

Corporate Governance Report 2015

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 Association 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.

Compliance with the Swedish corporate governance code

Millicom is committed to complying with best-practice corporate governance on a global level wherever possible. Millicom applies home state rules or deviates 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 shareholders' 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 programmes, 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 one year, 16.5% after two years, and 67% after three years. Most of the award vests at the end of year three, but some also vest at the end of years one and two. 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, Code of Ethics, annual corporate governance report and terms and conditions for the Swedish Depository Receipts are available on its corporate website www.millicom.com.

Internal control environment

Millicom implemented processes and further improved 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, following the implementation of a Control and Risk Self-Assessment strategy. 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 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, 2014. 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, 2014.

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 Association.

Annual General Meeting (AGM)

An AGM is convened every year in 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. 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 was an Extraordinary General Meeting (EGM) on 27 May 2014.

Directors

The Company is administered by a Board of Directors composed of at least six (6) 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 Association to the general meeting of shareholders. Directors are therefore prevented from voting on their own compensation. However, Directors may vote on the number of shares they may be allotted under any share-based compensation scheme.

The Nomination Committee 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 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 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 Association 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.

On February 3, 2015, 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, 2014.

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 Association that discriminate against any existing or prospective holder of Millicom’s shares as a result of such shareholder owning a substantial number of shares.

Changes in the Articles of Association

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, appointed by major shareholders in Millicom, is responsible for preparing proposals for the election and remuneration of Directors of the Board, Chairman of the Board and external auditor, as well as a proposal on the Chairman of the Annual General Meeting. The Committee’s charter is based on the requirements of the Swedish Code of Corporate Governance, as described further below.

The current Nomination Committee was formed during October 2014, in consultation with the larger shareholders of the Company as per 30 September 2014 and in accordance with the resolution of the 2014 Annual General Meeting.

It is comprised of Cristina Stenbeck on behalf of Investment AB Kinnevik and serving as Chairman of the Committee, Tomas Risbecker on behalf of AMF and AMF Funds and Mathias Leijon on behalf of Nordea Funds.

While representing a departure from the Swedish Corporate Governance Code, the other members of the Nomination Committee have supported the appointment of Ms. Stenbeck as its Chairman as being in the Company’s and its shareholders’ best interests, as a natural consequence of her leading the Committee’s work in recent years, and based on her connection to Millicom’s largest shareholders.

The Nomination Committee was appointed for a term of office commencing at the time of the announcement of the interim report for the period January to September 2014 and ending when a new Nomination Committee is formed.

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

Equal treatment of shareholders and transactions with related parties

The table below sets out certain information known to Millicom as at February 17, 2015, unless indicated otherwise,

with respect to beneficial ownership of Millicom common shares, par value \$1.50 each, by each person who beneficially owns more than 5% of Millicom common stock.

Shareholder	Number of shares	Percentage
Investment AB Kinnevik	37,835,438	37.5%
Dodge & Cox	11,007,492	10.9%
Nordea Funds Oy	5,725,381	5.63%
Veritas Asset Management (UK) Ltd	5,223,414	5.13%

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 at arm’s length (refer to note 32 of the financial statements for details of transactions with related parties).

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 Association 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 to be independent from the Company.

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 six (6) 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 2014 for a term ending on the day of the 2015 AGM.

Board of Directors

Board Members

The AGM held in May 2014 set the number of directors at nine (9) and elected the following members:

1. Cristina Stenbeck (1977)

Chairman, Non-Executive Director

Ms. Stenbeck was elected a new member of the Board of Millicom in May 2014 and chairs the Government Relations and Corporate Responsibility Committee.

Ms. Stenbeck is Executive Chairman of Investment AB Kinnevik, a leading Swedish entrepreneurial investment group with investments across mobile telecommunications, e-commerce, entertainment and financial services. Ms. Stenbeck began her career with the Kinnevik group in 1997 when she joined the Board of Invik & Co, its financial services company. She became vice Chairman of Investment AB Kinnevik in 2003 and Chairman in 2007.

In addition to leading Kinnevik, Ms. Stenbeck is also Chairman of Zalando SE, the leading European fashion and accessories e-commerce company.

Ms. Stenbeck also chairs the Nomination Committees of several of Kinnevik's investee companies, including Millicom.

Ms. Stenbeck holds a Bachelor of Science from Georgetown University in Washington DC in the United States. She does not qualify as independent of the major shareholders due to her significant ownership of and affiliation to Kinnevik.

Ms. Stenbeck holds 34,484 Millicom shares and 45,000 Millicom share options.

2. Mia Brunell Livfors (1965)

Non-Executive Director

Ms. Mia Brunell Livfors was elected to the Board of Millicom in May 2007. She is a member of the Compensation Committee and the Government Relations and Corporate Responsibility Committee.

From August 2006 until 2014, Ms. Brunell Livfors was President and Chief Executive Officer of Investment AB Kinnevik.

Ms. Brunell Livfors joined Kinnevik-owned company Modern Times Group MTG AB in 1992, and was appointed Chief Financial Officer in 2001. As Chief Financial Officer, Ms. Brunell played a central role in MTG's development. Currently, Ms. Brunell Livfors is Chairman of Reach for Change and a member of the board of directors of Tele2 AB, Qliro Group AB (formerly CDON AB), Modern Times Group, Transcom Worldwide AB, Stena AB, Efva Attling Stockholm AB, and BillerudKorsnäs AB. She is proposed to be elected to the board of Axel Johnson AB in March 2015.

She studied Business Administration at Stockholm University.

She does not qualify as independent of major shareholders. However, she is independent of the Company and its management according to the Swedish Code of Corporate Governance.

Ms. Brunell Livfors holds 2,946 Millicom shares.

3. 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 Compensation Committee and the Government Relations and Corporate Responsibility Committee.

Mr. Donovan is currently Chief Executive Officer of Odeon and UCI Cinemas, the leading European cinema operator. He is also Director of Exide Technologies AB – Sweden and Exide Technologies AS – Norway.

Mr. Donovan's earlier career was spent in the fast-moving consumer goods industry before transferring to the technology sector where he worked for Apple and BT Cable and Wireless.

Mr. Donovan joined Vodafone in 1999, and from 2004 was a member of Vodafone's Executive Committee with responsibility for the Group's operations in its subsidiaries in Eastern Europe, Middle East and Asia Pacific, adding Africa, the US, India and China in 2006.

He is a former director and Chief Executive Officer of Eircom, Ireland's leading telecommunications company, from 2009 to 2012.

Mr. Donovan 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.

He 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 1,943 Millicom shares.

4. 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.

Mr. Eckstein is Managing Director for LinkedIn EMEA, the social networking website founded in 2002 for those with professional occupations.

He was appointed in March 2011 to develop, lead and deliver the Company's strategy and growth initiatives in Europe, the Middle East and Africa.

Mr. Eckstein began his career in management consultancy and as Engagement Manager at Deloitte Consulting LLP. Mr. Eckstein later became principal of New York City Investment Fund Manager Inc and is a former Chief Financial Officer at Clickthings.com

He also became Vice President of Business Expansion for AOL Inc. Europe, a multinational mass media corporation that develops, grows and invests in brands and websites. Mr. Eckstein holds a Bachelor's degree in International Relations from Tufts University and an MBA from the University of Virginia.

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

Mr. Eckstein holds 587 Millicom shares.

5. Tomas Eliasson (1962)

Non-Executive Director

Tomas Eliasson was elected a new member of the Board of Millicom in May 2014 and chairs the Audit Committee.

Mr. Eliasson has been Chief Financial Officer and Senior Vice-President of Electrolux, the Swedish household and professional appliances manufacturer, since 2012.

Mr. Eliasson has previously held various management positions in Sweden and abroad, at the leading power and automation technologies company ABB Group, from 1987 to 2002.

Mr. Eliasson was Chief Financial Officer of the tools manufacturer Seco Tools AB from 2002 to 2006 and Chief Financial Officer of the intelligent lock and security solutions company Assa Abloy AB from 2006 to 2012.

Mr. Eliasson holds a Bachelor of Science in Business Administration and Economics from the University of Uppsala. He qualifies as independent of major shareholders as well as the Company and its management according to the Swedish Code of Corporate Governance.

Mr. Eliasson currently holds 587 Millicom shares.

6. Dame Amelia Fawcett (1956)

Non-Executive Director

Dame Amelia Fawcett was elected a new member of the Board of Millicom in May 2014 and chairs the Compensation Committee and is a member of Government Relations and Corporate Responsibility Committee.

Dame Amelia Fawcett is Deputy Chairman of Investment AB Kinnevik, a leading Swedish entrepreneurial investment group with investments across mobile telecommunications, e-commerce, entertainment and financial services.

Dame Amelia began her career at the US law firm of Sullivan and Cromwell and then worked for Morgan Stanley from 1987 to 2007.

She was Chairman between 2007 and 2010 of Pensions First, a financial services and systems solutions business, which she helped set up.

Dame Amelia was a Non-Executive Director and then Chairman of the UK's Guardian Media Group, between 2007 and 2013.

In addition to her role within Kinnevik, Dame Amelia is Chairman of the Hedge Fund Standards Board in London, a Non-Executive Director of the State Street Corporation in Boston, Massachusetts, where she chairs the Risk and Capital Committee, and a Non-Executive Director of HM Treasury in London.

She holds degrees in History from Wellesley and Law from the University of Virginia.

Dame Amelia does not qualify as independent of the major shareholders due to her significant affiliation to Kinnevik. However, she remains independent of the Company and its management according to the Swedish Stock Exchange. Dame Amelia holds 587 Millicom shares.

7. Lorenzo Grabau (1965)

Non-Executive Director

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

Mr. Grabau is the Chief Executive Officer of Investment AB Kinnevik, a leading Swedish entrepreneurial investment group with investments across mobile telecommunications, e-commerce, entertainment and financial services.

Mr. Grabau began his career as an analyst for the investment bank Merrill Lynch, in the mergers and acquisitions department, before joining Goldman Sachs International, where he later became Partner and Managing Director (1999).

Previously, Mr. Grabau was a member of the Board of Directors for SoftKinetic BV (2011 to 2014).

Mr. Grabau is Chairman of Rocket Internet AG, Avito AB and Global Fashion Holding SA. He is also Vice Chairman of Zalando SE, the leading European fashion and accessories e-commerce company, and member of the Board of Directors of Modern Times Group MTG AB, Tele2 AB and Qliro Group AB.

Mr. Grabau holds a degree in Economics and Business from La Sapienza University, Italy.

He 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 3,587 Millicom shares.

8. Dominique Lafont (1961)

Non-Executive Director -

Dominique Lafont was elected a new member of the Board of Millicom in May 2014 and is a member of the Audit Committee.

Mr. Lafont is Chief Executive Officer since 2006 of Bolloré Africa Logistics, a French company that provides integrated logistics networks on the African continent and for major emerging countries that trade with Africa, while also operating public-private partnerships in the port and rail sectors.

Mr. Lafont began his career at the auditing firm Arthur Andersen in France and later held senior positions at the Saga Group and international construction firm Sogea, of the Vinci Group.

He became Director of Industrial Participations of the Rivaud Group, before joining the Bolloré Group following its friendly takeover of the Rivaud Group in 1997.

Mr. Lafont joined the company in 1999 as the Financial Director for Africa. In 2003, he was appointed the Managing Director of its Anglophone Africa Unit.

Mr. Lafont holds an MBA from the ESSEC Business School and a degree in Business Law from the Panthéon-Assas University in Paris. He is a graduate of the Institut d'Études Politiques de Paris.

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

Mr. Lafont holds 587 Millicom shares.

9. Alejandro Santo Domingo (1977)

Non-Executive Director

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

Mr. Santo Domingo is Managing Director at Quadrant Capital Advisors Inc., a Venture Capital and Private Equity investment advisory firm.

Mr. Santo Domingo 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 several companies controlled by his family-owned business, the Santo Domingo Group. Mr. Santo Domingo is Chairman of the Board of the beverage company Bavaria S.A. in Colombia, and Chairman of Backus and Johnston in Peru.

He serves as Chairman of the Board of Valorem S.A., which manages industrial and media assets in Latin America, and as Director of the Board of Caracol Television S.A., Colombia's leading broadcaster.

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

He 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 5,587 Millicom shares.

Board meetings

During the 2014 financial year, the Board convened eight times (personally or via telephone conference). In addition, the board visited the operations in Colombia. 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.
- Several matters regarding acquisition and divestment opportunities and participation in licence auctions or tenders.
- Review of 2015 budget.
- Self-evaluation of the Board and evaluation of the CEO.
- Auditors' report and corporate sustainability matters.

Director remuneration (i)

	2014	2013
	US\$	US\$
	'000(ii)	'000(ii)
Mr. Allen Sangines-Krause (until May 2014)	–	190
Ms. Cristina Stenbeck (since May 2014)	173	–
Mr. Kim Ignatius	–	130
Ms. Mia Brunell Livfors	90	96
Mr. Paul Donovan	90	110
Mr. Omari Issa (until May 2014)	–	110
Mr. Tomas Eliasson (since May 2014)	124	–
Dame Amelia Fawcett (since May 2014)	95	–
Mr. Dominique Lafont (since May 2014)	105	–
Mr. Lorenzo Grabau	105	110
Mr. Alejandro Santo Domingo	86	90
Mr. Ariel Eckstein	90	96
Total	958	932

(i) Cash compensation converted from SEK to USD at exchange rates on payment dates for each year, net of 20% withholding tax. Share based compensation (2014 only) based on the market value of Millicom shares on the date of the AGM.

(ii) For the period from May 27, 2014 to May 15, 2015.

(iii) For the period from May 28, 2013 to May 27, 2014.

Board committees

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

1) Audit Committee

In May 2014 Mr. Tomas Eliasson and Mr. Dominique Lafont were appointed as Directors and to the Audit Committee. At the same time Mr. Paul Donovan and Mr. Omari Issa stepped down from the Audit Committee.

Attendance (since appointment)

Members	
Mr. Tomas Eliasson (Chair)	100%
Mr. Dominique Lafont	100%
Mr. Lorenzo Grabau	100%

The Audit Committee met seven times during 2014 (including two by phone) and Millicom's external auditors

participated in four meetings.

What have we done during the year

- Review and approval of quarterly earnings releases
- Review and recommendation to the Board of approval of 2013 Annual Report
- Guidance, direction and assessment of significant financial activities during the year – financial and tax structuring and activities
- Review and recommendation of 2015 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

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 three Directors and convenes at least four times a year.

2) Compensation Committee

Members	Attendance
Dame Amelia Fawcett (Chair)	100%
Ms. Brunell Livfors	100%
Mr. Donovan	100%
Mr. Eckstein	100%

In 2014 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

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

The Board of Directors, based on a proposal by the Compensation Committee, propose guidelines for remuneration to Senior Management to be approved by the shareholders at the Annual General Meeting.

The objective of the guidelines is to ensure that Millicom can attract, motivate and retain executives, within the context of Millicom's international talent pool, which primarily consists of Telecom, Media and FMCG companies.

The Compensation Committee comprises four members.

3) **Government Relations and Corporate Responsibility Committee**

Members	Attendance
Ms. Stenbeck (Chair)	100%
Ms. Brunell Livfors	100%
Dame Amelia Fawcett	100%
Mr. Paul Donovan	100%

The Committee (formerly Corporate Responsibility Committee) met once as a CR Committee and once as a GRCR Committee.

What have we done during the year

- Review of the corporate responsibility strategy and five (5) year plans
- Review of Millicom's first Corporate Responsibility reporting process
- Review of the government relations strategy

Outcome

- Millicom published a CR Report separate from the 2013 Annual Report in 2014.

Our plan for 2015/2016

- Implement new corporate responsibility structure and government relations strategy

Millicom's Government Relations and Corporate Responsibility (GR & CR) Committee has responsibility for overseeing and making recommendations to the Board regarding the management of the Company's activities in the areas of government relations, corporate responsibility and charitable donations.

The GRCR Committee convenes at least twice a year, and comprises four members.

Executive Management

Tim Pennington

Interim CEO and Chief Financial Officer

Tim Pennington joined Millicom in June 2014 as Chief Financial Officer.

Previously he was the Chief Financial Officer at Cable and Wireless Communications, Group Finance Director for Cable and Wireless plc and, prior to that, CFO of Hutchison Telecommunications International Ltd, listed in Hong Kong and New York.

Tim was also Finance Director of Hutchison 3G (UK), Hutchison Whampoa's British mobile business.

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

He has a Bachelor of Arts (Honours) degree in Economics and Social Studies from the University of Manchester.

From December 2, 2014 Tim has performed the role of Interim CEO whilst the Company recruits a permanent successor to Hans-Holger Albrecht.

Tim Pennington holds 9,620 Millicom shares.

Mario Zanotti

Senior Executive Vice President, Latin America

Mario Zanotti is Senior EVP, Latin America

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 Pontificia Universidade Catolica in Porto Alegre, Brazil and a MBA from INCAE and the Universidad Catolica de Asuncion, Paraguay.

Mario Zanotti holds 8,120 Millicom shares.

Arthur Bastings

Executive Vice President, Africa

Arthur Bastings was appointed EVP Africa in May 2013 and oversees Mobile Financial Services at executive level.

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.

Martin Lewerth

Executive Vice President, Cable and Digital Media

Martin Lewerth was appointed as EVP of Cable 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.

Heather Morgan

Executive Vice President, Chief Talent Officer

Heather Morgan joined Millicom as an EVP and Chief Talent Officer on October 1, 2014.

Heather began her Human Resources career at British American Tobacco where she worked in senior generalist HR roles and as the Head of Career Management and Development for the global Corporate and Regulatory Affairs function.

She has over 20 years of Human Resources experience which encompasses strategic and operational HR, leadership development, talent management, organisational change, employee relations and reward. She is an experienced executive coach and HR consultant, and most recently worked as Group HR Director for a global risk advisory consultancy.

Heather holds a PhD in Organisational Psychology from the University of London, an MSc in Career Management and Coaching, and is a Fellow of Britain's Chartered Institute of Personnel and Development.

Heather Morgan holds no Millicom shares.

Xavier Rocoplan

Executive Vice President, Technical and Global Chief Technology Information Officer

Xavier was previously Chief Global Networks Officer, a position he held from April 2012. He 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 Monetization 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 5,000 Millicom shares.

Rachel Samrén

Executive Vice President, External Affairs

Rachel Samrén joined Millicom in July 2014. She is Executive Vice President External Affairs, managing the Company's Government Relations, Corporate Communications and Corporate Responsibility functions.

Rachel's focus is on developing and driving Millicom's global stakeholder engagement and communication as well as devising and executing special situation strategies. Rachel has a background in the risk management consulting sector and started her career at Citigroup. She currently serves as Deputy Chairman of the Board of Directors of Reach for Change. Rachel holds a BSc in International Relations from the London School of Economics and Political Science and a MLitt in International Security Studies from the University of St Andrews.

Rachel Samrén holds no Millicom shares.

Victor Unda

Executive Vice President, Commercial and Head of Mobile

Victor Unda was appointed Executive Vice President, Commercial on January 1, 2015. He was previously Senior Vice President, Commercial and Area Manager for Central America, Colombia and the US.

Victor first joined Millicom in 2000 as a customer service manager for Tigo Guatemala. He was later appointed International Business Director and head of regulatory affairs (2004 to 2007) before becoming Tigo Guatemala's General Manager (GM).

As GM from 2007 to 2011, Victor oversaw the company's growth in market share from 37 per cent to 52 per cent. Victor has more than 15 years of experience in team building, strategic organisational leadership and relationship management. Since 2013, as Senior Vice President, Commercial, he has driven the financial performance of all global activities in Sales and Distribution, Product Development, Customer Operations, Digital and Valued Added Services.

Victor's academic credentials include a BSc in Industrial Engineering (North Carolina State University – 1998), an MBA (University of Notre Dame – 2004), an MA (Harvard Business School – 2005) and the Advanced Executive Program (Kellogg School of Management, Northwestern University – 2010).

Victor Unda holds 1,131 Millicom shares.

Martin Weiss

Executive Vice President, 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 senior management of the Company (“Officers”) comprises an annual base salary, an annual bonus, share-based compensation, social security contributions, pension contributions and other benefits. From 2013 the senior management of the Company is considered to be the CEO and the Executive Vice Presidents (previously only CEO and CFO). The bonus and share-based compensation plans (see note 12) 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”) and the Executive Vice Presidents (“Executive Team”) is proposed by the Compensation Committee and approved by the Board.

In December 2014 it was announced that Hans-Holger Albrecht would leave the position of CEO by the end of 2014 and that Tim Pennington would assume the role of interim CEO.

In February 2014 Tim Pennington was appointed as Chief Financial Officer, effective from June 2014.

On August 31, 2013 Marc Zagar was appointed as Interim Chief Financial Officer after the departure of Francois-Xavier Roger. Marc Zagar left the organisation on October 31, 2014.

On October 31, 2012 the Board appointed Hans-Holger Albrecht, who was a Director of Millicom since May 2010, to succeed Mikael Grahne as President and CEO.

The remuneration charge for the Officers for the years ended December 31, 2014 and 2013 was as follows:

2014	Former Chief Executive Team Executive (8 members at Officer US\$'000 December 31) US\$'000	
	Base salary	2,344
Bonus	–	3,079
Pension	586	499
Other benefits	752	1,715
Termination benefits	–	1,411
Total	3,682	11,286
Share-based compensation (i) (ii)	–	3,927

2013	Former Chief Executive Team Executive (9 members at Officer US\$'000 December 31) US\$'000	
	Base salary	2,252
Bonus	2,269	1,768
Pension	723	573
Other benefits	1,282	747
Total	6,526	6,620
Share-based compensation (i)	1,705	3,057

(i) See note 12.

(ii) Share awards of 62,437 and 54,684 were granted in 2014 under the 2014 LTIPs to the former CEO, and Executive Team. Share awards of 65,178 and 71,899 were granted in 2013 under the 2013 LTIPs to the former

CEO and Executive Team. Share awards of 33,209 and 13,962 were granted in 2012 under the 2012 LTIPs to the CEO in 2012 and former CFO.

The number of shares and unvested share awards beneficially owned by senior management as at December 31, 2014 and 2013 was as follows:

	Former Chief Executive Officer	Executive Team	Total
2014			
Shares	Not applicable	23,689	23,689
Share awards not vested	Not applicable	103,669	103,669
2013			
Shares	8,810	20,174	28,984
Share awards not vested	65,178	105,102	170,280

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.