

Corporate Governance Report 2014

Governance framework

Millicom International Cellular S.A. is a public liability company (société anonyme) governed by the Luxembourg law of August 10, 1915 on Commercial Companies (as amended), incorporated on June 16, 1992, and registered with the Luxembourg Trade and Companies' Register (Registre du Commerce et des Sociétés de Luxembourg) under number B 40 630.

The articles of incorporation of Millicom define its purpose 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."

Millicom's shares are listed on the NASDAQ OMX exchange in Stockholm in the form of Swedish Depository Receipts. Accordingly, Millicom's Corporate Governance Framework is primarily based on Luxembourg and other EU legislation, the listing requirements of NASDAQ OMX Stockholm, the Swedish Code of Corporate Governance and good stock market practice. Within these frameworks, the Board of Directors has developed and continuously evaluates internal guidelines and procedures, as further described below, to ensure quality and transparency of corporate governance practices within Millicom.

The Company has applied the Swedish Code of Corporate Governance ("the Swedish Code") from May 30, 2011, the date on which it moved its primary listing to the NASDAQ OMX exchange in Stockholm and delisted from the NASDAQ exchange in the US (full deregistration from NASDAQ in the US occurred on October 12, 2012).

Compliance with the Swedish corporate governance code

The Code has been applied by Millicom since May 30, 2011. Millicom is committed to complying with best-practice corporate governance on a global level wherever possible. Millicom applies home state rules or deviate in relation to the Code in the following areas: Shareholder meetings are held in Luxembourg in accordance with Luxembourg law and the Company's Articles of Association. Shareholder meetings are held in the English language and meeting material is available in English only. Shareholder meeting minutes are signed by the meeting Chairman, Secretary and Scrutineer in accordance with Luxembourg law. Luxembourg law and the Company's Articles of Association do not specify the language used at shareholder's meetings. The Company's investor base is international and the Company considers English to be the best language in which to communicate with its shareholders.

With regard to share-related incentive programs, the Code (Article 9.8) states that the vesting period or the period from the commencement of an agreement to the date for acquisition of shares is to be no less than three years. The Company's programme for variable remuneration related to the deferred restricted share plan vests with 16.5% after 1 year, 16.5% after 2 years, and 67% after 3 years. Most of the award vests at the end of year 3, but some also vest at the end of year 1 and 2. This plan applies to a wide range of employees, including younger executives and the Company believes that this vesting schedule ensures alignment between the interests of the Company's shareholders and its employees.

Corporate governance in practice

Allocation and delegation of Board responsibilities

The Board has a protocol that divides work between the Board and the President and Chief Executive Officer ("the CEO"), and there are also work procedures for each of the Board committees. Further details on the roles and activities of the various committees are set out later in this section.

The main task of the Board committees (Audit, Compensation and Corporate Responsibility) is to work on behalf of the Board within their respective areas of responsibility. From time to time, the Board delegates authority to an “ad hoc” committee so that it may resolve a specific matter on its own without having to go before the full Board for approval.

Evaluation of performance

The Board carries out a self-assessment of its performance and the performance of each individual Board member. The Board also evaluates the performance of the CEO each year.

Corporate policy manual

The Board has adopted several corporate policies on governance including ethics and conduct, corporate responsibility, human resources, and accounting policies as well as and other matters. These policies are collected in a Corporate policy manual.

Regional policies that are more stringent or detailed than those set out in the Corporate policy manual are adopted as necessary.

The Company’s Code of Ethics is a part of the corporate policy manual. All Directors, senior executives, management and employees must sign a statement acknowledging that they have read, understood and will comply with the Code of Ethics.

Millicom’s governance position papers, codes of conduct, code of ethics, annual Corporate Governance report and terms and conditions for the Swedish Depositary Receipts are available on its corporate website www.millicom.com.

Internal control environment

Following the voluntary deregistration from NASDAQ in the United States, Millicom implemented processes to migrate from the requirements of the Sarbanes Oxley Act (SOX) and further improve the effectiveness and efficiency of its internal controls, aligned with the COSO 2 internal control framework. Within this framework, controls are performed by operational and functional management, and regularly reviewed in the framework of two complementary Group processes: audit of internal control practices in Millicom entities to ensure consistency with the principles and rules defined by the Group, and; global review of internal control systems in the Group based on materiality of related risks. This work is led by the Internal Audit & Control department, with reporting to and oversight by the Audit Committee of the Board.

The management of Millicom is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union.

Due to its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Management has assessed the effectiveness of Millicom International Cellular S.A. internal control over financial reporting as of December 31, 2013. In making its assessment, management has utilised the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework. Management concluded that based on its assessment, Millicom International Cellular S.A. internal control over financial reporting was effective as of December 31, 2013.

Annual General Meeting and other General Meetings

General meetings of shareholders are convened after the publication of a convening notice in the Luxembourg Official Gazette and in a Luxembourg newspaper. The Board of Directors sets the formalities to be observed by each shareholder for admission to the general meeting in the convening notice, as required by article 18 of the Articles of Incorporation.

Annual General Meeting (AGM)

An AGM is convened every year on the last Tuesday of May in the Grand-Duchy of Luxembourg at the registered office of the Company, or at another place as specified in the notice convening the meeting. If that day is a public holiday, the meeting is held on the next business day. The Chairman of the AGM is elected by the shareholders.

Other General Meetings

Other general meetings are convened by the Board of Directors of the Company if requested by shareholders representing at least ten per cent (10%) of the Company's issued share capital.

There were no other general meetings during 2013.

Directors

The Company is administered by a Board of Directors composed of at least 6 (six) members. Members of the Board of Directors need not be shareholders of the Company.

The Directors and the Chairman of the Board of Directors are elected by the shareholders' meeting, which will determine the number, and period of service (not exceeding six years). Directors hold office until their successors are elected.

Restrictions on voting – No contract or other transaction between the Company and any other person shall be affected or invalidated by the fact that any Director, officer or employee of the Company has a personal interest in, or is a director, officer or employee of such other person, except that (x) such contract or transaction shall be negotiated on an arm's 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 Directors 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, the Director shall make known to the Board such personal interest and shall not consider or vote on any such transaction, and such transaction and such director's or officer's interest therein shall be reported to the next general meeting of shareholders.

Compensation and nomination – decisions on annual remuneration of Directors ("tantièmes") is reserved by the articles of incorporation to the general meeting of shareholders. Directors are therefore prevented from voting on their own compensation. However, Directors may vote on the number of shares they may be allotted under any share based compensation scheme

The Nomination Committee makes recommendations for the election of Directors to the AGM. At the AGM, shareholders may vote for or against the Directors proposed or may elect different Directors. The Nomination Committee reviews and recommends the Directors' fees which are approved by the shareholders at the AGM.

The remuneration of Directors comprises an annual fee. Director remuneration is proposed by the Nomination Committee and approved by the shareholders at the Annual General Meeting of Shareholders as follows and as adjusted for length of service.

Borrowing powers – Directors generally have unrestricted borrowing powers on behalf of and for the benefit of Millicom.

Time and Age limit – no age limit exists for being a Director of Millicom. Directors could be elected for a maximum period of six years, but are generally elected annually.

Share ownership requirements – Directors need not be shareholders in Millicom.

Shareholders

Changes in shareholders' rights

In order to change the rights attached to the shares of Millicom, a 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 Incorporation.

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 and 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.

Limitation on securities ownership

There are no limitations imposed under Luxembourg law or the articles of incorporation on the rights of non-resident or foreign entities to own shares of Millicom or to hold or exercise voting rights on shares of Millicom.

Disclosure of shareholder ownership

As required by the Luxembourg law on transparency obligations of January 11, 2008 (the "Transparency Law"), any person who acquires or disposes of shares in Millicom's capital must notify Millicom'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. As per the Articles of Association, the requirements of the Transparency Law also apply where the mentioned proportion reaches, exceeds or falls below a threshold of 3%.

Shares and dividends

Equity and dividends

Holders of Millicom common shares are entitled to receive dividends proportionately when and if declared by the Company's Board of Directors, subject to Luxembourg legal reserve requirements and the approval of its shareholders at general meetings. Millicom paid its first cash dividend to its shareholders in 2008. In the past, Millicom retained any earnings for use in the operation and expansion of its business.

On February 11, 2014, Millicom announced that the Board would propose to the AGM a dividend distribution of \$2.64 per share to be paid out of Millicom's retained profits at December 31, 2013.

Freely negotiable shares

Rights attached to the shares – Millicom has only one class of shares, common shares, and each share entitles its holder to:

- One vote at the general meeting of shareholders,
- Dividends out of distributable profits 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 under any share or rights issue for cash, unless the Board of Directors restricts the exercise thereof.

Redemption of shares – Millicom's Articles of Incorporation provide for the possibility and set out the terms for the repurchase by Millicom of its own shares. Any repurchase is at Millicom's discretion. The Company may repurchase its shares of common stock using a method approved by the Board of Directors of the Company in accordance with Luxembourg law and the rules of the stock exchange(s) on which the Company's common stock may be listed from time to time.

Sinking funds – Millicom shares are not subject to any sinking fund.

Liability for further capital calls – all of the issued shares in Millicom's capital are required to be fully paid up. Accordingly, none of Millicom's shareholders are liable for further capital calls.

Principal shareholder restrictions – there are no provisions in the Articles of Incorporation that discriminate against any existing or prospective holder of Millicom's shares as a result of such shareholder owning a substantial number of shares.

Treasury (own) shares

At December 31, 2013 Millicom held 1.9 million treasury shares (2012: 2.2 million) having acquired 44,000 shares during the year and issued 315,000 shares.

Changes in articles of incorporation

Unless otherwise required under Luxembourg law, an extraordinary general meeting must be convened to amend any provisions of the Articles of Association.

Nomination Committee

The Nomination Committee is responsible for preparing proposals for the election of Directors of the Board, Chairman of the Board and the external auditor, in the case that an auditor should be elected, and their remuneration, as well as a proposal for the Chairman of the Annual General Meeting.

On May 28, 2013, the Shareholders decided on the procedure to appoint the members of the Nomination Committee, in accordance with the Swedish Code of Corporate Governance. As result during October 2013 a Nomination Committee of major shareholders was formed in consultation with the larger shareholders of the Company as at September 30, 2013.

The Nomination Committee consists of at least three members, with a majority representing the larger shareholders of the Company. The Nomination Committee met three times in 2013.

Members:

- Cristina Stenbeck (Chair) (on behalf of Investment AB Kinnevik)
- Annika Andersson (on behalf of Swedbank Robur funds)
- Mathias Leijon (on behalf of Nordea funds)

Equal treatment of shareholders and transactions with related parties

The table below sets out certain information known to Millicom as at February 28, 2014, unless indicated otherwise, with respect to beneficial ownership of Millicom common share, par value \$1.50 each, by:

- Each person who beneficially owns more than 5% of Millicom common stock, and
- Significant related parties to Millicom.

<u>Shareholder</u>	<u>Number of shares</u>	<u>Percentage</u>
Investment AB Kinnevik	38,559,080	37.9%
Dodge & Cox	7,241,180	7.1%
Stenbeck Family	195,053	0.2%

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

The Company conducts transactions with a number of related parties, including its principal shareholder, Investment AB Kinnevik (“Kinnevik”) and its subsidiaries, tower companies in which it holds a direct or indirect equity interest in Ghana, DRC, Tanzania and Colombia, and with businesses owned or related to the other shareholders of our operating subsidiaries, notably in Guatemala, Honduras and Colombia. Transactions (including loans) with related parties are conducted on an arm’s length basis.

Information and communications

The Company communicates with financial markets based on principles of openness and equal treatment of shareholders. All information distributed to shareholders is published on the Company’s website.

The Company promptly submits all material press releases to the stock exchanges to which it has reporting obligations.

Takeovers

With reference to Article 11 of the Luxembourg Law on Takeover Bids there are no provisions in the articles of incorporation of Millicom that would have the effect of delaying, deferring or preventing a change in control of Millicom and that would operate only with respect to a merger, acquisition or corporate restructuring involving Millicom, or any of its subsidiaries. Luxembourg laws impose the mandatory disclosure of an important participation in Millicom and any change in such participation.

Auditor

The external monitoring 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 shareholders’ meeting by a simple majority of the votes present or represented at such 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 a meeting of shareholders.

Ernst & Young S.A., Luxembourg was elected as the external auditor of Millicom in 2013 for a term ending on the day of the 2014 AGM.

Board of Directors

Board Members

The AGM held in May 2013 set the number of directors at eight (8) and elected the following members:

1. Kim Ignatius (1956)

Non-Executive Director

Mr. Kim Ignatius was elected to the Board of Millicom in May 2011. He is Chairman of the Audit Committee.

Skills and experience

Mr. Ignatius has held leadership positions from telecommunications and media to pharmaceutical and energy sectors. He brings to Millicom his operational experience at the executive level of listed companies and best practice in auditing and risk management.

Relevant background

Mr. Ignatius, a Finnish national, is the CFO of Sanoma Corporation, the European media group, which he joined in 2008. Previously, Mr. Ignatius was EVP and CFO of TeliaSonera AB until 2008 and EVP and CFO of Sonera Oyj between 2000 and 2002. Before joining Sonera, Mr. Ignatius was Group CFO and a member of the Executive Board of Tamro Oyj and worked for the Amer Group in a variety of finance and general management roles in both North America and Europe. He is currently on the Board of Fortum Corporation where he serves as Chairman of the Audit and Risk Committee. Mr. Ignatius graduated with a B.Sc. Economics from the Aalto University School of Economics in Helsinki.

Mr. Ignatius qualifies as independent of major shareholders as well as the Company and its management according to the Swedish Code of Corporate Governance.

Mr. Ignatius holds 500 Millicom shares.

2. Lorenzo Grabau (1965)

Non-Executive Director

Mr. Lorenzo Grabau was elected to the Board of Millicom in May 2013. He is a member of the Audit Committee.

Skills and experience

Mr. Grabau brings to the Millicom board his experience from the media, digital and cable sectors as well as expertise in financial services – key areas in Millicom's growth strategy.

Relevant background

Mr. Grabau, an Italian national, is a Member of the Board of Directors of Investment AB Kinnevik, Modern Times Group MTG AB, CTC Media, Inc. and SoftKinetic BV. Previously, Mr. Grabau was a Partner and Managing Director at Goldman Sachs International in London. He holds a degree in Economics and Business from La Sapienza University, Italy.

Mr. Grabau does not qualify as independent of major shareholders, but is independent of the Company and its management according to the Swedish Code of Corporate Governance.

Mr. Grabau holds 3,000 Millicom shares.

3. Mia Brunell Livfors (1965)

Non-Executive Director

Mrs. Mia Brunell Livfors was elected to the Board of Millicom in May 2007. She is a member of the Compensation Committee and Chairman of the CR Committee.

Skills and experience

Mrs. Brunell Livfors brings to the Millicom board her extensive experience at the helm and in boards of major Swedish multinationals, as well as in-depth understanding of the business models specifically in the media and digital services industries.

Relevant background

Mrs. Brunell Livfors, a Swedish national, has been since August 2006 the Chief Executive Officer of Investment AB Kinnevik, a Swedish public company managing a portfolio of long-term investments in a number of public companies such as Millicom. Mrs. Brunell Livfors joined Modern Times Group MTG AB in 1992, and was appointed CFO in 2001.

Currently, Mrs Brunell Livfors is a member of the Board of Tele2 AB, Modern Times Group MTG AB, Billerud Korsnäs AB, and CDON Group. She has studied Business Administration at Stockholm University. Mrs Brunell Livfors does not qualify as independent of major shareholders, but is independent of the Company and its management according to the Swedish Code of Corporate Governance.

Mrs Brunell Livfors holds 2,359 Millicom shares.

4. Allen Sangines-Krause (1959)

Chairman and Non-Executive Director Mr Allen Sangines-Krause was elected to the Board of Millicom in May 2008 and appointed as Chairman in May 2010. He is Chairman of the Compensation Committee.

Skills and experience

Mr Sangines-Krause's long experience within international financial institutions and development of growth companies in emerging markets bring invaluable support to Millicom to successfully execute on its business strategy.

Relevant background

Mr. Sangines-Krause, a Mexican and British national, worked for Goldman Sachs between 1993 and 2008, working in a variety of senior positions in Latin America, New York and most recently as Managing Director out of London. Prior to joining Goldman Sachs, Mr. Sangines-Krause was with Casa de Bolsa Inverlat, in Mexico, and before that he was a Founding Partner of Fidem, S.C., a Mexican investment bank. Mr. Sangines-Krause currently sits on the Board of Investment AB Kinnevik and is the Executive Chairman of G3 Good Governance Group and BK Partners. He is a member of the Council of the Graduate School of Arts and Sciences of Harvard University. He holds a Ph.D. in Economics from Harvard University in Massachusetts, USA.

Mr. Sangines-Krause does not qualify as independent of major shareholders, but is independent of the Company and its management according to the Swedish Code of Corporate Governance.

Mr. Sangines-Krause holds 2,318 Millicom shares.

5. Ariel Eckstein (1967)

Non-Executive Director

Mr Ariel Eckstein was elected to the Board of Millicom in May 2013. He is a member of the Compensation Committee.

Skills and experience

Mr Ariel Ekstein has a strong background in online services, customer experience and internet start-ups – activities in which the Company is developing a growing interest.

Relevant background

Mr Eckstein, United States citizen, is Managing Director for LinkedIn EMEA, the social networking website for professional occupations, founded in 2002. Appointed in March 2011, Mr. Eckstein is focused on developing, leading and delivering the company's strategy and growth initiatives in Europe, the Middle East and Africa. Prior to his current role, Mr. Eckstein was Managing Director for LinkedIn's Hiring Solutions business in EMEA. Prior, Mr. Eckstein was Vice President of Business Expansion for AOL Inc. Europe, a multinational mass media corporation that develops, grows and invests in brands and websites. He holds a bachelor's degree in International Relations from Tufts University and an MBA from University of Virginia.

Mr. Eckstein qualifies as independent of major shareholders as well as of the Company and its management according to the Swedish Code of Corporate Governance.

Mr. Eckstein holds no Millicom shares.

6. Paul Donovan (1958)

Non-Executive Director

Mr. Paul Donovan was elected to the Board of Millicom in May 2009. He is a member of the Audit Committee.

Skills and experience

Mr. Donovan brings to Millicom his long operational and management experience in technology industries, particularly in telecommunications, as well as business models relating to fast-moving consumer goods.

Relevant background

Mr Donovan, a British national, is the CEO of Odeon UCI Group, Europe's largest cinema operator. Prior to leading Odeon, he was director and Chief Executive Officer of Eircom, Ireland's leading telecommunications company.

Previously Mr. Donovan was member of Vodafone's Executive Committee and Chief Executive for Eastern Europe, Middle East and Asia Pacific regions. Africa, the US, India and China were added to his remit in 2006. Prior to Vodafone, Mr. Donovan held positions at Apple computers, BT, and Cable and Wireless. He holds a Bachelor of Arts in Scandinavian Studies from University College London and a Master's Degree in Business Administration from the University of Bradford.

Mr. Donovan qualifies as independent of major shareholders as well as the Company and its management according to the Swedish Code of Corporate Governance.

Mr. Donovan holds 1,356 Millicom shares.

7. Alejandro Santo Domingo (1977)

Non-Executive Director

Mr. Alejandro Santo Domingo was elected to the Board of Millicom in May 2013.

Skills and experience

Mr. Santo Domingo has considerable experience in the media and online sectors in Latin America as well as extensive knowledge of commerce in Africa, giving the board valuable insight into mass-market consumer behaviour in the two continents Millicom operates in.

Relevant background

Mr. Santo Domingo, a Colombian national, is a Managing Director at Quadrant Capital Advisors Inc., an investment firm focused on Venture Capital and Private Equity. He is also a member of the Board of Directors of SABMiller Plc, the world's second largest brewery, and serves as Vice-Chairman of SABMiller Latin America. He sits on the Boards of many of the companies controlled by his family owned business; the Santo Domingo Group. He is Chairman of the Board of Bavaria S.A. in Colombia, and Chairman of Backus and Johnston in Peru. Additionally he serves as Chairman of the Board of Valorem S.A., which manages a diverse portfolio of industrial and media assets in Latin America, and as a Director of the Board of Caracol Television S.A., Colombia's leading broadcaster. Mr Santo Domingo is a member of the Board and Treasurer of Aid for AIDS, a member of the board of DKMS, a foundation focused on fighting blood cancer and is a Trustee of the Metropolitan Museum of Art, the Wildlife Conservation Society and WNET (Channel 13). He holds a Bachelor of Arts degree from Harvard University. Mr. Santo Domingo qualifies as independent of major shareholders as well as the Company and its management according to the Swedish Code of Corporate Governance.

Mr. Santo Domingo holds 5,000 Millicom shares.

8. Omari Issa (1947)

Non-Executive Director

Mr Omari Issa was elected to the Board of Millicom in May 2010. He is a member of the Audit Committee and the CR Committee.

Skills and experience

Mr. Issa brings to the Millicom board his important insight and firsthand experience of doing business in Africa, and deep understanding of the role of business in international development.

Relevant background

Mr. Issa, a Tanzanian national, is since June 1st 2013, the Chief Executive Officer of the Tanzania President's Delivery Bureau which oversees the general implementation of government priorities. Previously he was CEO of Investment Climate Facility for Africa and a Board member of the Geita Gold Mining Company. Prior to that, Mr. Issa was the Executive Director and Chief Operating Officer of Celtel International, and spent 14 years with the IFC and six years with the World Bank. In 2013, he was appointed to Chair the Board of AMREF International and also became member of the Board of Africare, the largest African- American organisation in the development field. He has a Bachelor of Science (Honours) from The Polytechnic of Central London, and an MBA from Columbia University, New York.

Mr. Issa qualifies as independent of major shareholders as well as the Company and its management according to the Swedish Code of Corporate Governance.

Mr. Issa holds 610 Millicom shares.

Board meetings

The Board of Directors is constituted in order to review and decide upon the Company's strategic development, as well as to provide support to, and control and supervision over, the activities of the executive management of the Company.

During the 2013 financial year, the Board convened six times at different locations in Europe and once in Millicom operations in Rwanda. In addition, six telephone conference meetings were held. The average attendance rate at the meetings was above 95%. The main topics handled by the Board were:

- Review and approval of financial reports.
- Review and follow-up of corporate governance.
- Treasury including financing and cash management.
- Human resource matters, including talent management, succession planning and remuneration guidelines.
- Strategy review, including review of growth opportunities, product portfolio, business model challenges and marketing strategies.
- Review and approval of the UNE merger transaction.
- Several matters regarding acquisition and divestment opportunities and participation in licence auctions or tenders.
- Review of 2014 budget.
- Self-evaluation of the Board and evaluation of the CEO.
- Auditors' report and corporate sustainability matters.

Director remuneration

	2013 US\$ '000 ⁽ⁱ⁾	2012 US\$ '000 ⁽ⁱⁱ⁾
Mr. Allen Sangines-Krause	190	210
Mr. Kim Ignatius	130	144
Ms. Mia Brunell Livfors	96	103
Mr. Paul Donovan	110	121
Mr. Omari Issa	110	125
Mr. Lorenzo Grabau (since May 2013)	110	–
Mr. Alejandro Santo Domingo (since May 2013)	90	–
Mr. Ariel Eckstein (since May 2013)	96	–
Ms. Donna Cordner (until May 2013)	–	121
Mr. Dionisio Romero Paoletti (until May 2013)	–	98
Mr. Anders Kronborg (from December 2012 until May 2013)	–	58
Mr. Hans Holger Albrecht (until July 2012)	–	17
Total	932	997

(i) Cash compensation converted from SEK to USD at exchange rates on payment dates for each year, net of 20% withholding tax.

(ii) For the period from May 29, 2013 to May 27, 2014

(iii) For the period from May 29, 2012 to May 28, 2013

Board committees

The work of the Board is divided between the Board members and its three committees:

1) Audit Committee

Millicom's Audit Committee is responsible for planning and reviewing the financial reporting process, the preparation of the annual and quarterly financial reports and accounts and the involvement of external auditors in that process. The Audit Committee focuses particularly on compliance with legal requirements, accounting standards, independence of external auditors, audit fees, the internal audit function, the fraud risk assessment, risk management and ensuring that an effective system of internal financial controls is in place. The ultimate responsibility for reviewing and approving Millicom's annual report and accounts remains with the Board.

The Committee comprises four Directors and convenes at least four times a year.

Members	Attendance (since appointment)
Mr. Kim Ignatius (Chair)	100%
Mr. Paul Donovan	86%
Mr. Omari Issa	100%
Mr. Lorenzo Grabau	100%

The Audit Committee met seven times during 2013 (including two by phone) and Millicom's external auditors participated in each meeting.

What have we done during the year

- Review and approval of quarterly earnings releases
- Review and recommendation to the Board of approval of 2012 Annual Report
- Guidance, direction and assessment of significant financial activities during the year – financial and tax structuring and activities
- Review and recommendation of 2014 budget
- Guidance, direction and assessment of internal control, internal audit and risk functions
- Review of revenue assurance strategy
- Review of internal control environment and risk matrix
- Review of tax strategy

2) Compensation Committee

The Compensation Committee reviews compensation of the CEO and other Senior Executives and makes recommendations to the Board of Directors and advises on management succession planning. The Board of Directors then proposes guidelines for Senior Management remuneration to shareholders for approval at the Annual General Meeting. The guidelines aim to ensure that Millicom can attract, motivate and retain executives, with the necessary skills, experience and talent in the context of a multinational provider of digital lifestyle services through mobile, cable and fixed line.

The Compensation Committee comprises three members.

Members	Attendance (since appointment)
Mr. Sangines-Krause (Chair)	100%
Ms. Brunell Livfors	100%
Mr. Eckstein	100%

In 2013 the Compensation Committee met three times.

What have we done during the year

- Recommendation of remuneration of Senior Executives, including the CEO
- Review of succession planning
- Review of long-term incentive programmes
- Review of bonus and performance calculations
- Review of remuneration structures in the company

Outcome

- Report on executive compensation and guidelines

3) Corporate Responsibility Committee

Millicom's Corporate Responsibility (CR) Committee has responsibility for overseeing and making recommendations to the Board regarding the management of corporate responsibility activities.

The CR committee convenes at least two times a year, and comprises two members.

Members	Attendance (since appointment)
Ms. Brunell Livfors (Chair)	100%
Mr. Omari Issa	100%

The CR Committee met once in 2013.

What have we done during the year

- Review of the Corporate Responsibility strategy
- Review of Millicom's first Corporate Responsibility report
- Review of proposal to form Millicom Foundation Outcome
- Millicom published a CR Report separate from the 2012 Annual Report in 2013.

Our plan for 2014/2015

- Implement new Corporate Responsibility structure, including the Millicom Foundation

Executive Management

Hans-Holger Albrecht

President and Chief Executive Officer

Hans-Holger Albrecht was appointed President and CEO of Millicom on November 1st 2012. Previously he was President and CEO of Modern Times Group MTG AB (MTG) for 12 years. Hans-Holger started his career at MTG in 1997 as head of the pay-TV operations, before being appointed as Business Area Manager in 1999 and thus assuming responsibility for the free-TV division as well. In April 2000, he was appointed Chief Operating Officer (COO) of MTG. Before joining MTG, Hans-Holger worked for the Luxembourg-based media group CLT from 1991 to 1996 and for Daimler-Benz in 1990. Hans-Holger Albrecht graduated in Law at the University of Freiburg in Germany, studied at Yale University in the USA and received a PhD at the University of Bochum, Germany. Hans-Holger Albrecht holds 8,810 Millicom shares.

Marc Zagar

EVP and Deputy CFO

Marc Zagar was appointed Interim CFO in August 2013. He will become Deputy CFO in June 2014. He joined Millicom as EVP of Controlling and Analytics in February 2013. Prior to this and since October 2011, Marc Zagar was EVP Finance at MTG. Marc joined MTG in 2001 as Business Area Controller of Viasat broadcasting. In March 2006, he was appointed Chief Operating Officer for MTG's broadcasting businesses. Prior to joining MTG, Marc worked for over ten years in various financial management positions within Vivendi Universal, having started his career with Steelcase Strafor. He graduated with a Bachelor's degree from CESEM Business School in Reims, France and has a Master's degree from Université Dauphine in Paris. Marc Zagar holds 502 Millicom shares.

Mario Zanotti

Senior EVP Operations

Mario Zanotti was appointed as Senior EVP Operations in December 2012. From late 2011, Mario was COO Categories & Global Sourcing.

He joined Millicom in 1992 as General Manager of Telecel in Paraguay. Following this, he became Managing Director of Tele2 Italy and CEO of YXK Systems. In 2002, he served as Head of Central America for Millicom and became Chief Officer LATAM in 2008. Prior to joining Millicom, he worked as an electrical engineer at Itaipu Hydroelectric Power Plant and later as Chief Engineer of the biggest electrical contractor company in Paraguay. He has a degree in Electrical Engineering from the Pontifica Universidade Catolica in Porto Alegre, Brazil and a MBA from INCAE and the Universidad Catolica de Asunción, Paraguay. Mario Zanotti holds 8,120 Millicom shares.

Arthur Bastings

EVP Africa

Arthur Bastings was appointed EVP Africa in May 2013. Previously Arthur was Chief Executive at online games developer Bigpoint. Prior to this he was Managing Director of Discovery Communications Europe – the largest pay-TV channels business in the region. Before that he had senior roles at Time Warner and Viacom. His early career was in strategy consulting and brand development. Arthur Bastings holds no Millicom shares.

Jo Leclère

EVP Human Resources

Jo Leclère was appointed Chief HR Officer of Millicom in 2011. He joined Millicom in February 2009 as Head of Reward & Performance, having previously been VP Operations Europe at Northgate Arinso, a global HR consulting and outsourcing provider. Prior to this position, he was HR Services Director at PricewaterhouseCoopers. He holds a master's degree in Law, a postgraduate degree in Tax and a bachelor's degree in Economics.

Jo Leclère holds 800 Millicom shares.

Martin Lewerth

EVP Home and Digital Media

Martin Lewerth was appointed as EVP of Home and Digital Media in December 2012. Previously, Martin was Executive Vice President Pay-TV and Technology at MTG. Martin joined MTG in 2001 where he served in various management positions including CTO for MTG, CEO for the IPTV distribution, Business area manager for the Pay-TV business and manager responsible for the group's online strategy and operations. Before joining MTG, Martin worked for the management consulting firm Applied Value and the Swedish company SKF Group.

Martin holds a M.Sc. from Chalmers University of Technology in Sweden. Martin Lewerth holds 356 Millicom shares.

Anders Nilsson

EVP Commerce and Services

Anders Nilsson was appointed as EVP of Commerce and Services with effect from January 2013. Anders oversees the Mobile Financial Services business (previously headed by François-Xavier Roger) and the newly created Online division. Prior to joining Millicom, Anders was EVP of Central European Broadcasting at MTG, responsible for free and pay-TV operations in the Baltics and free-TV operations in the Czech Republic, Bulgaria and Hungary. Anders joined MTG in 1992 and he successfully headed the group's Radio and Publishing businesses before serving as MTG's COO and Head of MTG Sweden. Between 2008 and 2010, Anders was also CEO of MTG's Online business area which was spun off in 2010 into what is now CDON.

Anders Nilsson holds 803 Millicom shares.

In February 2014 Millicom announced that Mr. Nilsson will leave the Company at the end of March 2014.

Xavier Rocoplan

EVP CTIO

Xavier Rocoplan was appointed as Executive Vice President and Chief Technical & IT Officer in December 2012. He was previously Chief Global Networks Officer, a position he held from April 2012. Xavier will continue to report to Mario Zanotti, senior EVP Operations. Xavier joined Millicom in 2000 as CTO in Vietnam and then became CTO for the South East Asian cluster (Cambodia, Laos and Vietnam). In 2004, he was appointed CEO of Paktel in Pakistan, a role he held until 2007. During this time, he launched Paktel's GSM operations and led the process that was concluded with the disposal of the business in 2007. After Millicom's exit from Asia, Xavier was appointed to head the New Corporate Business development unit where he managed the Tower Assets Monetisation programme which led

to the creation of tower companies in Ghana, Tanzania, DRC and Colombia. Xavier holds Master's degrees from Ecole Nationale Supérieure des Télécommunications de Paris and from Université Paris IX Dauphine.

Xavier Rocoplan holds 9,000 Millicom shares.

Martin Weiss

EVP Strategy and Corporate Development

Martin Weiss joined Millicom on June 1, 2013 as EVP Strategy and Corporate Development. Martin Weiss was previously founding Partner at Solon Management Consulting where he developed extensive experience advising telecommunications and media companies internationally including consultancy to Millicom. He began his business career at McKinsey & Company.

Martin Weiss holds 593 Millicom shares.

Remuneration of the Executive management

The remuneration of the Officers of the Company ("Officers") comprises an annual base salary, an annual bonus, share based compensation, social security contributions, pension contributions and other benefits. The bonus and share based compensation plans are based on actual performance (including individual and Group performance). Share based compensation is granted once a year by the Compensation Committee of the Board. The annual base salary and other benefits of the Chief Executive Officer ("CEO") is proposed by the Compensation Committee and approved by the Board. The annual base salary and other benefits of the Chief Executive Officer ("CEO") is proposed by the Compensation Committee and approved by the Board. The annual base salary and other benefits of the Chief Executive Officer ("CEO") and the Executive Vice Presidents ("Executive Team") is proposed by the Compensation Committee and approved by the Board.

The remuneration charge for the Officers for the years ended December 31, 2013, and 2012 was as follows:

2013	Executive Officer US\$ '000	Financial Officer US\$ '000	Executive Team US\$ '000
Base salary	2,252	463	3,532
Bonus	2,269	–	1,768
Pension	723	74	573
Other benefits	1,282	34	747
Total	6,526	571	6,620
Share based compensation^{(i) (ii)}	1,705	531	3,057

2012	Current Chief Executive Officer	Former Chief Executive Officer	Former Chief Financial Officer
Base salary	633	1,265	662
Bonus	–	1,554	719
Pension	134	379	108
Other benefits	44	187	59
Total	811	3,385	1,548
Share based compensation⁽ⁱ⁾	–	3,431	1,533

(i) See note 23

(ii) Share awards of 65,178 and 71,899 were granted in 2013 under the 2013 LTIPs to the CEO, and Executive Team. Share awards of 33,209 and 13,962 were granted in 2012 under the 2012 LTIPs to the former CEO and former CFO. Share awards of 34,937 and 14,814 were granted in 2011 under the 2011 LTIPs to the former CEO and former CFO.

The number of shares and unvested share awards beneficially owned by senior management as at December 31, 2013 and 2012 was as follows:

	Chief Executive Officer	Former Chief Financial Officer	Executive Team	Total
2013				
Shares	8,810		20,174	28,984
Share awards not vested	65,178		105,102	170,280
2012				
Shares	610	23,402		24,012
Share awards not vested	–	46,044		46,044

Notice period

If employment of the executives is terminated by Millicom, a notice period of up to 12 months is applicable, and the CEO is entitled to receive a termination payment equivalent to 24 months' basic salary if he complies with certain conditions.