisions relating to attorneys’ liens or bankers’ liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depositary institution;

- (c) Liens on the property of a Group Company incurred in the ordinary course of business to secure performance of obligations with respect to statutory or regulatory requirements, performance bids, trade contracts, letters of credit, performance or return-of-money bonds, surety bonds or other obligations of a like nature and incurred in a manner consistent with industry practice, in each case which are not incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property and which do not in the aggregate impair in any material respect the use of property in the operation of the business of the Group taken as a whole;
- (d) Liens on property at the time a Group Company acquired such property and Liens incurred in anticipation of or in connection with the transaction or series of transactions pursuant to which such property was acquired by a Group Company, **provided** that any such Lien may not extend to any other property of a Group Company;
- (e) Liens on the property of a person at the time such person becomes a Restricted Subsidiary (including Liens created, incurred or assumed in connection with or in contemplation of such acquisition or transaction); *provided, however*, that any such Lien may not extend to any other property of a Group Company that is not a Restricted Subsidiary of such person (other than pursuant to after-acquired property clauses in effect with respect to such Lien at the time of acquisition on property of the type that would have been subject to such Lien notwithstanding the occurrence of such acquisition);
- (f) pledges or deposits by a Group Company under workmen's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Financial Indebtedness) or leases to which a Group Company is party, or deposits to secure public or statutory obligations of a Group Company or deposits for the payment of rent, in each case incurred in the ordinary course of business;
- (g) utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character;
- (h) any provision for the retention of title to any property by the vendor or transferor of such property which property is acquired by a Group Company in a transaction entered into in the ordinary course of business of a Group Company and for which kind of transaction it is customary market practice for such retention of title provision to be included;
- (i) Liens arising by means of any judgment, decree or order of any court, to the extent not otherwise resulting in a Default, so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree or order have not been fully terminated or the period within which such proceedings may be initiated has not expired and any Liens that are required to protect or enforce rights in any administrative, arbitration or other court proceeding in the ordinary course of business;

- (j) Liens securing any Credit Facility or any Permitted Interest Rate, Currency or Commodity Price Agreement;
- (k) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which Liens securing any Credit Facility or any Permitted Interest Rate, Currency or Commodity Price Agreement has easement rights or on any real property leased by Liens securing any Credit Facility or any Permitted Interest Rate, Currency or Commodity Price Agreement or similar agreements relating thereto, and any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;
- (l) Liens existing on the First Issue Date;
- (m) Liens in favour of a Group Company;
- (n) Liens on insurance policies and the proceeds thereof, or other deposits, to secure insurance premium financings in respect of a Group Company;
- (o) Liens arising from financing statement filings (or other similar filings in any applicable jurisdiction) regarding operating leases entered into by any Restricted Subsidiary in the ordinary course of business;
- (p) Liens on goods (and the proceeds thereof) and documents of title and the property covered thereby securing Financial Indebtedness in respect of commercial letters of credit issued to facilitate the purchase, shipment or storage of such inventory or other goods;
- (q) Liens on property of any Restricted Subsidiary of the Issuer to secure Financial Indebtedness incurred by such Restricted Subsidiary pursuant to Condition 11.3 or paragraphs (i) through (q) (inclusive) of the definition of Permitted Financial Indebtedness;
- (r) Liens for the purpose of securing the payment of all or a part of the purchase price of Capital Lease Obligations or payments incurred by a Group Company to finance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; provided that such Liens do not encumber any other assets or property of a Group Company other than such assets or property and assets affixed or appurtenant thereto;
- (s) Liens on the property of a Group Company to replace in whole or in part, any Lien described in the foregoing paragraphs (a) through (r); provided that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Financial Indebtedness being refinanced or in respect of property that is the security for a Permitted Lien hereunder;



- (t) Any interest or title of a lessor under any Capital Lease Obligation or operating lease;
- (u) Liens on any escrow account used in connection with an acquisition of property or Capital Stock of any person or pre-funding a refinancing of Financial Indebtedness otherwise permitted under these Terms and Conditions;
- (v) Liens on a Group Company's deposits in favour of financial institutions arising from any netting or set-off arrangement substantially consistent with its current practice for the purpose of netting debt and credit balances substantially consistent with the Issuer's or the Restricted Subsidiaries' existing cash pooling arrangements;
- (w) Liens incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries with respect to obligations that do not exceed the greater of US\$ 250,000,000 (or its equivalent in any other currency or currencies) or 4 per cent. of Total Assets at any one time outstanding and that do not in the aggregate materially detract from the value of the property of the Issuer, or materially impair the use thereof in the operation of business by the Group;
- (x) Liens over cash or other assets that secure collateralised obligations incurred as Permitted Financial Indebtedness; provided that the amount of cash collateral does not exceed the principal amount of the Permitted Financial Indebtedness;
- (y) Liens on Restricted MFS Cash in favour of the customers or dealers of, or third parties in relation to, one or more Restricted Subsidiaries engaged in the provision of mobile financial services, in each case who provided such Restricted MFS Cash to the relevant Restricted Subsidiary;
- (z) Liens on Receivables and related assets of the type described in the definition of "Qualified Receivables Transaction" incurred in connection with a Qualified Receivables Transaction, and Liens on Investments in Receivables Entities;
- (aa) Liens consisting of any right of set-off granted to any financial institution acting as a lockbox bank in connection with a Qualified Receivables Transaction;
- (bb) Liens for the purpose of perfecting the ownership interests of a purchaser of Receivables and related assets pursuant to any Qualified Receivables Transaction;
- (cc) Liens arising in connection with other sales of Receivables permitted hereunder without recourse to the Issuer or any of its Restricted Subsidiaries;
- (dd) Liens on Receivables and related assets of the type specified in the definition of "Qualified Receivables Transaction" pursuant to any Qualified Receivables Transaction;
- (ee) Liens for the purpose of securing the payment of all or a part of the purchase price of, or Capital Lease Obligations, Purchase Money Obligations or other payments incurred to finance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business (including Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business), provided that such Liens do not encumber any other assets or property of the Issuer or any Restricted Subsidiary other than such assets or property and assets affixed or appurtenant thereto;

- (ff) Liens securing Financial Indebtedness or other obligations of a Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary;
- (gg) Liens in respect of the ownership interests in, or assets owned by, any joint ventures or similar arrangements, other than joint ventures and similar arrangements that are Restricted Subsidiaries, securing obligations of such joint ventures or similar agreements;
- (hh) any encumbrance or restriction (including, but not limited to, put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;
- (ii) Liens over rights under loan agreements relating to, or over notes or similar instruments evidencing, the on-loan of proceeds received by a Restricted Subsidiary from the issuance of Financial Indebtedness, which Liens are created to secure payment of such Financial Indebtedness; and
- (jj) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Financial Indebtedness of such Unrestricted Subsidiary.

For purposes of determining compliance with Condition 11.4, (x) a Lien need not be incurred solely by reference to one category of Permitted Liens but may be incurred under any combination of such categories (including in part under one such category and in part under any other such category) and (y) in the event that a Lien (or any portion thereof) meets the criteria of one or more of such categories of Permitted Liens the Issuer shall, in its sole discretion, divide, classify or may subsequently reclassify at any time such Lien (or any portion thereof) in any manner that complies with Condition 11.4 and the definition of “Permitted Liens”.

With respect to any Lien securing Financial Indebtedness that was permitted to secure such Financial Indebtedness at the time of the incurrence of such Financial Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Financial Indebtedness. The **“Increased Amount”** of any Financial Indebtedness shall mean any increase in the amount of such Financial Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortisation of original issue discount, the payment of interest in the form of additional Financial Indebtedness with the same terms or in the form of common stock, the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock of the same class, accretion of original issue discount or liquidation preference, any fees, underwriting discounts, accrued and unpaid interest, premiums and other costs and expenses incurred in connection therewith and increases in the amount of Financial Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Financial Indebtedness.

**“Permitted Refinancing Debt”** means any renewals, extensions, substitutions, defeasances, discharges, refinancings or replacements (each, for purposes of this definition and clause (h) of the definition of Permitted Financial Indebtedness, a **“refinancing”**) of any Financial Indebtedness of a Group Company or pursuant to this definition, including any successive refinancings, as long as:

- (i) such Permitted Refinancing Debt is in an aggregate principal amount (or if incurred with original issue discount, an aggregate issue price) not in excess of the sum of: (i) the aggregate principal amount (or if incurred with original issue discount, the aggregate accreted value plus all accrued interest) then outstanding of the Financial Indebtedness being refinanced; and (ii) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such refinancing;
- (ii) such Permitted Refinancing Debt has (i) a stated maturity date that is either (X) no earlier than the stated maturity date of the Financial Indebtedness being refinanced or (Y) after the Final Maturity Date of the Notes and (ii) a weighted average life to maturity that is equal to or greater than the weighted average life to maturity of the Financial Indebtedness being refinanced; and
- (iii) if the Financial Indebtedness being refinanced is subordinated in right of payment to the Notes, such Permitted Refinancing Debt is subordinated in right of payment to, the Notes on terms at least as favourable to the Holders of Notes as those contained in the documentation governing the Financial Indebtedness being refinanced; and
- (iv) if the Issuer was the obligor on the Financial Indebtedness being refinanced, such Permitted Refinancing Debt is incurred by the Issuer.

Permitted Refinancing Debt in respect of any Credit Facility or any other Financial Indebtedness may be incurred from time to time after the termination, discharge or repayment of all or any part of such Credit Facility or other Financial Indebtedness. Permitted Refinancing Debt shall not include any Financial Indebtedness of the Issuer or any Restricted Subsidiary that refinances Financial Indebtedness of an Unrestricted Subsidiary.

“**Proceeds On-Loan**” has the meaning set forth in the definition “Financial Indebtedness”.

“**Purchase Date**” has the meaning set forth in Condition 9.5.3

“**Purchase Money Note**” means a promissory note of a Receivables Entity evidencing the deferred purchase price of Receivables (and related assets) and/or a line of credit, which may be irrevocable, from a Group Company in connection with a Qualified Receivables Transaction with a Receivables Entity, which note is intended to finance that portion of the purchase price that is not paid in cash or a contribution of equity and which is (a) repayable from cash available to the Receivables Entity, other than (i) amounts required to be established as reserves pursuant to agreements, (ii) amounts paid to investors in respect of interest, (iii) principal and other amounts owing to such investors and (iv) amounts owing to such investors and amounts paid in connection with the purchase of newly generated Receivables and (b) may be subordinated to the payments described in clause (a).

“**Purchase Money Obligations**” means any Financial Indebtedness incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any person owning such property or assets, or otherwise.

**“Qualified Receivables Transaction”** means any transaction or series of transactions that may be entered into by a Group Company pursuant to which a Group Company may sell, convey or otherwise transfer to (i) a Receivables Entity (in the case of a transfer by the a Group Company) and (ii) any other person (in the case of a transfer by a Receivables Entity), or may grant a Lien in, any Receivables (whether now existing or arising in the future) of a Group Company, and any assets related thereto including, without limitation, all collateral securing such Receivables, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such Receivables and other assets which are customarily transferred, or in respect of which Liens are customarily granted, in connection with asset securitisation involving Receivables and any Interest Rate, Currency or Commodity Price Agreement entered into by a Group Company in connection with such Receivables.

**“Quarter Date”** means each of 31 March, 30 June, 30 September and 31 December.

**“Quotation Day”** means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

**“Rating Agency”** means (i) each of Standard & Poor’s Rating Services (**“S&P”**), Fitch Ratings Ltd (**“Fitch”**), Moody’s Investor Services Limited (**“Moody’s”**) or (ii) if any of S&P, Fitch or Moody’s are not making ratings of the Notes publicly available, an internationally recognised credit rating agency or agencies, as the case may be, selected by the Issuer which will be substituted for any of S&P, Fitch or Moody’s.

**“Rating Category”** means (i) with respect to Fitch, any of the following categories (any of which may include a “+” or “-”): AAA, AA, A, BBB, BB, B, CCC, CC, C, R, SD and D (or equivalent successor categories); (ii) with respect to Moody’s, any of the following categories (any of which may include a “1”, “2” or “3”): Aaa, Aa, A, Baa, Ba, B, Caa, Ca, and C (or equivalent successor categories), and (iii) the equivalent of any such categories of Fitch or Moody’s used by another Rating Agency, if applicable.

**“Rating Date”** means the date which is the earlier of (i) 120 days prior to the occurrence of an event specified in clauses (a), (b) or (c) of the definition of Change of Control and (ii) the date of the first public announcement of the possibility of such event.

**“Rating Decline”** means the occurrence of, at any time within the earlier of (i) 90 days after the date of public notice of a Change of Control, or the Issuer’s intention or the intention of any person to effect a Change of Control and (ii) the occurrence of the Change of Control (which period shall in either event be extended so long as the rating of the Issuer is under publicly announced consideration for possible downgrade by a Rating Agency), a Rating Agency withdrawal of its rating of the Issuer or a decrease in the rating of the Issuer by a Rating Agency as follows:

- (a) if the Issuer is not rated Investment Grade by at least two of the three Rating Agencies on the Rating Date, by one or more Gradations; or
- (b) if the Issuer is rated Investment Grade by at least two of the three Rating Agencies on the Rating Date, either (i) by two or more Gradations or (ii) such that the Issuer is no longer rated Investment Grade.

*provided that*, when announcing the relevant decision(s) to withdraw or decrease the rating, each such Rating Agency announces publicly or confirms in writing that such decision(s) resulted, in whole or in part, from the occurrence (or expected occurrence) of the Change of Control or the Issuer’s announcement of the intention to effect a Change of Control.

**“Receivable”** means a right to receive payment arising from a sale or lease of goods or the performance of services by a person pursuant to an arrangement with another person pursuant to which such other person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit and shall include, in any event, any items of property that would be classified as an “account,” “chattel paper,” “payment intangible” or “instrument” under the Uniform Commercial Code as in effect in the State of New York and any “supporting obligations” as so defined.

**“Receivables Entity”** means a direct or indirect wholly owned Subsidiary of the Issuer (or another person in which a Group Company makes an Investment or to which a Group Company transfers Receivables and related assets) which engages in no activities other than in connection with the financing of Receivables and which is designated by the Board of Directors or senior management of the Issuer (as provided below) as a Receivables Entity:

(a) no portion of the Financial Indebtedness or any other obligations (contingent or otherwise) of which:

(i) is Guaranteed by a Group Company (excluding guarantees of obligations (other than the principal of, and interest on, Financial Indebtedness) pursuant to Standard Securitisation Undertakings);

(ii) is recourse to or obligates a Group Company in any way other than pursuant to Standard Securitisation Undertakings; or

(iii) subjects any property or asset of a Group Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitisation Undertakings, except, in each such case, Permitted Liens as defined in clauses (z) through (dd) of the definition thereof;

(b) with which no Group Company has any material contract, agreement, arrangement or understanding (except in connection with a Purchase Money Note or Qualified Receivables Transaction) other than on terms not materially less favourable to the such Group Company than those that might be obtained at the time from persons that are not Affiliates of the Issuer, other than fees payable in the ordinary course of business in connection with servicing Receivables; and

(c) to which no Group Company has any obligation to maintain or preserve such entity’s financial condition or cause such entity to achieve certain levels of operating results (other than those related to or incidental to the relevant Qualified Receivables Transaction).

Any such designation by the Board of Directors or senior management of the Issuer shall be evidenced to the Trustee by promptly filing with the Trustee a certified copy of the resolution of the Board of Directors of the Issuer giving effect to such designation or an Officer’s Certificate certifying that such designation complied with the foregoing conditions.

**“Receivables Fees”** means reasonable distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a person that is not a Receivables Entity in connection with, any Qualified Receivables Transaction.

**“Receivables Repurchase Obligation”** means any obligation of a seller of Receivables in a Qualified Receivables Transaction to repurchase Receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

**“Record Date”** means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Noteholders is to be made under Condition 13 (*Distribution of proceeds*) or (iv) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

**“Redeemable Stock”** of any person means any Capital Stock of such person that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or otherwise (including upon the occurrence of an event) matures or is required to be redeemed (pursuant to any sinking fund obligation or otherwise) or is convertible into or exchangeable for Financial Indebtedness or is redeemable at the option of the holder thereof, in whole or in part, at any time prior to the Final Maturity Date.

**“Redemption Date”** means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Condition 9 (*Redemption and repurchase of the Notes*).

**“Reference Banks”** means Nordea Bank Abp, filial i Sverige, Skandinaviska Enskilda Banken AB (publ) and DNB Bank ASA (or such other banks as may be appointed by the Issuing Agent in consultation with the Issuer).

**“Regulated Market”** means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments).

**“Restricted Cash”** means the sum of (a) Restricted MFS Cash, and (b) without duplication, the amount of cash that would be stated as “restricted cash” on the consolidated statement of financial position of the Issuer as of such date in accordance with IFRS.

**“Restricted MFS Cash”** means, as of any date of determination, an amount equal to any cash paid in or deposited by or held on behalf of any customer or dealer of, or any other third party in relation to, one or more Group Company engaged in the provision of mobile financial services and designated as “restricted cash” on the consolidated statement of financial position of the Issuer, together with any interest thereon.

**“Restricted Subsidiary”** means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

**“Securities Account”** means the account for dematerialised securities maintained by the CSD pursuant to the Financial Instruments Accounts Act in which (i) an owner of such security is directly registered or (ii) an owner’s holding of securities is registered in the name of a nominee.

**“Significant Subsidiary”** means, at the date of determination, a Restricted Subsidiary that:

- (a) for the most recent fiscal year, accounted for more than 10 per cent. of the Consolidated EBITDA of the Group or consolidated revenues of the Group; or
- (b) whose assets represent more than 10 per cent. of the assets of the Group.

“**Specified Legal Expenses**” means, to the extent not constituting an extraordinary, non-recurring or unusual loss, charge or expense, all attorneys’ and experts’ fees and expenses and all other costs, liabilities (including all damages, penalties, fines and indemnification and settlement payments) and expenses paid or payable in connection with any threatened, pending, completed or future claim, demand, action, suit, proceeding, inquiry or investigation (whether civil, criminal, administrative, governmental or investigative).

“**Specified Subsidiary Sale**” means the sale, transfer or other disposition of all of the Capital Stock, or all of the assets or properties of, (a) any entity, the primary purpose of which is to own Tower Equipment located in any market in which a Group Company operates; (b) any person which operates a Group Company’s mobile financial services business; (c) Latin America Internet Holding GmbH (or any successor in interest thereto); or (d) Africa Internet Holding GmbH (or any successor in interest thereto).

“**STIBOR**” means:

- (a) the applicable percentage rate per annum displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period (other than the first Interest Period to which, notwithstanding its duration, the applicable percentage rate per annum for the offering of deposits in Swedish Kronor for a period of three months as quoted as of or around 11.00 a.m. on the relevant Quotation Day will apply); or
- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by the Reference Banks, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

“**Standard Securitisation Undertakings**” means representations, warranties, covenants and indemnities entered into by a Group Company which are reasonably customary in a securitisation of Receivables transactions, including, without limitation, those relating to the servicing of the assets of a Receivables Entity, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitisation Undertaking.

“**Subsidiary**” means in respect of any person:

- (a) any corporation in which it or one or more of its Subsidiaries directly or indirectly owns more than 50 per cent. of the combined voting power of the outstanding voting stock; or
- (b) any other entity in which it or one or more of its Subsidiaries:

- (i) directly or indirectly has majority ownership, but only to the extent such majority ownership results in an entitlement to the majority of the profits generated by that entity; or
- (ii) has the power to direct the policies, management and affairs thereof.

“**Sustainability Bond Framework**” means the sustainability bond framework of the Group as at the First Issue Date.

“**Swedish Kronor**” and “**SEK**” means the lawful currency of Sweden.

“**Total Assets**” means the consolidated total assets of the Group as shown on the Issuer’s most recent consolidated statement of financial position prepared on the basis of IFRS prior to the relevant date of determination calculated to give *pro forma* effect to any acquisitions (including through mergers or consolidations) and dispositions that have occurred subsequent to such period, including any such acquisitions to be made with the proceeds of Financial Indebtedness giving rise to the need to calculate Total Assets

“**Total Nominal Amount**” means the total aggregate Nominal Amount of the Notes outstanding at the relevant time.

“**Tower Equipment**” means passive infrastructure related to telecommunications services, excluding telecommunications equipment, but including, without limitation, towers (including tower lights and lightning rods), power breakers, deep cycle batteries, generators, voltage regulators, main AC power, rooftop masts, cable ladders, grounding, walls and fences, access roads, shelters, air conditioners and BTS batteries owned by any Group Company.

“**Trust Deed**” means the trust deed entered into on or prior to the First Issue Date, between the Issuer and the Trustee, or any replacement or supplemental trust deed entered into between the Issuer and the Trustee thereafter.

“**Trustee**” means Intertrust CN (Sweden) AB, Swedish Reg. No. 556625-5476, or another party replacing it, as Trustee, in accordance with these Terms and Conditions and the Trust Deed.

“**Unrestricted Subsidiary**” means any Subsidiary of the Issuer designated as such pursuant to Condition 11.8.

“**USD**”, “**\$**” and “**dollars**” means the lawful currency of the United States of America.

“**VAT**” means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Condition 16 (*Written Procedure*).



- 1.2 **Construction**
- 1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:
- (a) “**assets**” includes present and future properties, revenues and rights of every description;
  - (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (c) a “**regulation**” includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (d) a provision of law is a reference to that provision as amended or re-enacted;
  - (e) a time of day is a reference to Stockholm time; and
  - (f) unless a contrary indication appears, a reference to Nordea Bank Abp or Nordea Bank Abp, filial i Sverige (or any of its other branches) shall be construed as a reference to Nordea Bank Abp as a whole including its head office and all its branches.
- 1.2.2 An Event of Default is continuing if it has not been remedied or waived.
- 1.2.3 When ascertaining whether a limit or threshold specified in SEK has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against SEK for the previous Business Day, as published by the Swedish Central Bank (*Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.
- 1.2.4 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly
- 1.2.5 No delay or omission of the Trustee or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
2. **STATUS OF THE NOTES**
- 2.1 The Notes are denominated in SEK and each Note is constituted by the Trust Deed and these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.
- 2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.
- 2.3 The nominal amount of each Initial Note is SEK 2,000,000 (the “**Nominal Amount**”). All Initial Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.

- 2.4 Provided that no Event of Default is continuing or would result from such issue and subject to the terms of the Trust Deed and the satisfaction of the conditions set out in Condition 4.1, the Issuer may, from time to time, without the consent of the Noteholders, issue Additional Notes having the same interest rate and ranking *pari passu* in all respects and so that the same shall be consolidated and form a single series with the Initial Notes and any other Additional Notes. The issue price of the Additional Notes may be set at a discount or at a premium compared to the Initial Notes. The aggregate nominal amount of Notes is not limited. Each Additional Note shall entitle its holder to Interest in accordance with Condition 8.1, and otherwise have the same rights as the Initial Notes.
- 2.5 The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are mandatorily preferred by law.
- 2.6 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

### **3. USE OF PROCEEDS**

The Issuer shall use the Net Proceeds to finance or refinance Eligible Assets or Projects in accordance with the Sustainability Bond Framework, either directly or by lending all or a portion of such Net Proceeds to Telemovil El Salvador, S.A. de C.V. for such purposes. The proceeds from any issuance of Additional Notes shall be used for substantially the same purposes, in each case in accordance with the Sustainability Bond Framework.

### **4. CONDITIONS PRECEDENT**

- 4.1 Prior to the issuance of any Additional Notes, the Issuer shall provide to the Issuing Agent the following documents and evidence, in form and substance satisfactory to the Issuing Agent (acting reasonably):
- (a) a copy of a resolution from the board of directors of the Issuer approving the issue of the Additional Notes and resolving to enter into any documents necessary in connection therewith;
  - (b) a certificate addressed to the Trustee, duly signed by the Issuer, evidencing for the relevant issue of Additional Notes that (i) no Event of Default is continuing or would result from such issue and (ii) in relation to such issue, the requirements of Condition 11.3 have been complied with; and
  - (c) such other documents and information as is agreed between the Issuing Agent and the Issuer.

4.2 The Issuing Agent and the Trustee (as the case may be) may assume that the documentation delivered to it pursuant to Condition 4.1 is accurate, correct and complete unless it has actual knowledge that this is not the case, and neither the Issuing Agent nor the Trustee shall be required to verify the contents of any such documentation.

## **5. NOTES IN BOOK-ENTRY FORM**

5.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.

5.2 Those who according to assignment, Lien, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.

5.3 The Issuer and the Trustee shall at all times be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.

5.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Trustee, as notified by the Trustee, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Trustee or unless consent thereto is given by the Noteholders.

5.5 The Issuer and the Trustee may use the information referred to in Condition 5.3 and 5.4 only for the purpose of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Noteholders or third party unless necessary for such purpose.

## **6. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER**

6.1 If any person other than a Noteholder wishes to exercise any rights of a Noteholder under the Finance Documents on behalf of such Noteholder, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.

6.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.

6.3 The Trustee shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Condition 6.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Trustee has actual knowledge to the contrary.

## **7. PAYMENTS IN RESPECT OF THE NOTES**

- 7.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes pursuant to these Terms and Conditions, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 7.2 If a Noteholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD or the Issuer (or its agent) on the relevant payment date. In other cases, payments will be transferred by the CSD or the Issuer (or its agent) to the Noteholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall promptly provide notice of such non-payment to the Trustee in accordance with Condition 23 (*Notices and Press Releases*) and procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed. If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Condition 8.4 during such postponement.
- 7.3 If payment or repayment is made in accordance with this Condition 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount. The Trustee shall have no obligation to ensure any payments or repayments made in accordance with this Condition 7.4 are actually received by the person entitled to such payment or repayment.
- 7.4 Neither the Issuer nor the Trustee shall be liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or similar obligation.

## **8. INTEREST**

- 8.1 Each Initial Note shall bear Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Additional Note will bear Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- 8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period in accordance with Condition 7.
- 8.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

- 8.4 If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is one (1) per cent. higher than the Interest Rate for such Interest Period. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Issuing Agent or the CSD.
- 9. REDEMPTION AND REPURCHASE OF THE NOTES**
- 9.1 Redemption at maturity**
- The Issuer shall redeem all, but not some only, of the outstanding Notes in full on the Final Maturity Date with an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first Business Day following the Final Maturity Date.
- 9.2 Purchase of Notes by Group Companies**
- Any Group Company may, subject to applicable law, at any time and at any price purchase Notes in the open market or in any other way. Notes held by a Group Company may at such Group Company's discretion be retained or sold or, if held by the Issuer, cancelled by the Issuer.
- 9.3 Voluntary total redemption (call option)**
- 9.3.1 At any time on or after the First Call Date, the Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to (i) if redeemed during the 12- month period commencing on 15 May 2022, 101.175 per cent. of the Nominal Amount, (ii) if redeemed during the 12-month period commencing on 15 May 2023, 100.588 per cent. of the Nominal Amount and (iii) if redeemed during the 3-month period commencing on 15 February 2024 and refinanced using the proceeds of, or replaced with, a Market Loan issued in an aggregate principal amount at least equal to the amount of outstanding Notes so redeemed, 100 per cent. of the Nominal Amount, in each case together with accrued but unpaid Interest.
- 9.3.2 Redemption in accordance with Condition 9.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Noteholders and the Trustee. The notice from the Issuer shall specify the Redemption Date and the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Notes specified in the notice at the applicable amount on the specified Redemption Date.
- 9.4 Early redemption due to illegality (call option)**
- 9.4.1 The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

- 9.4.2 The Issuer shall give written notice of redemption pursuant to Condition 9.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer is irrevocable, shall specify the Redemption Date and the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The Issuer is bound to redeem the Notes in full at the applicable amount on the specified Redemption Date.
- 9.5 **Repurchase with Excess Proceeds (put option)**
- 9.5.1 If, in accordance with Condition 11.5, the aggregate amount of Excess Proceeds from the disposition of assets by the Issuer or any of its Subsidiaries (other than an Unrestricted Subsidiary) exceeds \$75 million (or its equivalent in any other currency or currencies), the Issuer shall make an offer to repurchase from the Noteholders and from the holders of any Pari Passu Financial Indebtedness, to the extent required by the terms thereof, on a *pro rata* basis, in accordance with this Condition 9.5 or the agreements governing any such Pari Passu Financial Indebtedness, in cash the maximum principal amount of the Notes (at an amount per Note equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest if any to the date of purchase) and any such Pari Passu Financial Indebtedness (at a price no greater than 100 per cent. of the principal amount (or accreted value, as applicable) of such Pari Passu Financial Indebtedness together with accrued and unpaid interest if any to the date of purchase) that may be purchased with the amount of the Excess Proceeds (an **"Excess Proceeds Offer"**).
- 9.5.2 The Issuer shall give written notice of its offer to redeem pursuant to Condition 9.5.1 no later than twenty (20) Business Days after the end of the 365 calendar day period referred to in Condition 11.5.1(c). The notice from the Issuer is irrevocable, shall specify the amount of Notes that may be repurchased, the Purchase Date and the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Purchase Date.
- 9.5.3 Each Excess Proceeds Offer will remain open for a period of at least 20 Business Days and not more than 60 Business Days, following its commencement except to the extent that a longer period is required by applicable law (the **"Offer Period"**). No later than three Business Days after the termination of the Offer Period (the **"Purchase Date"**), the Issuer will apply all Excess Proceeds, in the case of an Excess Proceeds Offer (the **"Offer Amount"**) to the purchase of the Notes and, if applicable, such other Pari Passu Financial Indebtedness (on a pro rata basis based on the principal amount of the Notes and such other Pari Passu Financial Indebtedness surrendered, if applicable or, if less than the Offer Amount has been tendered, all Notes tendered and, if applicable, other Financial Indebtedness tendered in response to the Excess Proceeds Offer).
- 9.5.4 If the Purchase Date is on or after a record date for the payment of interest and on or before the related payment date, any accrued and unpaid interest, if any, will be paid to the person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to Noteholders who tender Notes pursuant to the Excess Proceeds Offer.
- 9.5.5 Upon the commencement of an Excess Proceeds Offer, the Issuer will send, by first class mail, a notice to the Trustee and each of the Noteholders with a copy to the Trustee. The notice will contain all instructions and materials necessary to enable such Noteholders to tender Notes pursuant to the Excess Proceeds Offer. The notice, which will govern the terms of the Excess Proceeds Offer, will state:

- (a) that the Excess Proceeds Offer is being made pursuant to this Condition 9.5 the length of time the Excess Proceeds Offer will remain open;
- (b) the Offer Amount, the purchase price and the Purchase Date;
- (c) that any Note not tendered or accepted for payment will continue to accrue interest;
- (d) that, unless the Issuer defaults in making such payment, any Note accepted for payment pursuant to the Excess Proceeds Offer will cease to accrue interest after the Purchase Date;
- (e) that Notes purchased pursuant to the Excess Proceeds Offer will be purchased in a minimum amount of SEK 2,000,000;
- (f) the manner in which Noteholders electing to have a Note purchased pursuant to any Excess Proceeds Offer will be required to transfer such Note to the Issuer or its agent before the Purchase Date;
- (g) the circumstances under which Noteholders will be entitled to withdraw their election prior to the expiration of the Offer Period and the procedures required in relation to such withdrawal; and
- (h) that, if the aggregate principal amount of Notes and other Pari Passu Financial Indebtedness surrendered by holders thereof exceeds the Offer Amount, the Issuer (or its agent) will randomly select the Notes and other Pari Passu Financial Indebtedness to be purchased on a pro rata basis based on the principal amount of Notes and such other Pari Passu Financial Indebtedness surrendered (provided that Notes will be purchased in a minimum amount of SEK 2,000,000).

9.5.6 On or before the Purchase Date, the Issuer will, to the extent lawful, accept for repurchase, the Offer Amount of Notes tendered pursuant to the Excess Proceeds Offer (which Notes shall be randomly selected by the Issuer or its agent if more than the Offer Amount has been tendered), or if less than the Offer Amount has been tendered, all Notes tendered. The Issuer will pay each tendering holder an amount equal to the purchase price of the Notes tendered by such Noteholder and accepted by the Issuer for purchase. Any purchase pursuant to this Condition 9.5 shall not be subject to conditions precedent.

9.5.7 To the extent that the amount of Notes and any such Pari Passu Financial Indebtedness purchased pursuant to this Condition 9.5 is less than the aggregate amount of Excess Proceeds, the Issuer may use the amount of such Excess Proceeds not used to purchase Notes and such Pari Passu Financial Indebtedness for purposes that are not otherwise prohibited by these Terms and Conditions. Upon completion of each redemption, the amount of Excess Proceeds will be reset to zero.

#### 9.6 **Mandatory repurchase due to a Change of Control Triggering Event or a Listing Failure Event (put option)**

9.6.1 Upon the occurrence of a Change of Control Triggering Event or a Listing Failure Event, each Noteholder shall during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Change of Control Triggering Event or Listing Failure Event, as applicable, pursuant to Condition 10.1.2 (after which time period such right shall lapse), have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest. However, such period may not start earlier than upon the occurrence of the Change of Control Triggering Event or Listing Failure Event, as applicable.

- 9.6.2 The notice from the Issuer pursuant to Condition 10.1.2 shall specify the Record Date on which a person shall be registered as a Noteholder to receive interest and principal, the Redemption Date and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Condition 10.1.2. The Redemption Date must fall no later than forty (40) Business Days after the end of the period referred to in Condition 9.6.1.
- 9.6.3 If Noteholders representing more than 75 per cent. of the Adjusted Nominal Amount have requested that Notes held by them are repurchased pursuant to this Condition 9.6, the Issuer shall, no later than five (5) Business Days after the end of the period referred to in Condition 9.6.1, send a notice to the remaining Noteholders, if any, giving them a further opportunity to request that Notes held by them be repurchased on the same terms during a period of twenty (20) Business Days from the date such notice is effective. Such notice shall specify the Redemption Date, the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date and also include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to this Condition 9.6.3. The Redemption Date must fall no later than forty (40) Business Days after the end of the period of twenty (20) Business Days referred to in this Condition 9.6.3.
- 9.6.4 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Condition 9.6, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Condition 9.6 by virtue of the conflict.
- 9.6.5 The Issuer shall not be required to repurchase any Notes pursuant to this Condition 9.6, if a third party in connection with the occurrence of a Change of Control Triggering Event or a Listing Failure Event offers to purchase the Notes in the manner and on the terms set out in this Condition 9.6 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If Notes tendered are not purchased within the time limits stipulated in this Condition 9.6, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit.
- 9.6.6 No repurchase of Notes pursuant to this Condition 9.6 shall be required if the Issuer has given notice of a redemption pursuant to Condition 9.3 (*Voluntary total redemption (call option)*), provided that such redemption is duly exercised.



## **10. INFORMATION TO NOTEHOLDERS**

### **10.1 Information from the Issuer**

- 10.1.1 The Issuer shall provide the following information to the Trustee and make the same available to the Noteholders by way of press release and by publication on the website of the Issuer:
- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the Issuer's audited consolidated financial statements for that financial year prepared in accordance with IFRS;
  - (b) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the Issuer's consolidated financial statements or the year-end report (*bokslutskommuniké*) (as applicable) for such period prepared in accordance with IFRS;
  - (c) as soon as practicable following an acquisition or disposal of Notes by a Group Company, the aggregate Nominal Amount held by Group Companies, or the amount of Notes cancelled by the Issuer; and
  - (d) any other information required by the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*), Regulation No 596/2014 on market abuse (*Market Abuse Regulation*), as applicable, and the rules and regulations of the Regulated Market on which the Notes are admitted to trading.
- 10.1.2 The Issuer shall promptly notify the Noteholders and the Trustee in writing upon becoming aware of the occurrence of a Change of Control Triggering Event or a Listing Failure Event. Such notice may be given in advance of the occurrence of a Change of Control and conditioned upon the occurrence of a Change of Control Triggering Event, if a definitive agreement is in place providing for a Change of Control.
- 10.1.3 When the financial statements and other information are made available to the Noteholders pursuant to Condition 10.1.1, the Issuer shall send copies of such financial statements and other information to the Trustee. Together with the annual financial statements of the Issuer, the Issuer shall submit to the Trustee a compliance certificate in a form agreed between the Issuer and the Trustee containing a confirmation that no Default or Event of Default has occurred (or if a Default or an Event of Default has occurred, what steps have been taken to remedy it).
- 10.1.4 The Issuer shall promptly notify the Trustee in writing (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes a Default or an Event of Default, and shall provide the Trustee with such further information as the Trustee may reasonably request in writing following receipt of such notice. Should the Trustee not receive such information, the Trustee is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Trustee does not have actual knowledge by way of written notice of such event or circumstance.
- 10.1.5 The Issuer is only obliged to inform the Trustee as set out in this Condition 10 if informing the Trustee would not conflict with any applicable laws or, when the Notes are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Trustee, in order to be able to timely inform the Trustee as set out in this Condition 10.

- 10.2 **Information from the Trustee**
- 10.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Trustee in accordance with this Condition 10.2.1 and applicable law, the Trustee is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Trustee may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 10.2.2 If a committee representing the Noteholders' interests under the Finance Documents has been appointed by the Noteholders pursuant to Condition 14 (*Decisions by Noteholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Noteholders. The Trustee shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.
- 10.3 **Publication of Finance Documents**
- 10.3.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions), together with copies of the Sustainability Bond Framework and the second opinion of Sustainalytics on the Sustainability Bond Framework, shall be available on the website of the Issuer.
- 10.3.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Trustee during normal business hours.
11. **GENERAL UNDERTAKINGS**
- 11.1 **Change of Business**
- The Issuer shall ensure that no substantial change is made to the general nature of the business of the Issuer or the Group from that carried on at the First Issue Date, **provided** that this Condition shall not prevent the Issuer from engaging in any Permitted Business.
- 11.2 **Preservation of properties**
- Subject to Permitted Discontinuance of Property Maintenance, the Issuer shall (and shall ensure that each other Group Company will) maintain in good repair, working order and condition (ordinary wear and tear excepted) all of its material properties necessary or desirable in the conduct of its business, all in accordance with the judgment of the Issuer (acting reasonably).
- 11.3 **Financial Indebtedness**
- The Issuer may not (and shall ensure that no other Group Company will), directly or indirectly incur any Financial Indebtedness, unless:

- (a) at the time of such incurrence or immediately following the incurrence of such Financial Indebtedness and the application of the proceeds thereof, on a pro forma basis, the Net Leverage Ratio is less than 3.0 to 1.0; or
- (b) the Financial Indebtedness is Permitted Financial Indebtedness.

#### 11.4 **Negative pledge**

The Issuer shall not (and shall ensure that no other Group Company will), directly or indirectly,

- (a) create or permit to subsist any Lien over any of its assets; or
- (b) (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by any Group Company; (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms; (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or (iv) enter into any other preferential arrangement having a similar effect (each of paragraphs (i)-(iv) being a “**Quasi-Security**”), in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset,

unless the Lien or Quasi-Security is a Permitted Lien.

#### 11.5 **Disposal of Assets**

11.5.1 The Issuer may not, and may not permit any other Group Company to, make any Asset Disposition in one or more related transactions unless:

- (a) the consideration the Issuer or such Group Company receives for such Asset Disposition is not less than the Fair Market Value of the assets sold (as determined by the Issuer’s senior management or board of directors); and
- (b) unless the Asset Disposition is a Permitted Asset Swap, at least 75 per cent. of the consideration the Issuer or such Group Company receives in respect of such Asset Disposition consists of:
  - (i) cash or Cash Equivalents;
  - (ii) the assumption of a Group Company’s Financial Indebtedness or other liabilities (other than contingent liabilities or Financial Indebtedness or liabilities that are subordinated to the Notes) or Financial Indebtedness or other liabilities of such Group Company relating to such assets and, in each case, the Group Company is released from all liability on the Financial Indebtedness assumed;
  - (iii) any Capital Stock or assets of the kind referred to in paragraphs (c)(iv) or (c)(v) of Condition 11.5.1(c);
  - (iv) a combination of the consideration specified in Conditions (i) to (iii) (inclusive) of this Condition 11.5.1(b); and

- (c) within 365 calendar days of such Asset Disposition, the Net Available Proceeds are applied (at the applicable Group Company's option):
- (i) to repay, redeem, retire or cancel outstanding Financial Indebtedness secured by Lien over the assets of any Group Company;
  - (ii) if such Net Available Proceeds are received by the Issuer or any of its Subsidiaries that are Restricted Subsidiaries, first, to redeem Notes or purchase Notes pursuant to an offer to all Noteholders at a purchase price equal to at least 100 per cent. of the principal amount thereof, plus accrued and unpaid interest and second, to the extent any Net Available Proceeds from such Asset Disposition remain, to any other use as determined by the Issuer or the applicable Restricted Subsidiary that is not otherwise prohibited by these Terms and Conditions;
  - (iii) to repurchase, prepay, redeem or repay any Pari Passu Financial Indebtedness; **provided** that if such Net Available Proceeds are received by the Issuer or any of its Subsidiaries that are Restricted Subsidiaries, the Issuer makes an offer to all Noteholders on a *pro rata* basis to purchase their Notes in accordance with Condition 9.5 (*Repurchase with Excess Proceeds (put option)*);
  - (iv) to acquire all or substantially all of the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Group Company;
  - (v) to make a capital expenditure or acquire other assets (other than Capital Stock and cash or Cash Equivalents), rights (contractual or otherwise) and properties, whether tangible or intangible (including ownership interests) that are used or intended for use in connection with a Permitted Business;
  - (vi) to the extent permitted, to redeem Notes as provided under Condition 9.3 (*Voluntary total redemption (call option)*) hereof;
  - (vii) enter into a binding commitment to apply the Net Available Proceeds pursuant to paragraphs (iv) or (v) of this Condition 11.5.1(c) (which will be deemed to constitute a permitted application of the Net Available Proceeds from the date of such commitment until the earlier of (X) the date on which such acquisition or expenditure is consummated and (Y) the 180th day following the expiration of the initial 365-day period); or
  - (viii) any combination of the foregoing paragraphs (i) to (vii) (inclusive) of this Condition 11.5.1(c).

11.5.2 For purposes of Condition 11.5.1(c), any securities, notes or other obligations received by a Group Company from such transferee that are promptly converted by the recipient thereof into cash, Cash Equivalents or readily marketable securities (to the extent of the cash, Cash Equivalents or readily marketable securities received in that conversion), shall be deemed cash.

11.5.3 The amount of such Net Available Proceeds received by the Issuer or any of its Subsidiaries that are Restricted Subsidiaries and not applied pursuant to Condition 11.5.1(c) will constitute "**Excess Proceeds**". Pending the final application of any such Net Available Proceeds, the Issuer may temporarily use such Net Available Proceeds in any manner that is not prohibited by the terms of these Terms and Conditions.

## 11.6 **Merger**

The Issuer may not, in a single transaction or a series of related transactions, (i) consolidate with or merge into any other person, or (ii) directly or indirectly, convey, transfer, sell, lease or otherwise dispose of all or substantially all of its assets to any other person, unless:

- (a) the Issuer is the surviving corporation; or (ii) the person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, conveyance or other disposition has been made,
  - (i) shall expressly assume all of the Issuer's obligations under the Trust Deed and these Terms and Conditions and,
  - (ii) is organised under the laws of any member state of the European Union, the United Kingdom, Norway, Switzerland, Canada, Jersey, Guernsey, Mauritius, Cayman Islands, British Virgin Islands, any state of the United States of America or the District of Columbia
- (b) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing
- (c) immediately after giving effect to such transaction and treating any Financial Indebtedness which becomes a Group Company's obligation, as applicable, as a result of such transaction as having been incurred at the time of the transaction, (x) a Group Company could incur at least \$1.00 (or its equivalent in any other currency or currencies) of additional Financial Indebtedness pursuant to Condition 11.3 hereof or (y) the Net Leverage Ratio would not be greater than such ratio before giving effect to such transactions; provided that this paragraph (c) will not apply if, in the good faith determination of the Issuer's board of directors the principal purpose of such transaction is to change the Issuer's or the Issuer's jurisdiction of incorporation; and
- (d) the Issuer delivers to the Trustee a certificate stating that such consolidation, merger or transfer complies with this Condition 11.6.

## 11.7 **Admission to trading and listing**

- 11.7.1 The Issuer shall use all reasonable efforts to ensure that within one hundred twenty (120) calendar days after each of the First Issue Date and the date of issuance of any Additional Notes, the Note Loan is admitted to trading on the sustainable bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.
- 11.7.2 Following an admission to trading and listing on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable), the Issuer shall use all reasonable efforts to ensure that the Notes continue being listed thereon (however, taking into account the rules and regulations of Nasdaq Stockholm (or any other Regulated Market, as applicable) and the CSD (as amended from time to time) preventing trading in the Notes in close connection to the redemption of the Notes).

- 11.8 **Designation of Unrestricted Subsidiaries**
- 11.8.1 (a) The Issuer may designate, after the First Issue Date, any Subsidiary of the Issuer (including any newly created or acquired Subsidiary) as an “**Unrestricted Subsidiary**” (a “**Designation**”) only if, at the time of or after giving effect to such Designation:
- (a) no Default or Event of Default shall have occurred and be continuing;
  - (b) a Group Company could incur US\$1.00 (or its equivalent in any other currency or currencies) of Financial Indebtedness pursuant to Condition 11.3(a); and
  - (c) the aggregate Investments (other than Permitted Investments) by the Group in all Unrestricted Subsidiaries shall not exceed the greater of (x) \$950,000,000 or (y) 10 per cent. of Total Assets at any time outstanding.
- 11.8.2 No Group Company will at any time:
- (a) provide credit support for, subject any of its property or assets (other than Liens over the Capital Stock, Financial Indebtedness and other securities of any Unrestricted Subsidiary securing Financial Indebtedness of that Unrestricted Subsidiary and its Subsidiaries) to the satisfaction of, or Guarantee, any Financial Indebtedness of any Unrestricted Subsidiary (including any undertaking, agreement or instrument evidencing such Financial Indebtedness);
  - (b) be directly or indirectly liable for any Financial Indebtedness of any Unrestricted Subsidiary;
  - (c) be directly or indirectly liable for any Financial Indebtedness which provides that the holder thereof may (upon notice, lapse of time or both) declare a default thereon or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity upon the occurrence of a default with respect to any Financial Indebtedness of any Unrestricted Subsidiary; or
  - (d) make any Investment (other than a Permitted Investment) in any Unrestricted Subsidiary to the extent such Investment, together with the aggregate Investments in all Unrestricted Subsidiaries then outstanding, exceeds the amount set out in Condition 11.8.1(c).
- 11.8.3 The Issuer may redesignate an Unrestricted Subsidiary as a Restricted Subsidiary (a “**Redesignation**”) only if all Liens and Financial Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Redesignation if incurred at such time would have been permitted to be incurred for all purposes of these Terms and Conditions.
- 11.8.4 For purposes of this Condition 11.8:
- (a) “**Investments**” shall equal the portion (proportionate to the Issuer’s direct or indirect equity interest in a Restricted Subsidiary to be Designated as an Unrestricted Subsidiary) of the Fair Market Value of the net assets of such Restricted Subsidiary at the time of the Designation of such Subsidiary as an Unrestricted Subsidiary;
  - (b) The aggregate Investments (other than Permitted Investments) by the Issuer and its Restricted Subsidiaries in all Unrestricted Subsidiaries shall be reduced upon the Redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary by an amount equal to the lesser of (x) the Issuer’s direct or indirect “Investment” in such Unrestricted Subsidiary at the time of such Redesignation, and (y) the portion (proportionate to the Issuer’s direct or indirect equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such Redesignation;

- (c) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Issuer; and
- (d) the amount of any Investment outstanding at any time shall be reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received by the Group in respect of such Investment.

11.8.5 The Designation of a Subsidiary of the Issuer as an Unrestricted Subsidiary shall be deemed to include the Designation of all Subsidiaries of such Subsidiary as Unrestricted Subsidiaries.

11.8.6 All Designations and Redesignations shall be evidenced by an Officer's Certificate of the Issuer, delivered to the Trustee certifying compliance with this Condition 11.8.

#### 11.9 **Financial Calculations for Limited Condition Transactions**

11.9.1 In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of determining compliance with any provision of these Terms and Conditions which requires that no Default or Event of Default, as applicable, has occurred, is continuing or would result from any such action, as applicable, such condition shall, at the option of the Issuer, be deemed satisfied, so long as no Default or Event of Default, as applicable, exists on the date the definitive agreement (or other relevant definitive documentation) for such Limited Condition Transaction is entered into. For the avoidance of doubt, if the Issuer has exercised its option under the first sentence of this paragraph, and any Default or Event of Default occurs following the date such definitive agreement for a Limited Condition Transaction is entered into and prior to the consummation of such Limited Condition Transaction, any such Default or Event of Default shall be deemed to not have occurred or be continuing for purposes of determining whether any action being taken in connection with such Limited Condition Transaction is permitted hereunder.

11.9.2 In connection with any action being taken in connection with a Limited Condition Transaction for purposes of:

- (a) determining compliance with any provision of these Terms and Conditions which requires the calculation of any financial ratio or test, including the Net Leverage Ratio; or
- (b) testing baskets set forth in these Terms and Conditions (including baskets measured as a percentage of Total Assets);

in each case, at the option of the Issuer (the Issuer's election to exercise such option in connection with any Limited Condition Transaction, an "**LCT Election**"), the date of determination of whether any such action is permitted hereunder, shall be deemed to be the date the definitive agreement (or other relevant definitive documentation) for such Limited Condition Transaction is entered into (the "**LCT Test Date**"); *provided*, however, that the Issuer shall be entitled to subsequently elect, in its sole discretion, the date of consummation of such Limited Condition Transaction instead of the LCT Test Date as the applicable date of determination, and if, after giving pro forma effect to the Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any Incurrence of Debt and the use of proceeds thereof), as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of "Consolidated EBITDA" and "Net Leverage Ratio", the Issuer or any Restricted Subsidiary could have taken such action on the relevant LCT Test Date in compliance with such ratio, test or basket, such ratio, test or basket shall be deemed to have been complied with.

11.9.3 If the Issuer has made an LCT Election and any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date are exceeded as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in Consolidated EBITDA or Total Assets, of the Issuer and its Restricted Subsidiaries at or prior to the consummation of the relevant transaction or action, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations. If the Issuer has made an LCT Election for any Limited Condition Transaction, then in connection with any subsequent calculation of any ratio, test or basket availability under these Terms and Conditions (including with respect to the Incurrence of Debt or Liens, or the making of Asset Dispositions, acquisitions, mergers, the conveyance, lease or other transfer of all or substantially all of the assets of the Issuer or any Restricted Subsidiary or the Designation of an Unrestricted Subsidiary) on or following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the definitive agreement for such Limited Condition Transaction is terminated or expires without consummation of such Limited Condition Transaction, any such ratio, test or basket shall be calculated on a pro forma basis assuming such Limited Condition Transaction and other transactions in connection therewith (including any Incurrence of Debt and the use of proceeds thereof) have been consummated.

11.10 **Suspension of certain covenants**

If on any date following the First Issue Date, the Issuer is assigned an external credit rating of at least BBB- (or equivalent) by two Rating Agencies and no Event of Default is continuing then the Issuer shall notify the Trustee in writing of these events and beginning on that date and until such time as the Issuer ceases to have an external credit rating of at least BBB- (or equivalent) by either such Rating Agency, Conditions 11.3 (*Financial Indebtedness*), 11.5 (*Disposal of assets*), and paragraph (c) of Condition 11.6 (*Merger*) shall not apply. Any action taken by a Group Company during any such covenant suspension that would otherwise give rise to a breach of the aforementioned Conditions upon such covenant suspension ceasing to be in effect shall be deemed not to be a breach of these Terms and Conditions.

**12. ACCELERATION OF THE NOTES**

12.1 Subject to Condition 12.2, the Trustee at its discretion may, and shall following an instruction in writing from a Noteholder (or Noteholders) representing at least twenty-five (25) per cent. of the Adjusted Nominal Amount (such instruction may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the instruction is received by the Trustee) and in both instances, the Noteholder or Noteholders (as applicable) have offered an indemnity and/or security and/or pre-funding satisfactory to the Trustee (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes immediately due and repayable at their Total Nominal Amount together with any other amounts payable under the Trust Deed (including, without limitation, pursuant to Condition 12.5) immediately or at such later date as the Trustee determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents if any of the following events occurs and is continuing:



- (a) the Issuer does not pay on the due date any principal of, or (if any) premium on any Note when due (at maturity, upon redemption or otherwise);
- (b) the Issuer does not pay on the due date any interest payable in respect of the Notes and such failure is not remedied within thirty (30) days from the relevant Interest Payment Date;
- (c) the Issuer does not pay on the due date any principal and interest on the Notes required to be purchased pursuant to Condition 9.5 or 9.6;
- (d) the Issuer does not comply with the provisions of Condition 11.6;
- (e) the Issuer does not comply with any terms or conditions of the Finance Documents to which it is a party (other than those terms referred to in paragraphs (a) through (d) above), unless the non-compliance (i) is capable of remedy; and (ii) is remedied within sixty (60) days of the earlier of notice to the Issuer by the Trustee or Noteholders of at least 25 per cent. in aggregate principal amount of Notes outstanding;
- (f) the occurrence of a Cross Payment Default or a Cross Acceleration, unless the aggregate amount of Financial Indebtedness which is the subject of the Cross Payment Default or Cross Acceleration, as applicable, is less than \$100,000,000 (or its equivalent in any other currency or currencies), without double counting;
- (g) a Group Company fails to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of \$100,000,000 (or its equivalent in any other currency or currencies) (exclusive of any amounts for which a solvent insurance company has acknowledged liability), which judgments shall not have been discharged or waived and there shall have been a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of an appeal, waiver or otherwise, shall not have been in effect;
- (h) (i) a Material Company is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)); (ii) the value of the assets of any Material Company is less than its liabilities (taking into account contingent and prospective liabilities); or (iii) a moratorium is declared in respect of any indebtedness of any Material Company;
- (i) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (i) the winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise, other than a solvent reorganisation in which the relevant Material Company is the surviving entity) of any Material Company;
- (ii) a general assignment, arrangement or composition with or for the benefit of the creditors of any Material Company;
- (iii) the appointment of a liquidator (other than in respect of a solvent liquidation of a Group Company other than the Issuer), receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Material Company or any of its assets; or
- (iv) enforcement of any Lien over any assets of any Material Company,

or any analogous procedure or step is taken in any jurisdiction. This Condition (i) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement.

- 12.2 The Trustee may not accelerate the Notes in accordance with Condition 12.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default temporarily or permanently.
- 12.3 The Trustee may, or the Noteholders of at least fifty (50) per cent. of the Adjusted Nominal Amount may on demand in writing to the Trustee, waive all past or existing Events of Default (other than with respect to non-payment) and may rescind any such acceleration with respect to the Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction and if all amounts then due with respect to the Notes are paid (other than amount due solely because of such acceleration) and all other defaults with respect to the Notes are cured.
- 12.4 The Trustee shall notify the Noteholders of an Event of Default within five (5) Business Days of the date on which the Trustee receives actual knowledge by way of written notice that an Event of Default has occurred and is continuing. The Trustee shall, within twenty (20) Business Days of the date on which the Trustee receives actual knowledge by way of written notice that an Event of Default has occurred and is continuing seek instructions from the Noteholders in accordance with Condition 14 (*Decisions by Noteholders*). The Trustee shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 12.5 If the Noteholders instruct the Trustee to accelerate the Notes in accordance with Condition 12.1, the Trustee shall promptly declare the Notes due and payable and take such actions as the Noteholders deem to be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 12.6 If the right to accelerate the Notes is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.

12.7 In the event of an acceleration of the Notes in accordance with this Condition 12, the Issuer shall redeem all Notes at an amount per Note equal to 100 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

### 13. DISTRIBUTION OF PROCEEDS

13.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Condition 11.8 (*Acceleration of the Notes*) shall be distributed in the following order of priority, in accordance with the instructions of the Trustee:

- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Trustee in accordance with the Trust Deed (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes or the protection of the Noteholders' rights as may have been incurred by the Trustee, (iii) any costs incurred by the Trustee for external experts that have not been reimbursed by the Issuer in accordance with Condition 18.2.5, and (iv) any costs and expenses incurred by the Trustee in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Condition 14.13;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer.

13.2 Funds that the Trustee receives (directly or indirectly) in connection with the acceleration of the Notes shall be held on trust by the Trustee on the terms set out in the Trust Deed. The Trustee shall arrange for payments of such funds in accordance with this Condition 13 as soon as reasonably practicable.

13.3 If the Issuer or the Trustee shall make any payment under this Condition 13, the Issuer or (in the case of payments by the Trustee) the Trustee, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Condition 7.1 shall apply.

### 14. DECISIONS BY NOTEHOLDERS

14.1 A request by the Trustee for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Trustee) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.

- 14.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Trustee) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Trustee and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Trustee. The person requesting the decision may suggest the form for decision making, but if it is in the Trustee's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 14.3 The Trustee may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Trustee that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 14.4 Only a person who is, or who has been provided with a power of attorney pursuant to Condition 6 (*Right to act on behalf of a Noteholder*) from a person who is, registered as a Noteholder:
- (a) on the Record Date prior to the date of the Noteholders' Meeting, in respect of a Noteholders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Condition 16.2, in respect of a Written Procedure,
- may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the Adjusted Nominal Amount.
- 14.5 The following matters shall require the consent of Noteholders representing at least sixty six and two thirds (66-2/3) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Condition 16.2:
- (a) a change to the terms of any of Condition 2.1, and Conditions 2.5 to 2.7;
  - (b) a reduction of any premium payable upon the redemption or repurchase of any Note pursuant to Clause 9 (*Redemption and repurchase of the Notes*);
  - (c) a change to the Interest Rate or the Nominal Amount;
  - (d) a change to the terms for the distribution of proceeds set out in Condition 13 (*Distribution of proceeds*);
  - (e) a change to the terms dealing with the requirements for Noteholders' consent set out in this Condition 14;
  - (f) an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
  - (g) a mandatory exchange of the Notes for other securities; and

- (h) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Condition 11.8 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.

- 14.6 Any matter not covered by Condition 14.5 shall require the consent of Noteholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Condition 16.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Condition 17.1(a) or (b)), an acceleration of the Notes.
- 14.7 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Condition 14.5, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
- (b) if in respect of a Written Procedure, reply to the request.
- If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 14.8 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Trustee or the Issuer shall convene a second Noteholders' Meeting (in accordance with Condition 15.1) or initiate a second Written Procedure (in accordance with Condition 16.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Condition 14.8, the date of request of the second Noteholders' Meeting pursuant to Condition 15.1 or second Written Procedure pursuant to Condition 16.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Condition 14.7 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 14.9 Any decision which extends or increases the obligations of the Issuer or the Trustee, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Trustee, under the Finance Documents shall be subject to the Issuer's or the Trustee's consent, as applicable.
- 14.10 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 14.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.

- 14.12 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders and vice versa.
- 14.13 All costs and expenses incurred by the Issuer or the Trustee for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Trustee, shall be paid by the Issuer.
- 14.14 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Trustee provide the Trustee with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Notes. The Trustee shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company or an Affiliate.
- 14.15 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the website of the Issuer, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Trustee, as applicable.

## **15. NOTEHOLDERS' MEETING**

- 15.1 The Trustee shall convene a Noteholders' Meeting as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Noteholder on a date selected by the Trustee which falls no more than five (5) Business Days prior to the date on which the notice is sent.
- 15.2 Should the Issuer wish to replace the Trustee, it may convene a Noteholders' Meeting in accordance with Condition 15.1 with a copy to the Trustee. After a request from the Noteholders pursuant to Condition 18.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders Meeting in accordance with Condition 15.1.
- 15.3 The notice pursuant to Condition 15.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 15.4 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- 15.5 Without amending or varying these Terms and Conditions, the Trustee may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Trustee may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

## **16. WRITTEN PROCEDURE**

- 16.1 The Trustee shall instigate a Written Procedure as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each person who is registered as a Noteholder on a date selected by the Trustee which falls no more than five (5) Business Days prior to the date on which the communication is sent.
- 16.2 Should the Issuer wish to replace the Trustee, it may instigate a Written Procedure in accordance with Condition 16.1 with a copy to the Trustee.
- 16.3 A communication pursuant to Condition 16.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Condition 16.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- 16.4 When consents from Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Conditions 14.5 and 14.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Condition 14.5 or 14.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **17. AMENDMENTS AND WAIVERS**

- 17.1 The Issuer and the Trustee (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Noteholders as a group, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Condition 14 (*Decisions by Noteholders*).
- 17.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 17.3 The Trustee shall promptly notify the Noteholders of any amendments or waivers made in accordance with Condition 17.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Condition 10.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.

- 17.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Trustee, as the case may be.
- 18. APPOINTMENT AND REPLACEMENT OF THE TRUSTEE**
- 18.1 Appointment of the Trustee**
- 18.1.1 By subscribing for Notes, each initial Noteholder appoints the Trustee to act pursuant to the Trust Deed as trustee in all matters relating to the Notes and the Finance Documents, and authorises the Trustee to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions or the Trust Deed) in any legal or arbitration proceedings relating to the Notes held by such Noteholder. By acquiring Notes, each Additional Noteholder confirms such appointment and authorisation for the Trustee to act on its behalf.
- 18.1.2 The Trustee shall not be bound to take any action in relation to the Trust Deed and these Terms and Conditions unless directed to do so in accordance with Conditions 14, 15 and/or 16, as applicable, and it has been indemnified and/or secured and/or prefunded to its satisfaction.
- 18.1.3 The Issuer shall promptly upon request provide the Trustee with any documents and other assistance (in form and substance satisfactory to the Trustee), that the Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 18.1.4 The Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Trustee's obligations as Trustee under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 18.1.5 The Trustee may act as Trustee or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.
- 18.2 Duties of the Trustee**
- 18.2.1 The Trustee shall represent the Noteholders in accordance with the Finance Documents. The Trustee is not responsible for the execution or enforceability of the Finance Documents.
- 18.2.2 When acting in accordance with the Finance Documents, the Trustee is always acting with binding effect on behalf of the Noteholders. The Trustee shall carry out its duties under the Finance Documents with the degree of care and diligence required of it as a trustee having regard to the provisions of the Trust Deed and the other Finance Documents.
- 18.2.3 The Trustee is entitled to delegate its duties to other professional parties, but the Trustee shall remain liable for the actions of such parties under the Finance Documents.



- 18.2.4 The Trustee shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 18.2.5 The Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Trustee pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Trustee reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Trustee from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Condition 13 (*Distribution of proceeds*).
- 18.2.6 The Trustee shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Trustee, as may be necessary in order for the Trustee to carry out its duties under the Finance Documents.
- 18.2.7 Notwithstanding any other provision of the Finance Documents to the contrary, the Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 18.2.8 If in the Trustee's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Trustee) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Trustee may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Lien has been provided therefore) as it may reasonably require.
- 18.2.9 The Trustee shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Trustee under the Finance Documents or (ii) if it refrains from acting for any reason described in Condition 18.2.8.
- 18.3 **Limited liability for the Trustee**
- 18.3.1 The Trustee will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence, wilful default or fraud. The Trustee shall never be responsible for indirect or consequential loss.
- 18.3.2 The Trustee shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Trustee or if the Trustee has acted with reasonable care in a situation when the Trustee considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 18.3.3 The Trustee shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Trustee to the Noteholders, provided that the Trustee has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Trustee for that purpose.

- 18.3.4 The Trustee shall have no liability to the Noteholders for damage caused by the Trustee acting in accordance with instructions of the Noteholders given in accordance with Condition 14 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Condition 12.1.
- 18.3.5 Any liability towards the Issuer which is incurred by the Trustee in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.
- 18.4 **Replacement of the Trustee**
- 18.4.1 Subject to Condition 18.4.6, the Trustee may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Trustee at a Noteholders' Meeting convened by the retiring Trustee or by way of Written Procedure initiated by the retiring Trustee.
- 18.4.2 Subject to Condition 18.4.6, if the Trustee is Insolvent, the Trustee shall be deemed to resign as Trustee and the Issuer shall within ten (10) Business Days appoint a successor Trustee which shall be an independent financial institution or other reputable company which regularly acts as trustee under debt issuances.
- 18.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer), require that a Noteholders' Meeting is held for the purpose of dismissing the Trustee and appointing a new Trustee. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Trustee be dismissed and a new Trustee appointed.
- 18.4.4 If the Noteholders have not appointed a successor Trustee within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Trustee was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Trustee which shall be an independent financial institution or other reputable company which regularly acts as trustee under debt issuances.
- 18.4.5 The retiring Trustee shall, at its own cost, make available to the successor Trustee such documents and records and provide such assistance as the successor Trustee may reasonably request for the purposes of performing its functions as Trustee under the Finance Documents.
- 18.4.6 The Trustee's resignation or dismissal shall only take effect upon the appointment of a successor Trustee and acceptance by such successor Trustee of such appointment and the execution of all necessary documentation to effectively substitute the retiring Trustee.
- 18.4.7 Upon the appointment of a successor, the retiring Trustee shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Trustee. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Trustee.

- 18.4.8 In the event that there is a change of the Trustee in accordance with this Condition 18.4, the Issuer shall execute such documents and take such actions as the new Trustee may reasonably require for the purpose of vesting in such new Trustee the rights, powers and obligation of the Trustee and releasing the retiring Trustee from its further obligations under the Finance Documents. Unless the Issuer and the new Trustee agree otherwise, the new Trustee shall be entitled to the same fees and the same indemnities as the retiring Trustee.
- 18.5 **New Trustee and Separate and Co-Trustees**
- 18.5.1 One or more persons may hold office as trustee or trustees under the Trust Deed but such trustee or trustees shall be or include a trust corporation. The power to appoint a new trustee under the Trust Deed shall be vested in the Issuer but no person shall be appointed who shall not previously have been approved by the Noteholders pursuant to Condition 14.6. Any appointment of a new trustee shall as soon as practicable thereafter be notified by the Issuer to the Noteholders in accordance with these Terms and Conditions.
- 18.5.2 Notwithstanding the above, the Trustee may appoint any person established or resident in any jurisdiction (whether a trust corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Trustee in certain circumstances.
19. **APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT**
- 19.1 The Issuer has appointed the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes.
- 19.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed.
20. **APPOINTMENT AND REPLACEMENT OF THE CSD**
- 20.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Notes.
- 20.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Noteholder or the listing of the Notes on a Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Account Act (*lag (1998:1479) om kontoföring av finansiella instrument*).

## **21. NO DIRECT ACTIONS BY NOTEHOLDERS**

No Noteholder shall itself be entitled to proceed directly against the Issuer unless the Trustee, having become bound to so proceed, fails to do so within a reasonable time and such failure is continuing. Further, a Noteholder may not take any steps whatsoever to enforce or recover any amount due or owing to it pursuant to the Trust Deed and/or the Notes, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Trust Deed and/or the Notes. Such steps may only be taken by the Trustee.

## **22. PRESCRIPTION**

The right to receive repayment of the principal of the Notes shall become prescribed ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void five (5) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed.

## **23. NOTICES AND PRESS RELEASES**

### **23.1 Notices**

23.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:

- (a) if to the Trustee, shall be given at Sveavägen 9, 111 57 Stockholm;
- (b) if to the Issuer, shall be given at the address specified on its website [www.millicom.com](http://www.millicom.com) on the Business Day prior to dispatch; and
- (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the Record Date prior to dispatch, and by either courier delivery or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of the Issuer and the Trustee.

23.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Trustee, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Condition 23.1.1, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Condition 23.1.1, or, in case of email, when received in readable form by the email recipient.

23.1.3 Any notice pursuant to the Finance Documents shall be in English.

23.1.4 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

### **23.2 Press releases**

23.2.1 Any notice that the Issuer or the Trustee shall send to the Noteholders pursuant to Conditions 9.3 (*Voluntary total redemption (Call option)*), 9.4 (*Early redemption due to illegality*), 9.5 (*Repurchase with Excess Proceeds*), 10.1.2, 12.4, 14.15, 15.1, 16.1 and 17.3 shall also be published by way of press release by the Issuer or the Trustee, as applicable.

23.2.2 In addition to Condition 23.2.1, if any information relating to the Notes, the Issuer contained in a notice the Trustee may send to the Noteholders under these Terms and Conditions has not already been made public by way of a press release, the Trustee shall before it sends such information to the Noteholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Trustee considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Noteholders, the Trustee shall be entitled to issue such press release.

## **24. FORCE MAJEURE AND LIMITATION OF LIABILITY**

24.1 Neither the Trustee nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Trustee or the Issuing Agent itself takes such measures, or is subject to such measures.

24.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

24.3 Should a Force Majeure Event arise which prevents the Trustee or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.

24.4 The provisions in this Condition 24 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **25. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

25.1 No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent, if any, that the Notes expressly provide for such Act to apply to any of their terms. This does not affect any right or remedy of a third party which exists or is available apart from that Act.

25.2 For the avoidance of doubt, the Issuing Agent is intended by the parties to this Agreement to have the rights under the Contract (Rights of Third Parties) Act 1999 to enforce the terms of Condition 4 (*Condition Precedent*)

## **26. GOVERNING LAW AND JURISDICTION**

26.1 The Trust Deed and the Notes, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with English law. For the avoidance of doubt, the articles 470-1 to Article 470-19 of the Luxembourg law dated 10 August 1915 as amended are excluded.

26.2 The Issuer has in the Trust Deed agreed for the benefit of the Trustee and the Noteholders that the English courts shall have exclusive jurisdiction in relation to all disputes arising out of or in connection with the Trust Deed or the Notes (including claims for set-off and counterclaims), including, without limitation, disputes arising out of or in connection with: (i) the creation, validity, effect, interpretation, performance or non-performance of, or the legal relationships established by the Trust Deed and the Notes; and (ii) any non-contractual obligation arising out of or in connection with the Trust Deed and the Notes and accordingly submits to the exclusive jurisdiction of the English courts. For such purposes each of the Issuer and the Trustee irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction.

- 26.3 Notwithstanding that, under the Financial Instruments Accounts Act or the operating procedures, rules and regulations of the CSD, (together, the “**Swedish Remedies**”), holders of the Notes may have remedies against the Issuer or for non-payment or non-performance under the Trust Deed and the Notes, a Noteholder must first exhaust all available remedies in the courts of England and Wales for non-payment or non-performance before any proceedings may be brought against the Issuer in Sweden in respect of the Swedish Remedies. Notwithstanding the above, and in this limited respect only, a Noteholder may not therefore take concurrent proceedings in Sweden.
- 26.4 The Issuer:
- (a) waives any objection to the choice of or submission to the English courts on the grounds of inconvenient forum or otherwise as regards proceedings in connection with the Trust Deed and the Notes or any non-contractual obligations arising out of or in connection with the Trust Deed and the Notes; and
  - (b) agrees that a judgment, declaration or order (whether interim or final) of an English court in connection with the Trust Deed and the Notes or any non-contractual obligations arising out of or in connection with the Trust Deed and the Notes is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.
- 26.5 To the extent permitted by law, the Trustee and the Noteholders may take any suit, action or proceeding arising out of or in connection with the Trust Deed and the Notes against the Issuer in any other court of competent jurisdiction.
- 26.6 The Issuer shall appoint an agent in England to which service of process and any other documents in proceedings in England in connection with the Trust Deed and the Notes, including these Terms and Conditions may be made and any such documents may be served. Any writ, judgment or other notice of legal process shall be sufficiently served on the Issuer, if delivered to it (or, if appointed, such agent) at its address in England for the time being. The Issuer undertakes with the Trustee not to revoke the authority of any such agent without the prior written consent of the Trustee.

Significant Subsidiaries

Subsidiaries of Millicom International Cellular S.A.	Jurisdiction of Incorporation or Organization
<b>Latin America:</b>	
Telemovil El Salvador, S.A. de C.V.	El Salvador
Millicom Cable Costa Rica S.A.	Costa Rica
Telefónica Celular de Bolivia S.A.	Bolivia
Telefónica Celular del Paraguay S.A.	Paraguay
Cable Onda S.A.	Panama
Telefónica Moviles Panama S.A.	Panama
Telefónica Celular de Nicaragua S.A.	Nicaragua
Colombia Móvil S.A. E.S.P.	Colombia
UNE EPM Telecomunicaciones S.A.	Colombia
Edatel S.A. E.S.P	Colombia
<b>Africa:</b>	
MIC Tanzania Public Limited Company	Tanzania
Zanzibar Telecom Limited	Tanzania
<b>Unallocated:</b>	
Millicom International Operations S.A	Luxembourg
Millicom International Operations B.V	Netherlands
Millicom LIH S.A.	Luxembourg
MIC Latin America B.V	Netherlands
Millicom Africa B.V	Netherlands
Millicom Holding B.V	Netherlands
Millicom International Services LLC	USA
Millicom Services UK Ltd	UK
Millicom Spain S.L.	Spain

**CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mauricio Ramos, certify that:

1. I have reviewed this annual report on Form 20-F of Millicom International Cellular S.A.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting policies;
  - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: February 28, 2020

By: /s/ Mauricio Ramos  
Name: Mauricio Ramos  
Title: President and Chief Executive  
Officer (Principal Executive Officer)



**CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Tim Pennington, certify that:

1. I have reviewed this annual report on Form 20-F of Millicom International Cellular S.A.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting policies;
  - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: February 28, 2020

By: /s/ Tim Pennington  
Name: Tim Pennington  
Title: Senior Executive Vice President,  
Chief Financial Officer (Principal  
Financial Officer)

## CERTIFICATION

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002

(subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Millicom International Cellular, S.A. a company incorporated under the laws of the Grand-Duchy of Luxembourg (the “Company”), hereby certifies, to such officer’s knowledge, that:

The Annual Report on Form 20-F for the year ended December 31, 2019 (the “Report”) of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 28, 2020

By: /s/ Mauricio Ramos  
Name: Mauricio Ramos  
Title: *President and Chief Executive Officer*

## CERTIFICATION

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002

(subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Millicom International Cellular, S.A. a company incorporated under the laws of the Grand-Duchy of Luxembourg (the “Company”), hereby certifies, to such officer’s knowledge, that:

The Annual Report on Form 20-F for the year ended December 31, 2019 (the “Report”) of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 28, 2020

By: /s/ Tim Pennington  
Name: Tim Pennington  
Title: *Senior Executive Vice  
President, Chief Financial Officer*

## Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-234307) pertaining to the Long-Term Incentive Performance Share and Deferred Short-Term Incentive Share Programs of Millicom International Cellular S.A. of our reports dated February 28, 2020, with respect to the consolidated financial statements and the effectiveness of internal control over financial reporting of Millicom International Cellular S.A. included in this Annual Report (Form 20-F) for the year ended December 31, 2019.

/s/ Ernst & Young  
Société anonyme  
Cabinet de révision agréé

Luxembourg  
February 28, 2020