



MILLICOM  
THE DIGITAL LIFESTYLE

# 2016 Corporate Governance Report

# About this report

Millicom's 2016 Corporate Governance Report describes how our governance works, and the roles, compositions and activities of Millicom's Board of Directors and its various Committees. The report also includes the biographies and remuneration of the Board, and the Executive Management team, and provides additional information on management's governance structures.

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# Chairman's Report



**Building strong governance functions and acting with integrity remain at the forefront of our commitment to good corporate governance.”**

The Governance section of Millicom's 2015 Annual Report sets out Millicom's commitment to good corporate governance and describes what has been achieved during 2015. We have significantly increased our level of disclosure and content in this year's governance report.

In 2015 we have welcomed new Board members, as well as Mauricio Ramos as President and Chief Executive Officer ("CEO") and Cynthia Gordon as EVP, CEO Africa Division, to lead our African business. We have created new working groups and committees, and dealt with a number of significant matters, including the self-reporting of potential improper payments made on behalf of our Guatemalan joint venture.

### **Role of the Board**

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

### **Board changes**

During 2015 we welcomed two new Board members, both of whom joined us in May 2015. Mr. Anders Borg joins us having previously been Sweden's Minister of Finance between 2006 and 2014, bringing with him a vast array of knowledge and experience in economics, economic direction and policy setting. As well as Deputy Chairman of the Board, Mr. Borg is member of the Government Relations and Corporate Responsibility Committee.

Mr. Odilon Almeida joins us from Western Union where he currently leads the Latin American operations. Mr. Almeida's extensive knowledge of Latin American markets and the money transfer business adds valuable insight to Millicom. Mr. Almeida is present on Millicom's Audit Committee and is the Chairman of the recently established Compliance and Business Conduct Committee.

I would like to thank Ms. Mia Brunell Livfors, Mr. Dominique Lafont and Mr. Ariel Eckstein, the departing members of the Board, for their service to the Board and its committees.

### **Strength through diversity**

Building strong governance functions and acting with integrity remain at the forefront of our commitment to good corporate governance, a commitment that will continue in the decisions we make.

Millicom's strength is partly attributable to the diversity of people in our operating countries, regional offices and headquarters. We value different perspectives and encourage sharing of viewpoints and benefiting from the wide range of experience and backgrounds across the Group. These are important elements that we will continue to foster as part of Millicom's corporate culture.

### **Compliance**

During 2015 we initiated a thorough external review of our compliance program, supported by the Executive Management team and our Compliance and Business Ethics team, to further strengthen the practices we already have in place. In addition a new Compliance and Business Conduct Committee was set up during the year. In October 2015, we took the decision to voluntarily report to the authorities on potential improper payments in our joint-venture operation in Guatemala.

On behalf of the Board I would like to confirm our commitment to strong corporate governance and of doing the right things in the right way across every part of our business. We look forward to engaging with you and thank you for being part of our journey.

### **Cristina Stenbeck**

Chairman of the Board of Directors

# Shareholder and Board Governance

## Corporate Governance Framework

### Background

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

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

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

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

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.

### Swedish Corporate Governance Code

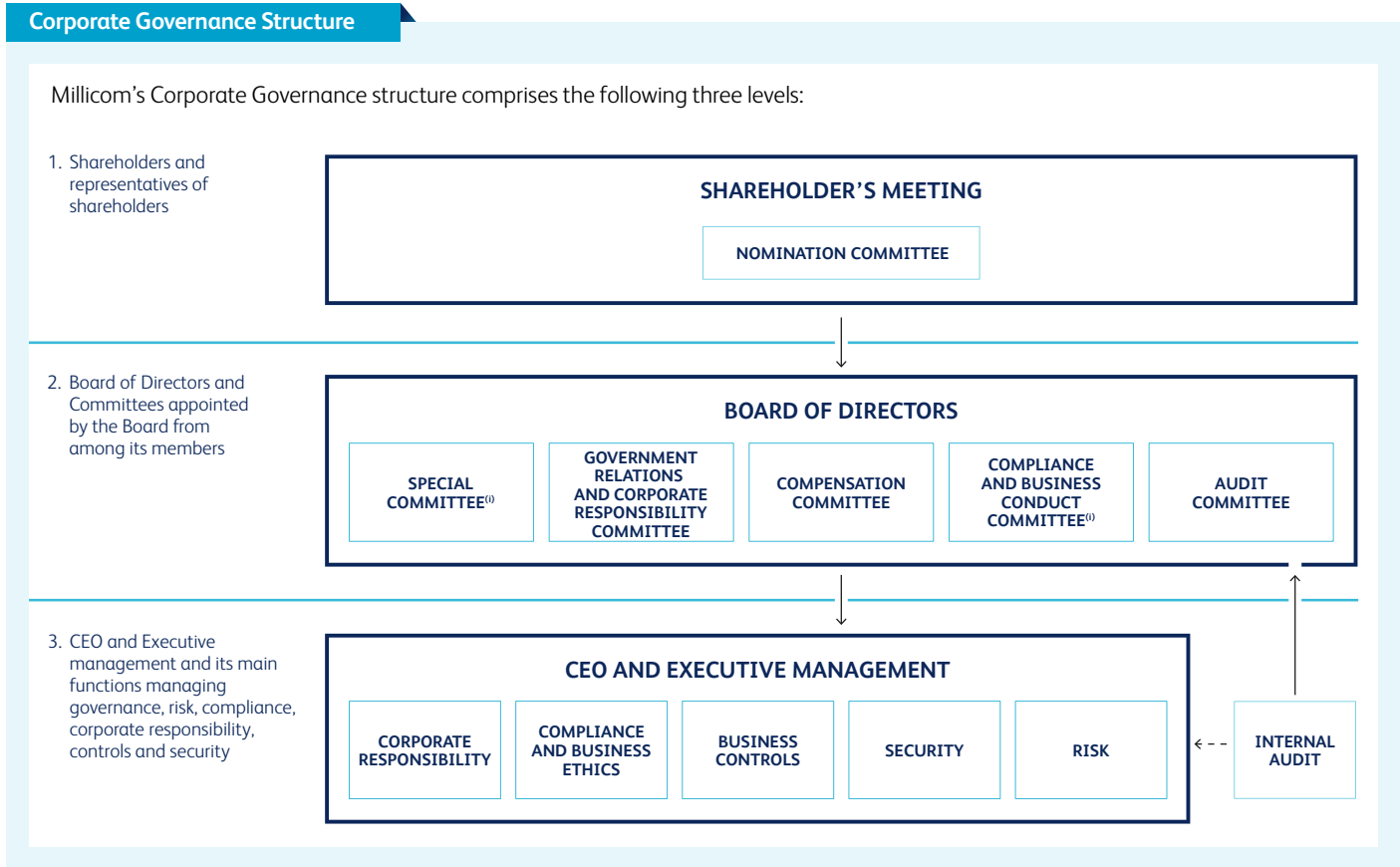
The Swedish Corporate Governance Code (the “Code”) promotes positive development of corporate governance. The Code complements laws and regulations and sets its good practice level above regulatory requirements. The Swedish Corporate Governance Board states that self-regulation is often preferable to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

Millicom governance deviated in 2015 in relation to the Code in the following areas:

Code Requirement	Millicom Practice	Explanation
1.5 – A shareholder, or a proxy representative of a shareholder, who is neither a member of the board nor an employee of the company is to be appointed to verify and sign the minutes of the shareholders’ meeting.	Minutes are signed by the meeting Chairman, Secretary and appointed Scrutineer.	Millicom follows Luxembourg law.
2.4 – The Chairman of the Nomination Committee should not be the chairman or a board member of the Company.	Mr. Grabau, a Board member of the Company has been appointed Chairman of the Nomination Committee.	The other members of the Nomination Committee have supported the appointment of Mr. Grabau as being in the Company’s and its shareholders’ best interests, based on his connection to Millicom’s largest shareholders.
2.4 – If more than one member of the board is on the nomination committee, no more than one of these may be dependent of a major shareholder in the company.	Ms. Stenbeck and Mr. Grabau, both of whom are dependent on Millicom’s largest shareholder, are appointed to the Nomination Committee.	The other members of the Nomination Committee have supported the appointment of Ms. Stenbeck and Mr. Grabau as being in the Company’s and its shareholders’ best interests.
9.7 – Vesting of share-related incentive programs to be no less than three years.	Deferred share incentive plan contains vesting of 16.5% of granted shares after one year, 16.5% after two years, and 67% after three years.	The Company believes that this vesting schedule ensures alignment between the interests of the Company’s shareholders and its employees.

**Compliance with applicable stock exchange rules**

There has been no infringement of applicable stock exchange rules and no breach of good practice on the securities market reported by the stock exchange’s disciplinary committee or the Swedish Securities Council in 2015.



(i) The Compliance and Business Conduct Committee was established in Q4 2015 as part of the Board’s commitment to strengthen oversight over compliance related activities. A special committee was established to manage the Board’s response related to the potential improper payments on behalf of its Guatemala joint venture.

# Shareholder and Board Governance

(continued)

## Shareholders and Shareholders' Meeting

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

Millicom's Articles of Association set the Annual General Meeting of Shareholders (AGM) to be held on 15 May at 10am CET each year. If such day is a public holiday, the meeting will be held during the following business day. Millicom's Articles of Association are available in the "Our Governance" section of Millicom's website. Unless otherwise required under Luxembourg law, an extraordinary general meeting must be convened to amend any provisions of the Articles of Association.

The 2015 AGM was held on 15 May 2015, within six months of the end of the financial year (as required by the Swedish Code). At the 2015 AGM the following key items were decided:

- Approval of the 2014 Consolidated Financial Statements and distribution of a dividend of \$2.64 per share;
- Election and re-election of the Directors until the date of the 2016 AGM;
- Reappointment of Ernst & Young ("EY") as the external auditor;
- Approval of remuneration to the Board and auditor and procedures for the Nomination Committee;
- Approval of guidelines for the remuneration of senior management;
- Approval of a Share Repurchase Plan;
- Approval of a sign-on share grant for the new CEO.

## Nomination Committee

Nomination Committee	On behalf of:	Position
Mr. Lorenzo Grabau	Investment AB Kinnevik	Chairman
Ms. Cristina Stenbeck	Investment AB Kinnevik	Member
Ms. Marianne Nilsson	Swedbank Robur Fonder	Member
Mr. Mathias Leijon	Nordea Investment Funds	Member

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

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

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

The current Nomination Committee was formed during September 2015, in consultation with larger shareholders of the Company on 31 August 2015 and in accordance with the resolution of the 2015 AGM.

The table below sets out beneficial ownership of Millicom common shares, par value owned \$1.50 each, by each person who beneficially owns more than 5% of Millicom common stock on 29 February 2016.

Shareholder	Number of shares	% Shareholding
Investment AB Kinnevik	37,835,438	37.2 %
Dodge & Cox	11,204,992	11.0 %
Nordea Investment Management AB	5,440,010	5.3 %
Veritas Asset Management (UK) Ltd	5,211,687	5.1 %

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.

#### Promoting board diversity

Millicom's Nomination Committee recognises the importance of diversity in its Board of Directors for promoting strong corporate governance, competitive advantage and effective decision-making.

The Nomination Committee is responsible for periodically determining the appropriate skills, perspectives, experiences, and characteristics required of Board candidates, taking into account the Company's needs and current Board composition. This determination will include knowledge, experience, and skills in areas that are critical to understanding the Company and its business; richness of views brought by different personal attributes such as gender, race, age, and nationality; and other personal characteristics, such as integrity and judgment; and candidates' commitments to the boards of other publicly-held companies. The ambition to further improve gender diversity on the Board has been added to the Nomination Committee charter.

## Board of Directors and Board Committees

#### Role of the Board

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

According to the Company's Articles of Association, the Board is composed of at least six members. The 2015 AGM set the number of directors at eight consisting of a Chairman and seven Non-Executive Directors.

The Board selects the CEO, who is charged with the daily management of the Company's business. The Board also reviews and approves plans for key senior management positions. The CEO is responsible for recruiting, and the Chairman of the Board is responsible for approving, the senior management of the company. Having selected the CEO, the Board supervises, supports enables senior management and monitors its performance. The Rules of Procedure for the Board divides the work between the Board and the CEO.

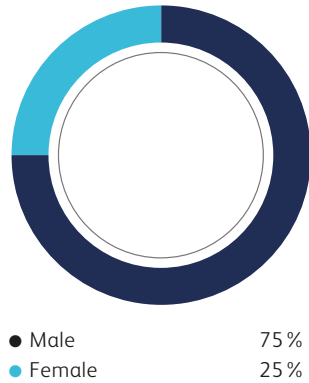
Further details on the roles and activities of the various committees, their responsibilities and activities are set out later in this section.



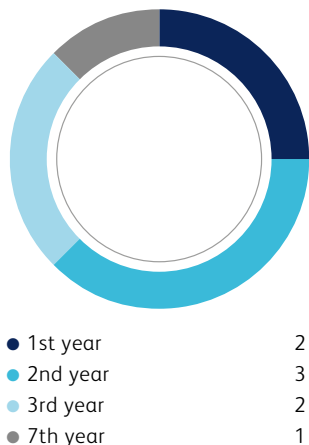
# Shareholder and Board Governance

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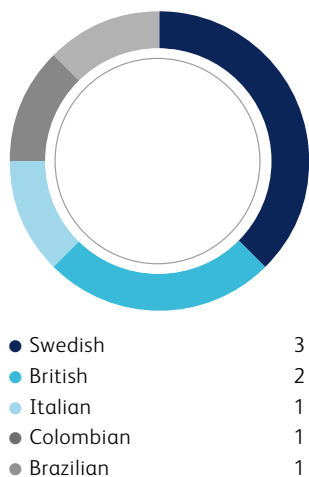
## Gender balance of Board



## Tenure of Directors



## Geographic representation of Directors



## Powers and limitations of the Board

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

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

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

- i) such contract or transaction shall be negotiated on an arm’s-length basis on terms no less 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
- ii) any such personal interest shall be fully disclosed to the Company by the relevant Director, officer or employee.

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

**Share ownership requirements** – the Directors are not required to be shareholders of the Company. Share ownership of Directors is disclosed later in this section.

## Chairman of the Board

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

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

## Deputy Chairman of the Board

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

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

## Corporate Secretary

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

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

## Chief Executive Officer

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

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

Independence of the Board	
BOARD OF DIRECTORS	100%
NON-EXECUTIVE DIRECTORS	100%
INDEPENDENT FROM THE COMPANY AND ITS EXECUTIVE MANAGEMENT	100%
NOT INDEPENDENT OF THE MAJOR SHAREHOLDERS	50% ANDERS BORG, DAME AMELIA FAWCETT, LORENZO GRABAU AND CRISTINA STENBECK

#### Board membership, balance and independence

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

At the AGM, held in May each year, shareholders may vote for or against the Directors proposed by the Nomination Committee or may elect different Directors.

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

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

In accordance with the Code, a majority of the Board of Directors are independent from the Company and its Executive Management, and at least two of those independent Directors are also independent from the Company's major shareholders.

The Code also requires that not more than one member of the Board be part of the executive management team of the Company or any of its subsidiaries.

# Shareholder and Board Governance

(continued)

## Board of Directors



**Ms. Cristina Stenbeck (Swedish)**  
**Chairman, Non-Executive Director**  
 (First appointed: May 2014)

Ms. Stenbeck (1977) was elected as the Chairman of the Board of Directors of Millicom in May 2014 and re-elected in May 2015. Ms. Stenbeck is also a member of the Nomination Committee and is a member of 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 holds a Bachelor of Science Degree from Georgetown University in Washington DC in the United States.

Ms. Stenbeck brings to the Millicom Board in-depth experience in developing and expanding businesses in the technology and telecommunications sectors, building brands and transformations in three different continents, experience particularly relevant to Millicom in its current transition phase moving from a pure telecom operator to The Digital Lifestyle Company.

**Non-Independent** due to her significant ownership of and affiliation to the major shareholder Investment AB Kinnevik.

**Millicom Shareholding at 29 February 2016:**  
 80,645 shares



**Mr. Anders Borg (Swedish)**  
**Deputy Chairman, Non-Executive Director**  
 (First appointed: May 2015)

Mr. Anders Borg (1968) was elected as a new member of the Board in May 2015. He is a member of the Government Relations and Corporate Responsibility Committee.

Mr. Borg served as Sweden’s Minister of Finance between 2006 and 2014. In 2011, he was named European Finance Minister of the year by the Financial Times, recognizing his outstanding political ability, economic performance and market credibility. Prior to his political career, Mr Borg held various jobs in Stockholm’s financial market, at Transferator Alfred Berg, ABN Amro Bank and Skandinaviska Enskilda Banken (SEB). From 2003 – 2006 he was chief economist and head of parliamentary office for Sweden’s Moderate Party.

Mr. Borg is a Deputy Chairman of Investment AB Kinnevik, an advisor of Citigroup and member of its Nordic Advisory Board, and Chairman of the World Economic Forum’s Global Financial System Initiative.

Mr. Borg studied philosophy, economic history and political science at Uppsala University and postgraduate studies in economics at Stockholm University.

Mr. Borg contributes to Millicom’s Board his extensive economic and market knowledge, global political perspective and a keen understanding of the dynamics of international markets.

**Non-Independent** due to his significant affiliation to the major shareholder Investment AB Kinnevik.

**Millicom Shareholding at 29 February 2016:**  
 774 shares



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

Mr. Almeida (1961) was elected to the Board of Millicom in May 2015 and he is the Chairman of the Compliance and Business Conduct Committee and a member of the Audit Committee.

With a 30-year career in global financial, telecom and fast moving consumer goods sectors, Mr. Almeida brings a leadership style anchored in growth acceleration and business turnarounds involving digital transformation, organic growth and successful M&A.

His board experience, along with business leadership at Western Union, Millicom, BankBoston (now Bank of America), The Coca-Cola Company and Colgate-Palmolive has given him deep knowledge of corporate governance, general management, technology platforms, regulatory and compliance as well as consumer insights of developed and emerging nations.

Currently, Mr. Almeida is the President of the Americas and European Union at the Western Union Corporation. With a 14-year tenure, Mr. Almeida is spearheading the digital transformation and growth of the company. He leads 98 countries across North America, Latin America, the Caribbean and European Union.

He has a Bachelor's degree in Engineering from Maua Engineering School in São Paulo, Brazil, and in Business Administration from the University of São Paulo, and also holds a Master's Degree in Business Administration with specialisation in Marketing from the Getulio Vargas Foundation, São Paulo. He advanced his education at IMD Lausanne, The Wharton School, and Harvard Business School.

Mr. Almeida strengthens the Millicom Board with decades of experience from the financial services and Fintech sectors.

**Independent** from Millicom, its executive management and major shareholders.

**Millicom Shareholding at 29 February 2016:**  
 658 shares



**Mr. Paul Donovan (British)**  
**Non-Executive Director**  
**(First appointed: May 2009)**

Mr. Donovan (1958) was first appointed as Director in the Board of Millicom in May 2009 and re-elected in May 2015. He is a member of the Compensation Committee.

Mr. Donovan is currently Chief Executive Officer of Odeon and UCI Cinemas, the leading European cinema operator. He is also a Director of Upstream S.A., a mobile e-commerce solutions provider.

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, BT, and 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. From 2009 to 2012 he was a Director and Chief Executive Officer of Eircom, Ireland's leading Telecommunications Company.

Mr. Donovan holds a Bachelor of Arts Degree in Scandinavian Studies from University College London and a Master's Degree in Business Administration from the University of Bradford.

To the Millicom Board, Mr. Donovan brings his long experience in the telecommunications, technology and media sectors, including experience of leading telecom operating business in emerging and developed markets.

**Independent** from Millicom, its executive management and major shareholders.

**Millicom Shareholding at 29 February 2016:**  
 2,601 shares

# Shareholder and Board Governance

(continued)



**Mr. Tomas Eliasson (Swedish)**  
**Non-Executive Director**  
**(First appointed: May 2014)**

Mr. Tomas Eliasson (1962) was elected to the Board of Millicom in May 2014 and re-elected in May 2015. He chairs the Audit Committee.

Mr. Eliasson is 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 Degree in Business Administration and Economics from the University of Uppsala.

Mr. Eliasson brings to the Millicom Board his significant experience as a CFO for multinational and global Swedish companies, roles in which he has driven a number of important and effective processes and procedures within global finance functions.

**Independent** from Millicom, its executive management and major shareholders.

**Millicom Shareholding at 29 February 2016:**  
 1,245 shares



**Dame Amelia Fawcett (British)**  
**Non-Executive Director**  
**(First appointed: May 2014)**

Dame Amelia Fawcett (1953) was elected to the Board of Millicom in May 2014 and re-elected in May 2015. She chairs the Compensation Committee and the Government Relations and Corporate Responsibility (GRCR) Committee and is a member of the Compliance and Business Conduct Committee.

Dame Amelia, a 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 brings to the Millicom Board extensive expertise in global finance and multimedia businesses as well as corporate responsibility initiatives. Her experience in standard setting and compliance activities in developed markets complements the knowledge she brings to Millicom.

**Non-Independent** due to her significant affiliation to the major shareholder Investment AB Kinnevik.

**Millicom Shareholding at 29 February 2016:**  
 1,245 shares



**Mr. Lorenzo Grabau (Italian)**  
**Non-Executive Director**  
**(First appointed: May 2013)**

Mr. Grabau (1965) was first elected to the Board of Millicom in May 2013 and re-elected in May 2015. He is a member of the Audit Committee and the Compensation Committee. He also chairs the Nomination 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).

Mr. Grabau is Chairman of the Board of Directors of emerging markets e-commerce companies Global Fashion Group SA and Lazada SA. He is also a member of the Board of Directors of the leading European fashion e-commerce company Zalando SE, of the telecommunications operator Tele 2 AB, of the internet company Rocket Internet SE, and of the Nordic e-commerce and financial services provider Qliro Group AB.

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

Mr. Grabau brings to the Millicom Board his experience from leadership positions within the Consumer/Retail and Media/Online industry practices of Goldman Sachs, and his experience on Boards of entertainment and technology companies, as well as his role as CEO of Investment Kinnevik AB.

**Non-Independent** due to his significant affiliation to the major shareholder Investment AB Kinnevik.

**Millicom Shareholding at 29 February 2016:**  
 4,245 shares



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

Mr. Santo Domingo (1977) was first elected to the Board of Millicom in May 2013 and re-elected in May 2015. He is a member of the Compliance and Business Conduct Committee.

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.

Mr. Santo Domingo brings to the Millicom Board his expertise from the Boards of several international groups and considerable experience in Millicom's strategic Latin American markets, and from his extensive charitable work.

**Independent** from Millicom, its executive management and major shareholders.

**Millicom Shareholding at 29 February 2016:**  
 6,245 shares

# Shareholder and Board Governance

(continued)

## Board Programme

The Board's annual program includes:

- **Company strategy and strategic direction**
- **Operating and financial performance review**
- **Governance and compliance matters**
- **Corporate Responsibility**
- **Government relations**
- **Corporate culture**
- **Annual and semi-annual external reporting**
- **Risk management**
- **Dividend policy**
- **Evaluation of CEO and self-evaluation**
- **Human resource matters including compensation, health, safety and well-being**

## Summary of Board Activities in 2015

The Board of Directors has an annual program which consist of specific areas of focus that the Board has a role to oversee and advise the company on specific projects and topics that arise in the normal course of business are added to the program of the Board. Some of these topics are dealt with in the specific Board Committees.

### Summary of areas of focus in 2015

Activity/Issues Covered	Board Actions
<b>Reports of Committees</b>	<ul style="list-style-type: none"> <li>• The Board regularly reviewed reports from its Audit, GRCR, Special and Compensation Committees on recent activities.</li> <li>• Discussion of Nomination Committees director appointment proposals.</li> </ul>
<b>Formation of new Committees</b>	<ul style="list-style-type: none"> <li>• In relation to the potential improper payments related to its joint venture in Guatemala, the Board formed a Special Committee to provide oversight and guidance, which reported regularly on the matter to the Board.</li> <li>• In relation with ongoing strengthening of compliance activities the Board established the Compliance and Business Conduct Committee.</li> </ul>
<b>Operational Review</b>	<ul style="list-style-type: none"> <li>• Priorities and challenges for each of the Latin American and African businesses were regularly presented and discussed by the Board, including the merger and integration process in UNE and Capex allocation plans.</li> </ul>
<b>Strategic Review</b>	<ul style="list-style-type: none"> <li>• The Board discussed with the Executive Team industry and geographic trends and the operational and financial strategy for each region of the Group including the portfolio strategy.</li> </ul>
<b>Organisational Structure</b>	<ul style="list-style-type: none"> <li>• The Board approved the new management organisational and reporting structure.</li> </ul>
<b>Budget</b>	<ul style="list-style-type: none"> <li>• The Board discussed and approved the 2016 budget.</li> </ul>
<b>Review and Approval of Capital Structure and Dividend</b>	<ul style="list-style-type: none"> <li>• Refinancing of the El Salvador Bond.</li> <li>• Amendment of existing terms and conditions of the bonds.</li> <li>• Additional financing in several markets.</li> <li>• Recommendation of a dividend of \$2.64 per share to the 2015 AGM.</li> </ul>
<b>Review and Approval of Corporate Governance matters</b>	<ul style="list-style-type: none"> <li>• Revisions to the Corporate Policy Manual (including Board and Committee charters, and a new Code of Conduct).</li> <li>• Updates to the Authority matrix.</li> <li>• Election of Committee members.</li> </ul>
<b>Mergers and Acquisitions</b>	<ul style="list-style-type: none"> <li>• The Board discussed acquisition developments across the Group including approval of certain transactions.</li> </ul>
<b>Review and Approval of Financial Reports</b>	<ul style="list-style-type: none"> <li>• 2014 Annual Report including the 2014 Consolidated Financial Statements of the Group, and interim consolidated financial statements.</li> <li>• Standalone financial statements of the parent company.</li> </ul>

### Induction and Training

Incoming Board members are provided with information on their roles and responsibilities, operating procedures and information on Millicom's business and industry. Access to governance documents, policies and procedures as well as meeting materials and Company information is provided through a secure online tool, in meetings set with the executive management team, and in ongoing dissemination of information. Training programs covering key topics such as anti-bribery and corruption, ethics, independence and insider trading are provided. On an on-going basis the Board receives detailed reports on specific areas that support their understanding of Millicom's business and operating environment.

### Board effectiveness

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

The evaluation of the Board's performance during 2015 was conducted internally by the Chairman of the Board by way of a formal questionnaire covering areas such as the Board's performance against its key duties, the Board's composition and processes, as well as the performance of individual Board members. The results of the evaluation were presented to the Nomination Committee by the Chairman of the Board, and were also reported in full to the Nomination Committee in writing.

### Board meetings / attendance at scheduled meetings of the Board in the 2015 financial year

Director	Meeting	Attendance
Ms. Cristina Stenbeck (Chairman)	11/11	100%
Mr. Anders Borg (Deputy Chairman)	7/7	100%
Mr. Odilon Almeida	6/7	86%
Mr. Paul Donovan	11/11	100%
Mr. Tomas Eliasson	10/11	91%
Dame Amelia Fawcett	11/11	100%
Mr. Lorenzo Grabau	11/11	100%
Mr. Alejandro Santo Domingo	10/11	91%
<b>Attendance of Current Directors</b>	<b>77/80</b>	<b>96%</b>
<b>Former Directors (until May 2015):</b>		
Ms. Mia Brunell Livfors	3/4	75%
Mr. Dominique Lafont	4/4	100%
Mr. Ariel Eckstein	3/4	75%
<b>Overall Attendance</b>	<b>87/92</b>	<b>95%</b>



# Board Committees

The Board and each of its committees have written approved charters which set out the objectives, limits of authority, organisation and roles and responsibilities of the Board and its committees. Details of the Board Committee charters can be found on our website [www.millicom.com/who-we-are/our-governance/board-committees](http://www.millicom.com/who-we-are/our-governance/board-committees). Details of the roles and responsibilities, activities in 2015 and compensation are set out on the following pages.

In 2015, the Board established two new committees. A Special Committee was set up to oversee the investigation into potential improper payments on behalf of the Guatemalan joint venture. The Special Committee had three members, and convened 19 times in 2015. The work of this committee will continue in 2016.

In Q4 2015, the Board also established a new permanent Compliance and Business Conduct Committee to cover Compliance related activities. This Committee has assumed oversight of non-financial compliance related matters from the Audit Committee in 2016. Members of the Compliance and Business Conduct Committee are Mr. Odilon Almeida (Chairman), Dame Amelia Fawcett, and Mr. Alejandro Santo Domingo. The Compliance and Business Conduct Committee is scheduled to meet prior to each scheduled Board meeting, and additionally as often as the Board shall require, and will oversee the Company's Compliance program and standards of business conduct, and to monitor the Company's actions and resources in these areas.

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## Audit Committee



From Mr. Tomas Eliasson,  
Chairman of the Audit Committee

2015 was a very active year for the Audit Committee, with specific focus and attention on control activities of the Group, as well as oversight over regular reporting and internal audit activities. The Committee convened six scheduled meetings during the year and covered internal audit and internal control activities during five of those meetings.

The Committee also reviewed and discussed actions and activities around Treasury, Risk, Revenue Assurance and Compliance, as part of the broader initiative to strengthen governance. Further work remains to be done as the Group continues to standardise and implement best practices both in controls and assurance.

I would like to thank my fellow Committee members for their dedication and commitment to the activities of the Audit Committee and look forward to continuing our mandate through to the 2016 AGM.

Tomas Eliasson  
Audit Committee Chair

### Audit Committee Membership and Attendance

Audit Committee	Position	First appointment	Meetings/Attendance 2015	
Mr. Tomas Eliasson	Chairman*	May 2014	6/6	100%
Mr. Lorenzo Grabau	Member	May 2014	6/6	100%
Mr. Odilon Almeida	Member	May 2015	3/3	100%
Mr. Dominique Lafont	Former Member	May 2014	2/3	67%
<b>Overall Attendance</b>			<b>17/18</b>	<b>94%</b>

\* Designated as having specific accounting competence per EU Directive

### Appointment and Role of the Audit Committee

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

The Board has delegated to the Audit Committee the responsibilities for oversight of the financial reporting process, the integrity of the annual and quarterly financial reports and the involvement of external auditors in that process to ensure the balance, transparency and integrity of published financial information. The Audit Committee focuses particularly on compliance with legal requirements, accounting standards and judgements, appointment and independence of the external auditors, transactions with related parties (including major shareholders), the effectiveness of the internal audit function, the Group's approach to risk management and ensuring that an efficient and effective system of internal controls is in place. The ultimate responsibility for reviewing and approving Millicom's Annual Report and Accounts remains with the Board.

The Chief Executive Officer, Chief Financial Officer, Group Financial Controller, Head of Internal Audit, Head of Business Controls, Group Risk Officer and representatives from Ernst & Young ("EY"), the Company's external auditor, are invited to attend all Committee meetings. The agenda for meetings is prepared by the Audit Committee Chairman in conjunction with the Chief Financial Officer. Each meeting includes a private session, attended only by Audit Committee members and the external auditor, to provide an opportunity for open dialogue without management presence. The Audit Committee receives reports from the Chief Financial Officer, the external auditor, the Head of Internal Audit, the Head of Business Controls, together with reports from other officers of the Company as required.

# Board Committees

(continued)

## 2015 Meetings

During 2015 the Audit Committee met six times, coinciding with key dates in Millicom's external reporting:

### 2015 Audit Committee Meetings

Activity/issues covered	How the Audit Committee addressed the issues
<b>Financial reporting</b>	<ul style="list-style-type: none"> <li>• Key accounting and reporting issues were reviewed at each meeting.</li> <li>• Reviewed and approved each quarter's earnings release, the 2014 annual earnings release and summary financial statements and the 2015 half year earnings release and interim financial statements.</li> <li>• Received a presentation on the new IFRS revenue recognition standard and considered implementation plans.</li> </ul>
<b>External auditor</b>	<ul style="list-style-type: none"> <li>• Received reports from the external auditor at each meeting covering important financial reporting, accounting and audit issues.</li> <li>• Approved the 2015 external audit strategy.</li> <li>• Considered the results of control testing performed by the external auditor.</li> <li>• Considered the performance of the external auditor and independence including monitoring of the nature and value of non-audit engagements.</li> </ul>
<b>Internal audit activities</b>	<ul style="list-style-type: none"> <li>• Approved the 2015 internal audit plan.</li> <li>• Considered the development of the Group's internal audit function following the departure of the previous head of internal audit and the appointment of an interim head of internal audit.</li> <li>• Reviewed internal audit findings arising from the 2015 audit plan.</li> </ul>
<b>Financing, treasury and tax</b>	<ul style="list-style-type: none"> <li>• The Group's tax strategy.</li> <li>• Treasury and financing risks were discussed and the Committee approved the new Group treasury policy.</li> </ul>
<b>Risk management</b>	<ul style="list-style-type: none"> <li>• Provide guidance and oversight over risk management processes.</li> <li>• Reviewed alignment of top risks with strategy.</li> <li>• Reviewed regular risk reports.</li> </ul>
<b>Internal controls</b>	<ul style="list-style-type: none"> <li>• Reviewed and agreed a proposal from management to create a new Business Controls team in order to strengthen the Group's control environment.</li> <li>• Reviewed the remit and proposed activities of the new Business Controls team.</li> <li>• Received the summary findings of internal control self-assessments performed in the year.</li> <li>• Approved 2016 targets for internal control maturity.</li> <li>• Revenue assurance trends and actions taken to minimise loss. Requested and received a report on the Group's approach to information security.</li> </ul>
<b>Fraud management</b>	<ul style="list-style-type: none"> <li>• The new Group fraud management policy was approved and roll out plans were also reviewed.</li> </ul>
<b>Related party transactions</b>	<ul style="list-style-type: none"> <li>• A review of related party transactions was performed at each meeting.</li> </ul>

## Main Activities of the Audit Committee during the year

### Financial Reporting

The Audit Committee reviewed earnings releases for each quarter and financial statements having received reports from management and the external auditor. Attention was focused upon:

- Significant accounting issues where judgment has been applied;
- The appropriateness of and application of the Group's accounting policies and practices;
- Compliance with financial reporting standards and other financial reporting requirements;
- The application of new accounting standards in particular the future adoption of the new revenue recognition and lease standards, IFRS15 and IFRS 16, respectively.

A summary of all related party transactions was presented quarterly. The significant issues considered by the Audit Committee in relation to the financial statements for the year ended 31 December 2015 were:

- Acquisition accounting in respect of Tigo-UNE—also refer to note A.1.2. to the consolidated financial statements.

On 14 August 2014, Millicom completed the merger of its interests in Colombia with that of UNE for consideration of \$860 million. Judgement is required in valuing the acquired assets for the purposes of acquisition accounting. Management worked with external valuation consultants to assess the fair value of acquired assets. Given the size and complexity of the Tigo-UNE transaction provisional fair values were updated during the year and these were discussed with the Committee prior to finalisation. During the year, the Group also completed the acquisition of Zantel and a number of other smaller transactions. Management's assessment of the acquisition provisional fair values based on external valuation advice were similarly presented for discussion.

- Accounting for the Group's interests in Guatemala and Honduras – also refer to note A.2.2 to the consolidated financial statements.

The Group had a number of call and put options in place which enabled it to exercise control and consolidate its operations in Guatemala and Honduras in accordance with IFRS 10. These arrangements expired, unexercised, on 31 December 2015. The Audit Committee was provided with analysis performed by management of the impact of their expiry on the ability of the Group to continue to consolidate the two operations.

Following extensive consideration and having also received analysis from the external auditors, the Committee agreed with management's proposal that the consequence is that under IFRS 10 and 11 Millicom was required to deconsolidate the operations in Honduras and Guatemala and account for them as joint ventures from 31 December 2015.

- Millicom investment in African towers company, Helios Towers Africa – also refer to note A.3.2. to the consolidated financial statements.

During the year, Millicom and Helios Towers Africa ("HTA") signed an agreement whereby Millicom owns 28% of shares in HTA following a shareholding exchange. Judgement was required for this transaction in order to assess whether it had commercial substance or not. The Committee was provided with analysis performed by management that this transaction had commercial substance and that, as a result, the value of Millicom's investment in HTA had to be stepped up to fair value.

- Impairment testing – also refer to note E.1.6. to the consolidated financial statements.

Under accounting standards, the Group is required to test goodwill and indefinite life intangible assets annually and, where there are indicators of potential impairment, also test the carrying value of other non-current assets. Assessment of the carrying value, which necessitates making projections of future cash flows, is subjective and requires significant judgment. The Audit Committee received analysis from management as to their assessment of the recoverable amounts of the Group's non-current assets based on the latest forecasts in the five year plan. The Audit Committee also received analysis from the external auditor including their view of significant assumptions such as discount rates.

Following consideration, the Audit Committee agreed with Management's proposal that an impairment loss of \$54 million had to be recognised on our assets in Senegal.

# Board Committees

(continued)

The results of the annual impairment testing showed that, except for our operations in Senegal, sufficient headroom exist for the Group's other operations.

- Tax provisions and contingencies – also refer to note G.3.2. to the consolidated financial statements.

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

- Revenue recognition – also refer to note B.1. to the consolidated financial statements.

Judgement is required in assessing the application of revenue recognition principles. This includes the application of revenue between multiple deliverables, such as the sale of a set top box with service in a bundled package or managed services contracts that have complex contractual agreements. The Group has well developed revenue recognition rules compliant with IFRS tailored to the services and products sold. In addition, management is currently conducting a project for the implementation of the new revenue standard, IFRS 15. The Audit Committee received reports from both management and the external auditor covering matters relating to revenue recognition in general and to the implementation project.

## Management Disclosure Committee

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

## Risk Management

The Audit Committee received regular reports on the Group's risk management process, changes to significant risks at an operational and a Group level and how these are managed.

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

## Internal Control

The Audit Committee reviewed the Company's internal control framework. The Audit Committee was focused on the need to promote the improvement of internal controls. The Audit Committee therefore approved a proposal to create a new Business Controls function at a Group level in order to increase the level of resource and priority given to this issue. The Group function complements and supports control teams in each of the Group's operating companies. A new Head of Business Controls was recruited reporting directly to the Chief Financial Officer. The Audit Committee reviewed the Business Controls strategy and received progress reports at each meeting. The results of the Internal Control self-assessment exercises was reviewed and targets for control improvement in 2016 were agreed.

## Internal Audit

Internal Audit is led by the Head of Internal Audit, supported by a team of in-house auditors based in Luxembourg and Miami. During the year, the Audit Committee approved the internal audit plan. The previous Head of Internal Audit left the Group during the year and an interim Head of Internal Audit was appointed on a secondment arrangement from an international accounting firm.

At each meeting, the Audit Committee received an update on internal audit activities, progress against the internal plan and the key issues arising from internal audits completed in the period. The interim Head of Internal Audit presented an assessment of the capabilities and scope of the in-house team and plans for developing the function to improve its effectiveness. External auditors also presented their review of the internal controls and their effectiveness country by country and for the central functions as well.

Periodically the Audit Committee Chairman meets separately with the Head of Internal Audit.

### Fraud Risk and Whistleblowing

The Audit Committee approved a new Group fraud management policy during the year. The policy seeks to ensure that there is a consistent approach to fraud management and that risks are identified and maintained to acceptable levels.

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

### External Audit

#### Audit effectiveness

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

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

In addition, on a regular basis the performance of the external auditors is reviewed by management both centrally and in each of Millicom's operating countries against a set of 15 criteria ranging from knowledge of the business, to timeliness of communication and quality of reporting.

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

#### Auditor independence

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

For the year ended 31 December 2015, the Audit Committee approved fees for audit services of \$4.7 million, together with fees for non-audit work of \$1.5 million.

Under European rules, the current audit partner will have to rotate off for the audit of the consolidated financial statements as of 31 December 2018.

#### Audit tendering

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

Based on the new EU audit regulations, EY would have to rotate off by 2032 (20 years) at the latest, with mandatory tender in 2022 (after 10 years).

# Board Committees

(continued)

## Compliance and Business Conduct Committee



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

The Compliance and Business Conduct Committee was established in November 2015 as part of the Board's commitment to strengthen oversight over compliance related activities. The Compliance and Business Conduct Committee commenced its activities in 2016, and will meet on a quarterly basis.

Further detail on the Committee and its objectives are set out below. I look forward to chairing this Committee and overseeing the activities of this important function within Millicom.

Odilon Almeida  
Compliance and Business Conduct Committee Chair

### Appointment and Role of the Compliance and Business Conduct Committee

Millicom's Compliance and Business Conduct Committee oversees and makes recommendations to the Board regarding the Group's compliance program and standards of business conduct. The role of the Compliance and Business Conduct Committee will be as follows:

- Monitoring the Group's Compliance program, including the activities performed by the Compliance team and their interaction with the rest of the organisation;
- Monitoring the results of investigations resulting from cases brought through Millicom's ethics line or otherwise;
- Allocation of resources and personnel to the Compliance area;
- Assessing the Group's performance in the Compliance area; and
- Ensuring that the Group maintains proper standards of business conduct.

Permanent management representatives on the Compliance and Business Conduct Committee include the Group CEO, General Counsel, and most senior compliance officer.

### Main Activities of the Compliance and Business Conduct Committee

As previously noted the Compliance and Business Conduct Committee commenced its activities in 2016. During its first meeting the Group's Compliance Program and Compliance Framework was discussed and the Committee was apprised of progress in the external review of the Compliance Program.

### Compliance and Business Conduct Committee Membership

Committee	Position	First appointment
Mr. Odilon Almeida	Chairman	November 2015
Mr. Alejandro Santo Domingo	Member	November 2015
Dame Amelia Fawcett	Member	November 2015

## Government Relations and Corporate Responsibility (GRCR) Committee



From Dame Amelia Fawcett,  
Chairman of the GRCR Committee

With the establishment of the External Affairs function at Millicom and the obvious strong links between corporate responsibility and government engagement, the scope of the Corporate Responsibility Committee was expanded in 2015 to become GRCR Committee. Given the fast pace of change in Millicom's markets, it was also agreed that the GRCR Committee should meet quarterly to review not only execution of the strategy in these areas but also to be able to respond and advice on specific issues as they arise.

In 2015 the GRCR Committee paid particular attention to guiding management in strengthening country risk frameworks, including KPI dashboards, and feeding back on proposed strategic roadmaps for the External Affairs functions. The GRCR Committee expects that areas we have focused and dived deeper on this year, such as safeguarding privacy and freedom of expression when faced with government requests and the opportunities for improved gender diversity will continue to remain relevant in Millicom's markets for a number of years to come.

I would like to thank my fellow GRCR Committee members for their dedication and commitment to the activities of the GRCR Committee and look forward to continuing our expanded mandate through to the 2016 AGM.

Dame Amelia Fawcett  
GRCR Committee Chair

### Appointment and Role of the GRCR Committee

Millicom's GRCR Committee oversees and makes recommendations to the Board regarding the management of the Group's strategy and activities in the areas of government relations, corporate responsibility and social investments. The GRCR Committee also acts as an advisory committee to the management on specific challenges and opportunities relating to government relations and corporate responsibility.

In Q3 2015 it was decided that the GRCR Committee would convene four times a year. The Committee comprises three members. Ms. Mia Brunell Livfors and Mr. Paul Donovan stepped down and Mr. Anders Borg joined the committee in May 2015.

Permanent management representatives on the GRCR Committee include the Group CEO and EVP of External Affairs. Guests of the Committee vary depending on topic but will include VP of Corporate Responsibility and other staff members as relevant for topics under discussion.

### Main Activities of the GRCR Committee during 2015

During 2015 the GRCR Committee met in person three times. The GRCR Committee continued to provide oversight and guidance to the management team on an expanded reach and range of GRCR activities both in the organisational structure and activities.

A summary of key topics and outcomes from the meetings during 2015 is presented below.



# Board Committees

(continued)

## 2015 GRCR Committee Meetings

Activity / Issues Covered	How the GRCR Committee addressed the issues
<b>The External Affairs organisation</b>	<ul style="list-style-type: none"> <li>Reviewed and agreed to a management proposal to bring together the Government Relations, Corporate Responsibility, Corporate Communications and Social Investment functions under the umbrella of an External Affairs function to enhance cross functional coordination and cooperation.</li> <li>Reviewed strategic framework and KPIs for all EA functions and progress reports of each EA function in subsequent meetings.</li> </ul>
<b>Management of social investment and closing of Millicom Foundation</b>	<ul style="list-style-type: none"> <li>Review of the objectives of the newly created Millicom Foundation to establish the most efficient manner to execute social investment projects.</li> <li>Decision to re-focus the company's social investment program internally under the auspices of the External Affairs team so as to allow for social investment work to be locally focused but globally supported.</li> <li>Winding down of the Foundation and fulfilment of relevant Foundation obligations.</li> </ul>
<b>Millicom's non-financial performance in 2014</b>	<ul style="list-style-type: none"> <li>Review of main non-financial performance and trends for 2014.</li> <li>Recommendations especially relating to measures to be taken to address declining trend in women in senior management.</li> </ul>
<b>Update on privacy and freedom of expression issues</b>	<ul style="list-style-type: none"> <li>Requested a detailed report on Millicom's risk exposure, mitigation measures and recommendations for improvements.</li> <li>Advised to continue the strong proactive approach of Millicom's engagement with the issues, and seek to deepen its collaboration with civil society on country level. The GRCR Committee also endorsed a cross-functional effort to clarify Group level privacy policy framework and consider improving in-house expertise in the area.</li> </ul>
<b>Country risk profile framework and election review</b>	<ul style="list-style-type: none"> <li>Approved a newly created country risk profiling framework capturing macro-economic overview and forecast, key political and regulatory developments and risks as well as organisational ability to address the risk on a per market basis.</li> <li>Requested a quarterly update of the country risk framework</li> <li>Noted specifically the importance of monitoring developments in Colombia leading up to the 2018 elections.</li> </ul>
<b>Gender diversity programme</b>	<ul style="list-style-type: none"> <li>Noted lag in progress in gender diversity while significant progress was made in other corporate responsibility areas.</li> <li>Aligned with Millicom recommendations for re-launching gender diversity programme, emphasising the importance of top management support and incentives.</li> </ul>

## Committee Membership and Attendance

Committee	Position	First appointment	Meetings/Attendance 2015	
Dame Amelia Fawcett	Chairman	May 2014	3/3	100%
Ms. Cristina Stenbeck	Member	May 2014	2/3	67%
Mr. Anders Borg	Member	May 2015	2/2	100%
Mr. Paul Donovan	Former Member	May 2014	1/1	100%
Ms. Mia Brunell Livfors	Former Member	May 2008	1/1	100%
<b>Overall Attendance</b>			<b>9/10</b>	<b>90%</b>

## Compensation Committee: Remuneration report



From Dame Amelia Fawcett,  
Chairman of the Compensation Committee

In 2015 the Compensation Committee has focused on review of Millicom's reward strategy to ensure that senior management compensation reflects more closely company performance. The Committee has also reviewed Millicom's renewed approach to benchmarking compensation and talent, which has led to important work in recalibrating job grades and roles.

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

I would like to thank my fellow Compensation Committee members for their dedication and commitment to the activities of the Compensation Committee and look forward to continuing our expanded mandate through to the 2016 AGM.

Dame Amelia Fawcett  
Compensation Committee Chair

### Appointment and role of the Committee

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

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

The evaluation of the CEO is conducted by the Compensation Committee. The evaluation criteria and the results of the evaluation are then discussed by the Chairman with the entire Board. The Board considered that the CEO provided strong leadership for the Company during 2015. The results of the review and evaluation were communicated to the CEO by the Chairman.

The Compensation Committee comprises three members.

### Compensation Committee Membership and Attendance

Committee	Position	First appointment	Meetings/Attendance 2015	
Dame Amelia Fawcett	Chairman	May 2014	6/6	100%
Mr. Lorenzo Grabau	Member	May 2015	3/3	100%
Mr. Paul Donovan	Member	May 2014	5/6	83%
Ms. Mia Brunell Livfors	Former member	May 2014	4/4	100%
Mr. Ariel Eckstein	Former member	May 2014	3/4	75%
<b>Overall Attendance</b>			<b>21/23</b>	<b>91%</b>

# Board Committees

(continued)

## Main Activities of the Committee during 2015

The Compensation Committee met six times in 2015.

### 2015 Compensation Committee Meetings

Activity/issues covered	How the Compensation Committee addressed the issues
<b>Bonus and performance reports</b>	<ul style="list-style-type: none"> <li>Reviewed and approved the variable compensation targets to further align remuneration with company performance.</li> <li>Received and reviewed senior executive performance reports and rewards for exceptional performance.</li> </ul>
<b>Senior management separation arrangements</b>	<ul style="list-style-type: none"> <li>Discussed, modified and subsequently approved separation arrangements with former members of the Executive Team.</li> </ul>
<b>Long-term incentive plans (LTIP)</b>	<ul style="list-style-type: none"> <li>Reviewed the terms and conditions of the 2015 LTIP, in particular changes recommended that improve alignment to shareholder returns for the future performance plans.</li> <li>Discussed feedback from the changes to the 2015 LTIP design following implementation of Total Shareholder Return and Cash Flow target measures.</li> </ul>
<b>Global reward strategy and executive remuneration review</b>	<ul style="list-style-type: none"> <li>Reviewed the timeline and planned activities for the reward strategy update.</li> <li>Reviewed the new CEO compensation package (including sign-on share awards) which was subsequently presented for approval to the shareholders at the May 2015 AGM.</li> <li>Gave input to a holistic review of reward principles, emphasising importance of a performance-based incentive opportunity culture.</li> <li>Reviewed the performance of individual members of the Executive Team and compensation packages.</li> </ul>
<b>Africa CEO recruitment</b>	<ul style="list-style-type: none"> <li>Reviewed progress and potential candidates for the position of Africa CEO.</li> </ul>
<b>Compensation benchmarking review</b>	<ul style="list-style-type: none"> <li>Reviewed compensation benchmarking studies and proposed retention measures, as well as initial guidelines and methodology for setting 2016 compensation.</li> </ul>

### Remuneration guidelines

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

### Remuneration policy

The remuneration of senior management of Millicom comprises an annual base salary, an annual bonus, share-based compensation, social security contributions, pension contributions and other benefits. Bonus and share-based compensation plans (see note B.4.1 to the Consolidated Financial Statements) are based on actual performance. Share-based compensation is granted once a year by the Compensation Committee of the Board.

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

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

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

### Bonus Measurements

Measurement	Rationale	Weighting
<b>Revenue</b>	Revenue is a key growth measure used by the Group as it seeks to monetise opportunities in all countries and all business units.	23.33%
<b>EBITDA</b>	EBITDA is used as a measurement of ongoing earning power/value creation in the Group and is used as a measure of how well management control the operational cost of growing revenue.	23.33%
<b>Operating Free Cash Flow</b>	Operating Free Cash Flow is a measure aligned to return on invested capital and is used to measure how efficiently management are using available capital, as well as in generating returns for shareholders.	23.33%
<b>Personal Performance</b>	The individual goals and objectives of Millicom management and employees are critical in achieving its financial objectives and in long-term value creation.	30%
<b>Total</b>		100%

**Long-term share based incentive plans (LTIPs)** – The aim of the LTIPs is to complement and support Millicom's long-term business view and strategy. The plans and the amounts need to be competitive in order to attract and retain key executives.

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

**Pension** – The Executives are entitled to participate in a global pension plan, covering also death and disability insurance, in accordance with European standards. The global pension plan is secured through premiums paid to insurance companies.

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

#### **Payment for loss of office**

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

# Board Committees

(continued)

## Executive Team Remuneration 2015

Compensation of the Executive Team (US\$ thousands)	CEO*	Former CEO	CFO** (10 members) <sup>(iv)</sup>	Other Executives ( <sup>(v)</sup> )
<b>2015</b>				
Base salary	750	304	989	3,721
Bonus (for 2015 performance)	1,006	—	1,206	1,870
Pension	113	—	95	671
Other benefits	11	—	14	1,085
Termination benefits	—	2,854	—	682
<b>Total salary and benefits</b>	<b>1,880</b>	<b>3,158</b>	<b>2,304</b>	<b>8,029</b>

\* The CEO started in April 2015.

\*\* Includes compensation for the interim CEO role to 31 March 2015.

### Compensation shares

Performance share plan <sup>(i)</sup>	—	—	—	11,300
Deferred share plan <sup>(ii)</sup>	—	—	4,394	14,916
Sign on share grant <sup>(iii)</sup>	77,344	—	—	—
<b>Total shares (number)</b>	<b>77,344</b>	<b>—</b>	<b>4,394</b>	<b>26,216</b>
<b>Value of shares<sup>(v)</sup> (US\$ thousands)</b>	<b>4,457</b>	<b>—</b>	<b>253</b>	<b>1,511</b>

(i) Amounts relating to the 2013 performance share plan based on the actual performance over the three year period to 31 December 2015. The value of shares is based on the closing market value of Millicom shares in US\$ at 31 December 2015 of \$57.63. These shares vested on 1 January 2016.

(ii) Amounts relating to the 2015 deferred share plan. The value of shares is based on the closing market value of Millicom shares in US\$ at 31 December 2015 of \$57.63. These shares will vest over three years from the award date, dependent on continued service of the employee.

(iii) Amounts relating to the CEO sign on bonus share grant. The value of shares is based on the closing market value of Millicom shares in US\$ at 31 December 2015 of \$57.63. One-third of the total share amount vests on each of 1 January 2016, 1 January 2017 and 1 January 2018.

(iv) Includes former Executives who left Millicom during 2015.

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

Compensation of the Executive Team (US\$ thousands)	Former CEO	CFO* (7 members) <sup>(ix)</sup>	Other Executives ( <sup>(x)</sup> )
<b>2014</b>			
Base salary	2,344	420	4,111
Bonus (for 2014 performance)	—	528	2,535
Pension	586	65	490
Other benefits	752	76	1,716
Termination benefits	—	—	1,409
<b>Total salary and benefits</b>	<b>3,682</b>	<b>1,089</b>	<b>10,262</b>

\* The CFO started in June 2014.

### Compensation shares

Performance share plan <sup>(vi)</sup>	—	—	12,570
Deferred share plan <sup>(vii)</sup>	—	2,133	10,244
<b>Total shares (number)</b>	<b>—</b>	<b>2,133</b>	<b>22,814</b>
<b>Value of shares (US\$ thousands)<sup>(viii)</sup></b>	<b>—</b>	<b>164</b>	<b>1,750</b>

(vi) Amounts relating to the 2012 performance share plan based on the actual performance over the three year period to 31 December 2014. The value of shares is based on the closing market value of Millicom shares in US\$ at 31 December 2014 of \$76.71. These shares vested on 1 January 2015.

(vii) Amounts relating to the 2014 deferred share plan. The value of shares is based on the closing market value of Millicom shares in US\$ at 31 December 2014 of \$76.71. These shares will vest over three years from the award date, dependent on continued service of the employee.

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

(ix) Includes former Executives who left Millicom during 2014.

### CEO compensation

At the AGM on 15 May 2015 the Board of Directors proposed and the meeting approved a sign-on share grant to the CEO, as part of the CEO remuneration. The objective of the share grant was to ensure the successful recruiting of a new CEO in the interest of all shareholders and achieve a long time alignment of the interests of such new CEO with the interests of Millicom and its shareholders.

As a result of the share grant, 77,344 Millicom shares were allotted, representing a value of \$5.5 million, based on the closing price of \$71.11 per share for Millicom's shares on Nasdaq Stockholm on 1 April 2015, and representing 0.076% of the total shares and votes outstanding in Millicom on that date.

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

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

- an annual base salary of \$1 million;
- Variable remuneration with a target of 100% of base salary;
- participation in the LTIPs;
- the Share Grant; and other standard benefits, as described under the senior management remuneration principles earlier in this report.

### Long-term share based incentive plans

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

A modification to the Performance Share Plan for the CEO and CFO has been inaugurated in 2015 (the Executive Share Plan) to permit the incumbents to earn a number of Millicom shares ('Multiplier Shares') based on the performance of the Group against specified financial targets over a three-year period, and based on the ownership by the employee of a certain number of Millicom shares ('Investment Shares'). The individuals can acquire a maximum number of Investment Shares and will be able to earn a number of Multiplier Shares based on the product of (1) the multiple ascribed to each performance measure and (2) a percentage of the Company's achievement of that target. The purpose behind these changes is:

- to focus decision-making on medium-term shareholder value;
- retention of the most senior Executives; and
- encouragement of significant personal ownership of Company shares by senior Executives.

## Board Committees

(continued)

In 2015 long-term share based incentive plans were offered to senior management, high potential employees and employees in key roles under the plans set out in the following table. In addition, the rules of the plans set out certain criteria and conditions in which new employees can be awarded sign-on awards.

LTIP Plans	Eligibility	Participants	Maximum Shares	Basis for calculating award
Deferred Share Plan	Senior Management, High Potential and Employees in Key Roles	411	246,540	20–50% of 2015 base salary
Future Performance Plan	Global Senior Management	48	95,960	35%–160% of 2015 base salary
Executive Plan	CEO	1	26,664	Multiple of number of shares held as “investment shares”
Executive Plan	CFO	1	14,000	Multiple of number of shares held as “investment shares”
CEO sign-on plan	CEO	1	77,344	Employment contract

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

LTIP Plans	Additional Vesting Criteria (terms and conditions)	Vesting period		
		1 year	2 years	3 years
Deferred Share Plan	–	16.5%	16.5%	67%
Future Performance Plan	Achievement of budget measures of total shareholder return, and free cash flow over the 3 year vesting period.	–	–	100%
Executive Plan	Subject to allocation (and holding) of previously owned shares in the Group to the plan, and a multiplier based on achievement of budget measures of total shareholder return, and free cash flow over the 3 year vesting period.	–	–	100%
CEO sign-on plan*	–	33.33%	33.33%	33.33%

\* Vesting on 1 January 2016, 1 January 2017 and 1 January 2018

### Shareholding requirements

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

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

Global Senior Management Level	2016	2017	2018 onwards
	Transition requirements		Full requirement
CEO	400%	400%	400%
CFO	200%	200%	200%
Senior EVPs	50%	100%	200%
EVPs	20%	50%	100%
General managers and VPs	10%	25%	50%

### Details of share purchase and sale activity

During 2015 none of the current Executive Team purchased or sold any Millicom shares.

### Shares and unvested share awards beneficially owned

Shares and unvested share awards beneficially owned by the Executive Team (number of shares)	CEO	Executive Team	Total
<b>31 December 2015</b>			
Shares	—	11,714	11,714
Share awards not vested	104,008	83,823	186,831
<b>31 December 2014</b>			
Shares	n/a	23,689	23,689
Share awards not vested	n/a	103,669	103,669

### 2015 Remuneration for the Chairman and Non-Executive Directors

Decisions on annual remuneration of Directors ("tantièmes") are reserved by the Articles of Association to the general meeting of shareholders. Directors are therefore prevented from voting on their own compensation. However, Directors may vote on the number of shares they may be allotted under any share-based compensation scheme. The Nomination Committee reviews and recommends the Directors' fees which are approved by the shareholders at the AGM. Fees are set based on the role (Chairman, Deputy Chairman), and for participation in and roles of Chairman of the Audit Committee and Compensation Committee. No compensation is made for participation in the Government Relations and Corporate Responsibility Committee, or the Compliance and Business Conduct Committee.

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

Board and Committees	Remuneration 2015 SEK 000's	Remuneration 2014 SEK 000's
<b>Directors:</b>		
Ms. Cristina Stenbeck (Chairman)	1,500	1,500
Mr. Anders Borg (Deputy Chairman)	1,000	—
Mr. Odilon Almeida <sup>(i)</sup>	1,050	—
Mr. Paul Donovan <sup>(i)</sup>	950	788
Mr. Tomas Eliasson <sup>(i)</sup>	1,250	1,080
Dame Amelia Fawcett	1,075	825
Mr. Lorenzo Grabau	1,150	915
Mr. Alejandro Santo Domingo	850	750
<b>Former Directors (until May 2015):</b>		
Ms. Mia Brunell Livfors	—	788
Mr. Dominique Lafont	—	915
Mr. Ariel Eckstein	—	788
<b>Total in SEK 000's</b>	<b>SEK8,825</b>	<b>SEK8,349</b>
<b>Total (\$US 000)<sup>(ii)</sup></b>	<b>US\$1,058</b>	<b>US\$1,198</b>

(i) In addition, EUR 57,000 was paid to each for their work on the special committee.

(ii) Cash compensation converted from SEK to USD at exchange rates on payments dates each year. Share based compensation based on the market value of Millicom shares on the 2015 AGM date (in total 5,883 shares). Net remuneration comprised 38% in shares and 62% in cash (2014: 56% in shares and 44% in cash).



# Millicom CEO and Executive Team

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

CEO	Position	Role and responsibilities
<b>Mr. Mauricio Ramos</b>	CEO	Leading the development and execution of the Company's strategy. Day-to-day activities and management decisions, both operating and financial. Liaison between the Board and management of the Company. Leading the Executive Team.

## **Mr. Mauricio Ramos** Chief Executive Officer

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

During his career at Liberty Global, Mauricio held several leadership roles, including positions as Chairman and CEO of VTR in Chile and President of Liberty Puerto Rico. Throughout this period he has successfully developed both mobile and broadband businesses in Latin America, delivering solid operational improvement and outstanding financial results.

Mauricio is also Chairman of TEPAL, the Latin American Association of Cable Broadband Operators.

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

## **Millicom Shareholding at 29 February 2016:** 15,020

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

Executive team	Position	Role and responsibilities
<b>Mr. Tim Pennington</b>	Chief Financial Officer and Chief Risk Officer	Finance and financial planning. Reporting financial performance, including external financial reporting Budgeting and forecasting, monitoring expenditures and costs. Implementation and enhancement of related controls. Risk management.
<b>Mr. Salvador Escalón</b>	General Counsel	Legal matters including oversight and identification and management of legal cases and issues of the Group, as well as legal aspects of mergers and acquisitions and compliance.
<b>Ms. Cynthia Gordon</b>	CEO Africa Division	Operations and development of the African businesses.
<b>Mr. Xavier Rocoplan</b>	Chief Technology and Information Officer	Networks, technology and information within the Group. Also procurement, corporate security and information security.
<b>Ms. Rachel Samrén</b>	External Affairs	Government Relations, Regulatory Affairs, Corporate Communications and Corporate Responsibility.
<b>Mr. Victor Unda</b>	Chief Commercial Officer – LATAM	Commercial operations in Millicom's Latin American businesses including customers, competition, pricing and commercial development.

**Mr. Tim Pennington**  
**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 plc, 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 at Samuel Montagu & Co. Limited, and then as Managing Director of HSBC Investment Bank within its Corporate Finance and Advisory Department.

Tim also serves as a Director of the Board of Millicom's jointly owned businesses in Colombia, Guatemala and Honduras, and its wholly owned businesses in Chad, Senegal, Ghana, DRC and Tanzania.

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

**Millicom Shareholding at 29 February 2016:** 9,813

**Mr. Salvador Escalón**  
**Executive Vice President, General Counsel**

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

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

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

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

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

Salvador also serves as a Director of Millicom's wholly owned businesses in El Salvador, Bolivia, Costa Rica, Chad and Rwanda.

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

**Millicom Shareholding at 29 February 2016:** 4,222

**Ms. Cynthia Gordon**  
**Executive Vice President, CEO Africa Division**

Cynthia Gordon joined Millicom in September 2015 as EVP, CEO Africa Division.

Cynthia was previously Chief Commercial Officer at Ooredoo, which is Qatar's leading communications company, delivering mobile, fixed, broadband internet and B2B services to more than 100 million consumers and businesses across the Middle East and Asia. Cynthia was responsible for Marketing, Distribution and Customer Services and focused on optimizing performance by reviewing and implementing commercial strategies to drive revenue and profitable growth.

Cynthia has experience in both emerging and developed markets and built her Africa experience at Ooredoo as well as while at Orange where she was VP of Partnerships and Emerging Markets. As Group Chief Commercial Officer at MTS in Russia, Cynthia led the commercial strategy and direction for the company, which at the time had 91 million customers in six countries. While at MTS, Cynthia helped develop simplified tariffs and focused marketing strategies, building a global brand.

Cynthia also serves as a Director of Millicom's jointly owned business Zantel, and Millicom's wholly owned operation in Chad.

Cynthia is a British national and has a BA (Honours) in Business Studies.

**Millicom Shareholding at 29 February 2016:** 110

# Millicom CEO and Executive Team

(continued)

## Mr. Xavier Rocoplan

### Executive Vice President, Chief Technology and Information Officer

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

Xavier is currently heading all mobile and fixed network and IT activities across the group as well as all Procurement and Supply Chain activities. He is also a Board Director for Millicom in Helios Towers Africa. Xavier first joined Millicom in 2000 as CTO in Vietnam and subsequently for South East Asia. In 2004, he was appointed CEO of Millicom's subsidiary in Pakistan (Paktel), a role he held until mid-2007. During this time, he launched Paktel's GSM operation and led the process that was concluded with the disposal of the business in 2007. Xavier was then appointed as head of Corporate Business Development, where he managed the disposal of various Millicom operations (e.g. Asia), the monetization of Millicom infrastructure assets (towers) as well as numerous spectrum acquisitions and license renewal processes in Africa and in Latin America.

Xavier also serves as a Director of Millicom's wholly owned businesses in Bolivia, Costa Rica and El Salvador.

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

**Millicom Shareholding at 29 February 2016:** 11,604

## Ms. Rachel Samrén

### Executive Vice President, External Affairs

Rachel Samrén joined Millicom in July 2014 and manages the Group's Government Relations, Corporate Communications and Corporate Responsibility functions.

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

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

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

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

**Millicom Shareholding at 29 February 2016:** 93

## Mr. Victor Unda

### Executive Vice President, Chief Commercial Officer – LatAm Region

Victor Unda started working with Millicom in 2000 and was appointed Executive Vice President, Chief Commercial Officer – LatAm Region on 1 January 2015.

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 fifteen 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 also serves as a Director of Millicom's jointly owned businesses in Colombia and Honduras, and its wholly owned businesses in Costa Rica, El Salvador and Nicaragua.

Victor is a Guatemalan national and his 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).

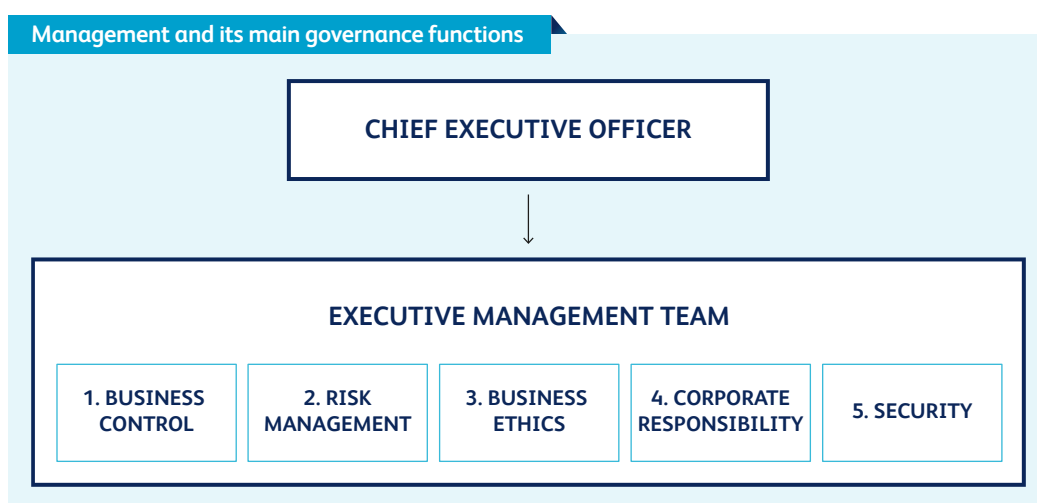
**Millicom Shareholding at 29 February 2016:** 10,535

# Management Governance

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

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

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



## 1. Business Control

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

Responsibility for maintaining effective internal controls is delegated to the CEO and the Executive Team with oversight provided by the Audit Committee. Millicom invested significantly during the year to further strengthen its internal control framework. A new Business Controls team was established reporting directly to the CFO. Additional resources were assigned with a particular focus on strengthening IT and Mobile Financial Services capabilities. The remit was expanded to ensure that greater support is available to all our operations to further improve the effectiveness and efficiency of process and controls, to share good practice and promote greater standardisation.

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

### Monitoring systems

A process of internal control self-assessment is operated and requires self-certification of the operation of key controls. Where controls are found not to be operating effectively, action plans are designed with responsibilities and timescales assigned for remediation.

Self-assessment results are reported to the Audit Committee and the Executive Team. The results enable an assessment of the relative maturity of our internal control environment by both business process and by country. During the year, the Group set itself new targets for improving internal control maturity during 2016.

### Fraud management and reporting

Business Control has responsibility for fraud risk management and during the year a new Group fraud policy and fraud response standard was developed, approved and launched.

# Management Governance

(continued)

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

## Internal Controls over Financial Reporting

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

Management has assessed the effectiveness of internal control over financial reporting as of 31 December 2015 and concluded that its internal control over financial reporting was effective.

## 2. Risk Management

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

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

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

## 3. Compliance and Business Ethics

The Millicom Compliance and Business Ethics (C&BE) team has overall responsibility for the enterprise-wide Millicom compliance framework and the anti-bribery and anti-corruption program.

### Management and governance of compliance activities

The management team established corporate and local compliance committees during the year. These are managed by the C&BE team and serve as assurance bodies and oversight functions of the compliance framework. The Corporate Compliance Committee consists of all members of the Millicom Executive Team and the Global Compliance Director. The local committees are managed by the relevant C&BE managers together with the general managers and their leadership teams in the local operations. The local compliance committees will report into the Corporate Compliance Committee for transparency, assurance and oversight.

The Global Compliance Director reports monthly to the Executive Team and Corporate Compliance Committee. On a regular basis reports are shared with the Board and the newly established Compliance and Business Conduct Committee of the Board.

### Whistleblowing, case management and reporting

The Group operates a whistle-blower line, which is managed by the CB&E team in close collaboration with the investigations team and administered by an independent third party. The Millicom ethics line allows for anonymous reporting and is available on the Millicom website and is available to all employees as well as third parties.

A quarterly report on matters raised through the Millicom ethics line is provided to the Corporate Compliance Committee, the Executive Team and on an annual basis to the Audit Committee.

### Key governance initiatives

A comprehensive review of the compliance framework was sponsored by the Board in 2015. Covington & Burling, the Washington based law firm, were commissioned to perform the review.

## 4. Corporate Responsibility

Millicom's corporate responsibility team owns and manages the Group's non-financial reporting process and publishes the annual Corporate Responsibility (CR) report, which is a key vehicle in promoting transparency towards investors and other stakeholders on non-financial risks and opportunities. The team engages actively with external stakeholders to ensure that Millicom understands and addresses corporate responsibility issues

that are important and relevant to its stakeholders. This is done in a bi-annual materiality analysis and via on-going interaction with stakeholders.

In addition to anticipating and improving preparedness on risks, the CR function also adds value by seeking leadership opportunities for the Group to improve reputation and brand perception.

#### Reporting

The VP Corporate Responsibility reports monthly to the Executive Team on progress and implementation of the CR strategy as well as issues management. The CR strategy and progress are reviewed by the GRCR Committee of the Board who also advise the team on specific topics.

For a full description of activities see the Millicom Corporate Responsibility Report 2015 on our website [www.millicom.com/our-responsibility/news-publications](http://www.millicom.com/our-responsibility/news-publications).

## 5. Security

Millicom has a robust professional security and safety model, managed by the VP Corporate Security, reporting into the EVP and CTIO. The Security team oversee the implementation of policy and Group standards in physical security, health and safety, business continuity and information security, by local operational teams.

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

Currently the Corporate Security team are working with the respective operating entities by implementing international standards such as OHSAS 18001, ISO 27001, ISO 22301, 31000 in order to secure additional services as well as mitigating risk to the business.

#### Business Continuity and Crisis Management

Our business continuity and crisis management system is designed to address significant disruption that might affect our capabilities to perform critical day-to-day activities related to the delivery of our services. All critical services and business processes are identified by a business impact analysis, and are required to have a disaster recovery and business continuity plan. All critical assets identified in the impact analysis have a risk assessment performed to address all relevant operational threats. All relevant risks are then subjected to a formal risk mitigation plan.

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

In parallel, Millicom have in place physical security and loss prevention standards which set minimum acceptable levels of critical site protection, as defined by industry best practice.

All activities are subject to a program of monitoring and compliance activities.

#### Information Security

Millicom's information security management system establishes security requirements, aiming to make our network more resilient to emerging threats, to ultimately support the corporate strategic objectives. The framework allows for a risk driven approach to protect the confidentiality, integrity and availability of Millicom's information and technology assets. It is based on the international code of practice for information security management ISO/IEC 27001.

A risk assessment process is in place to identify new risks, and all relevant risks are then subjected to a formal risk mitigation plan. The information security committee, comprising Executive Team members and senior managers, meets quarterly to provide oversight of all information security risks.

#### Health and Safety Management

Our health and safety management system is designed to tackle the most significant risks at both corporate and country level. The key risks include the following: personal safety and security during travel, working at height, road risk, managed services, fire and health including blood borne viruses such as malaria, Zika, Dengue fever, and Ebola.

During the year our control measures were reviewed and revised to ensure a robust approach is adopted across all countries.