

Convening Notice for Annual General Meeting of Shareholders

MILLICOM INTERNATIONAL CELLULAR S.A.

Registered Address:

2, Rue du Fort Bourbon

L-1249 Luxembourg, Grand-Duchy of Luxembourg

– R.C.S. Luxembourg: B 40.630 –

I. NOTICE

The annual general meeting (“**AGM**”) of the shareholders of MILLICOM INTERNATIONAL CELLULAR S.A. (“**Millicom**” or the “**Company**”) is hereby convened to be held virtually (i.e. without a physical presence) on Thursday, June 25, 2020 at 2:00pm Central European Time (“CET”).

The Company is closely monitoring the developments regarding the Coronavirus, COVID-19 and related instructions from the Luxembourg Ministry of Health and other competent authorities in and outside of Luxembourg. Due to these exceptional circumstances, Millicom is taking precautionary measures to limit the exposure for its employees, shareholders and stakeholders, and the Board of Directors (the “**Board**”) resolved to hold this year's AGM without a physical presence, in accordance with Luxembourg law. The shareholders are therefore hereby informed that it will not be possible to attend the AGM physically this year. Shareholders are in this context reminded that they may exercise their shareholders' rights at the AGM solely by voting by proxy as further specified below.

To vote by proxy, please follow the instructions in section IV: “Right to participate at the AGM”.

II. AGENDA

The AGM will consider and vote on the agenda points listed below. Please, refer to section IX: “Notes to the Agenda Points of the AGM” to find detailed information about these proposals.

1. To elect the Chairman of the AGM and to empower him to appoint the other members of the bureau of the meeting. [\[Note\]](#)
2. To receive the management reports of the Board and the reports of the external auditor on the annual accounts and the consolidated accounts for the year ended December 31, 2019.
3. To approve the annual accounts and the consolidated accounts for the year ended December 31, 2019.
4. To allocate the results of the year ended December 31, 2019 to unappropriated net profits to be carried forward. [\[Note\]](#)
5. To discharge all the Directors of Millicom for the performance of their mandates during the year ended December 31, 2019. [\[Note\]](#)
6. To set the number of Directors at eight (8). [\[Note\]](#)

7. To re-elect Mr. José Antonio Ríos García as a Director for a term ending on the annual general meeting to be held in 2021 (the "**2021 AGM**"). [\[Note\]](#)
8. To re-elect Ms. Pernille Erenbjerg as a Director for a term ending on the 2021 AGM. [\[Note\]](#)
9. To re-elect Mr. Tomas Eliasson as a Director for a term ending on the 2021 AGM. [\[Note\]](#)
10. To re-elect Mr. Odilon Almeida as a Director for a term ending on the 2021 AGM. [\[Note\]](#)
11. To re-elect Mr. Lars-Åke Norling as a Director for a term ending on the 2021 AGM. [\[Note\]](#)
12. To re-elect Mr. James Thompson as a Director for a term ending on the 2021 AGM. [\[Note\]](#)
13. To re-elect Ms. Mercedes Johnson as a Director for a term ending on the 2021 AGM. [\[Note\]](#)
14. To elect Mr. Mauricio Ramos as a Director for a term ending on the 2021 AGM. [\[Note\]](#)
15. To re-elect Mr. José Antonio Ríos García as Chairman of the Board for a term ending on the 2021 AGM. [\[Note\]](#)
16. To approve the Directors' remuneration for the period from the AGM to the 2021 AGM. [\[Note\]](#)
17. To re-elect Ernst & Young S.A., Luxembourg as the external auditor for a term ending on the 2021 AGM and to approve the external auditor remuneration to be paid against approved account. [\[Note\]](#)
18. To approve an instruction to the Nomination Committee. [\[Note\]](#)
19. To approve the Share Repurchase Plan. [\[Note\]](#)
20. To approve the guidelines and policy for senior management remuneration. [\[Note\]](#)
21. To approve the share-based incentive plans for Millicom employees. [\[Note\]](#)

III. KEY DATES

June 3, 2020	Deadline to propose additional items to the agenda
June 8 – June 11, 2020	Conversion stoppage
June 11, 2020	Voting Record Date
June 17, 2020	Deadline to submit proxies
June 25, 2020	AGM

IV. RIGHT TO PARTICIPATE AT THE AGM

Only persons who are (1) holders of Millicom shares traded on the Nasdaq Stock Market in the US ("**Nasdaq US**") under the ticker symbol TIGO, that are registered with the American Stock Transfer & Trust Company ("**AST**"), including those held by Cede & Co ("**DTCC**"), and (2) holders of SDRs traded on Nasdaq Stockholm under the ticker symbol TIGO SDB that are registered with Euroclear Sweden AB on June 11, 2020 (the "**Voting Record Date**") at 24.00 CET and who comply with the procedure below, are eligible to

vote at the AGM.¹

Conversion stoppage. Conversions from SDRs into shares, and vice versa, will not be permitted from June 8, 2020 (included) up to and June 11, 2020 (included).

SDR holders who seek to convert their SDRs to shares, or vice versa, (which can be done in accordance with the procedures set out on Millicom’s website at <https://www.millicom.com/media/3583/info-on-conversion-between-registered-millicom-shares-and-sdrs.pdf>), should take into consideration the dates and times noted above.

1. Holders of shares traded on Nasdaq US

<i>Eligible shareholders</i>
<p>Voting at the AGM is reserved to shareholders duly registered with AST, including DTCC, on the Voting Record Date (as defined above) at 24.00 CET and in accordance with these procedures.</p> <p>Beneficial owners. Beneficial owners of shares that are registered in the name of a nominee or broker (including nominees or brokers that hold shares through DTCC) have the right to instruct their nominee or broker on how to vote their shares on each item of the agenda, through a voter instruction form (“VIF”) or as may otherwise be established by the nominee or broker. Beneficial holders who wish to vote directly, however, must request the broker that appears as a registered shareholder on the Voting Record Date to issue a legal proxy which allows the beneficial owner to vote his or her shares directly. Please note that beneficial owners who do not vote via their brokers/nominees or do not have a legal proxy are not eligible to vote.</p>
<i>Ways to vote and deadline</i>
<p>By proxy: the registered shareholder may submit the power of attorney form (“Shareholder Proxy Form”) containing their voting instructions, such that it is received no later than on June 17, 2020.</p>
<i>Channels to submit the Shareholder Proxy Form</i>
<p>1. Online: The Company has sent by post the invitation letter and the Shareholder Proxy Form to vote at the AGM. The Shareholder Proxy Form includes the <u>control number</u> required to register online at https://east.proxyvote.com/pv/web for submission of the Shareholder Proxy Form on this website.</p> <p>If you consider that you are a shareholder eligible to vote at the AGM but you have not received the control number by post and you would like to submit your vote online, please contact Millicom at information@millicom.com</p>

¹ However, notwithstanding anything to the contrary herein, the Bureau of the AGM shall have the discretionary power to exceptionally accept the voting of a shareholder or SDR holder at the AGM, even if the relevant Proxy has a formal deficiency or was received after the deadlines herein.

2. **By post:** The Shareholder Proxy Form can be submitted by post. The original completed, dated and signed Shareholder Proxy Form shall be mailed to the address provided in the form. Shareholders that choose to send the Shareholder Proxy Form by post should also send a scanned copy to: information@millicom.com

Shareholders can download the Shareholder Proxy Forms and all supporting documents from Millicom's website: <https://www.millicom.com/investors/agm-egm-notice/>

2. Holders of Swedish Depository Receipts (SDR) traded on Nasdaq Stockholm

Eligible SDR Holders

Voting at the AGM is reserved to SDR holders who are duly registered with Euroclear Sweden AB as of the Voting Record Date (as defined above) at 24.00 CET and in accordance with these procedures.

Re-registration. In order to exercise their rights at the AGM, SDR holders having registered their SDRs in the name of a nominee must temporarily re-register the SDRs in their own name in the records maintained by Euroclear Sweden AB. SDR holders wishing to re-register must inform their nominee well in advance of the Voting Record Date so that they appear on the records maintained by Euroclear Sweden AB at 24.00 CET on the Voting Record Date. Please note that SDR Holders who have not re-registered their SDRs with Euroclear Sweden AB by 24.00 CET on the Voting Record Date will not be eligible to vote at the AGM.

Ways to vote and deadline

By proxy: the registered SDR holder may submit the power of attorney form ("**SDR Holder Proxy Form**") containing their voting instructions, such that it is received **no later than on June 17, 2020**.

Channels to submit the SDR Holder Proxy Form

1. **Online:** The Company has sent by post the invitation letter to vote at the AGM. The invitation letter includes the individual [pin code](#) to register online at <https://anmalan.vpc.se/Millicom/frmEntre.aspx> so the SDR Holders can submit through the website the SDR Holder Proxy Form.

If you are an SDR Holder eligible to vote at the AGM but have not received the invitation letter, and you would like to submit your vote online, please contact Euroclear at: millicom@euroclear.eu or by phone: +468-401 43 11 between 9:00 and 16:00 CET.

2. **By post:** The SDR Holder Proxy Form can be submitted by post. The original completed, dated and signed SDR Holder Proxy Form shall be mailed to the address provided in the form. SDR Holders that choose to send the SDR Holder Proxy Form by post should first send a scanned copy to: millicom@euroclear.eu

SDR Holders can download the SDR Holder Proxy Form and all supporting documents from Millicom's

website: <https://www.millicom.com/investors/agm-egm-notice/>

V. SHARE CAPITAL, QUORUM, AND MAJORITY

Millicom has 101,739,217 outstanding shares, each with a nominal value of USD 1.50 and each share is entitled to one vote. On May 11, 2020 Millicom held 563,118 shares in treasury. The number of shares held in treasury by Millicom will be updated and confirmed as at the Voting Record Date to calculate the voting results. Voting rights attached to shares held in treasury are suspended by law.

There is no quorum of presence requirement for the AGM. The AGM agenda items are adopted by a simple majority of the shares present or represented.

VI. RIGHT TO PROPOSE NEW ITEMS TO THE AGENDA

One or several shareholders representing, individually or collectively, at least 5% of the share capital of Millicom reserve the right to add additional items to the agenda of the AGM.

These rights shall be exercised in writing and submitted to Millicom by mail at Millicom's Registered Address, attention: Company Secretary, or by e-mail to information@millicom.com, no later than June 3, 2020 and the revised agenda will be published by Millicom, no later than on June 10, 2020. Shareholder(s) requesting to add an item to the agenda must provide (i) a reason or motivation for such petition, and (ii) a draft of the resolution to be presented at the AGM. They must indicate the mail or e-mail address to which the acknowledgment of receipt of their request may be sent by Millicom within forty-eight (48) hours upon receipt of their request.

VII. ABILITY TO ASK QUESTIONS AHEAD OF THE AGM

Shareholders have the right to ask questions about items on the agenda of the AGM ahead of the meeting. The Company will on a best-efforts basis provide responses to the questions on the Company's website. Questions must be received by the Company by June 17, 2020. Questions must be sent by e-mail to: information@millicom.com and include the shareholder's full name and address and a proof of ownership of Millicom shares on the Voting Record Date (as defined above).

VIII. SUPPORTING DOCUMENTS AND INFORMATION

The following documents and information related to the AGM are available to shareholders at the Registered Address of Millicom and on Millicom's website:

- this Convening Notice;
- the Shareholder Proxy Form – Nasdaq US;
- the SDR Holder Proxy Form– Nasdaq Stockholm;
- the draft resolutions of the AGM;
- Millicom's annual accounts and consolidated accounts for the year ended December 31, 2019, together with the management report(s) of the Board and the report(s) of the external auditor

- on the annual accounts and consolidated accounts;
- U.S. General Federal Income Tax Considerations for U.S. holders of Millicom shares and SDRs;
- the Nomination Committee's motivated statement explaining its proposals regarding the Board and information on the proposed Directors of Millicom;
- the evaluation of the programs for variable remuneration to senior management and the current remuneration structure and levels of remuneration in Millicom.

Shareholders may also receive a copy of the above-mentioned documents by sending a request by mail to the Millicom Registered Address, attention: Company Secretary, or by e-mail to information@millicom.com.

IX. NOTES TO THE AGENDA POINTS OF THE AGM

AGM – item 1: CHAIRMAN OF THE MEETING

Millicom's Nomination Committee proposes Mr. Alexander Koch, attorney at law (*Avocat à la Cour/Rechtsanwalt*), with professional address in Luxembourg, to preside over the virtual AGM.

In the event of Mr. Alexander Koch's absence, the Chairman of the Board – or in the absence of the Chairman of the Board, any member of the Board virtually present at the AGM – shall be empowered to appoint from amongst the persons virtually present at the meeting the individual that will preside over the virtual AGM.

The Chairman of the AGM shall be empowered to appoint, from among the persons virtually present at the meeting the other members of the bureau of the meeting (i.e., the Secretary and the Scrutineer).

AGM – item 4: RESULTS ALLOCATION

On a parent company basis, Millicom generated a profit of USD 708,920,835 for the year ended December 31, 2019. The Board proposes to allocate the results to the unappropriated net profits to be carried forward.

AGM – item 5: DISCHARGE OF DIRECTORS FOR THEIR PERFORMANCE

To discharge of all the current and former Directors of Millicom who served at any point in time during the financial year ended December 31, 2019 for the performance of their mandates.

AGM – items 6-15: ELECTION OF THE DIRECTORS

The Nomination Committee proposes that the Board shall consist of eight (8) directors.

The Nomination Committee proposes that Mr. Odilon Almeida, Mr. Tomas Eliasson, Ms. Pernille Erenbjerg, Ms. Mercedes Johnson, Mr. Lars-Åke Norling, Mr. José Antonio Ríos García and Mr. James

Thompson be re-elected as Non-Executive Directors of Millicom for a term beginning at the AGM and ending at the 2021 AGM.

Ms. Janet Davidson has declined re-election as a Director of Millicom.

The Nomination Committee proposes that Mr. Mauricio Ramos be elected as an Executive Director of Millicom for a term beginning at the AGM and ending at the 2021 AGM.

The Nomination Committee, supported by the Board, proposes that Mr. José Antonio Ríos García be re-elected as Chairman of the Board for a term beginning at the AGM and ending at the 2021 AGM.

The Nomination Committee's motivated statement regarding the Board composition includes additional information about the proposed Directors and is available on Millicom's website.

AGM – item 16: DIRECTORS' FEES

The Nomination Committee proposes compensation for the Non-Executive Directors expected to serve on the Board until the 2021 AGM to comprise of: (i) cash-based compensation, and (ii) share-based compensation. Non-Executive Directors appointed to Board Committees will receive cash-based compensation for each appointment. The share-based compensation will be in the form of fully paid-up shares of Millicom common stock. There are no retention or vesting conditions attached to the shares. Such shares will be provided from the Company's treasury shares or alternatively issued within Millicom's authorized share capital exclusively in exchange for allocation from the premium reserve (i.e., for nil consideration from the relevant Directors), in each case divided by the Millicom share closing price on the Nasdaq Stock Market in the US on July 2, 2020, provided that shares shall not be issued below par value.

In proposing compensation for the Non-Executive Directors, the Nomination Committee considers a number of factors, including the size and complexity of the business, the number of meetings, the amount of responsibility, and market practice. Compensation is weighted toward shares to align with the compensation philosophy and guidelines of the Company set out in item 20.

The Nomination Committee proposes the compensation for the period from the date of the AGM to the date of the 2021 AGM, as follows:

	Cash 2020/2021 (USD)	Shares 2020/2021 (USD)
Chairman of the Board (1)	100,000	200,000
Deputy Chairman (1)	75,000	150,000
Non-Executive Board Members (5)	50,000	100,000
Audit Committee Chair (1)	45,000	-
Audit Committee Members (3)	22,500	-
Compensation Committee Chair (1)	25,000	-
Compensation Committee Members (2)	12,500	-
Compliance and Business Conduct Committee Chair (1)	25,000	-

Compliance and Business Conduct Committee Members (2)	12,500	-
Total:	637,500	850,000

In respect of Directors who do not serve an entire term from the AGM until the 2021 AGM, the fee-based and the share-based compensation will be pro-rated *pro rata temporis*.

AGM – item 17: ELECTION OF THE AUDITOR AND FEES

The Nomination Committee, in accordance with the recommendation of Millicom’s Audit Committee, proposes that Ernst & Young S.A., Luxembourg be re-elected as external auditor for a term ending at the 2021 AGM.

The proposal from the Nomination Committee, and recommendation from the Audit Committee, is based on a periodic evaluation of external audit firms, last conducted in 2012, with annual follow-up reviews.

The Nomination Committee proposes that the auditor remuneration shall be paid against approved account.

AGM – item 18: INSTRUCTION TO THE NOMINATION COMMITTEE

The Nomination Committee proposes that the following Instruction to the Nomination Committee shall apply until new instructions have been adopted.

In the event any applicable law or stock market regulation requires a change to this procedure, the Nomination Committee shall take any steps necessary or proper to ensure compliance with such rules.

The work of preparing the following agenda items for the Annual General Meeting shall be performed by a Nomination Committee:

- (i) Item 1 - To propose the Chairman of the Annual General Meeting;
- (ii) Item 6 - To set the number of Directors of the Board;
- (iii) Items 7 to 15 - To propose candidates to be elected or re-elected as Directors and the term of their appointment;
- (iv) Item 16 - To propose remuneration of the Directors;
- (v) Item 17 - To propose election or re-election of the external auditor and its remuneration; and
- (vi) Item 18 - To propose a new / amended instruction to the Nomination Committee, if deemed appropriate.

The Nomination Committee shall be formed in consultation with the largest shareholders as of the last business day of June. The Nomination Committee shall consist of at least four members (except that the Nomination Committee may consist of less than four members to the extent that the ten largest shareholders have been given the opportunity to appoint a member and more than six of those largest shareholders have declined):

- (i) the Chairman of the Board, and
- (ii) at least three members appointed by shareholders, each appointed by one of the largest shareholders of Millicom which has chosen to appoint a member.

The majority of the members of the Nomination Committee are to be independent of the Company and its executive management. At least one member of the Nomination Committee must be independent of the Company's largest shareholder in terms of votes or any group of shareholders who act in concert in governance of the Company. The Chairman of the Board shall act as the Nomination Committee's convener, and the members of the Nomination Committee will appoint the Nomination Committee's Chairman at their first meeting, provided that the Chairman of the Board may not serve as the Chairman of the Nomination Committee. Before the assignment is accepted, a proposed member of the Nomination Committee shall carefully consider whether there exist any conflict of interest or other circumstances that makes membership of the Nomination Committee inappropriate. The Chief Executive Officer or other members of the executive management, while not members of the Nomination Committee, may be invited by the Chairman of the Nomination Committee to participate in meetings of the Nomination Committee as considered appropriate.

The Nomination Committee is appointed for a term of office commencing at the time of its formation, which must be no later than six months before the Annual General Meeting, and ending when a new Nomination Committee is formed. If a member resigns during the Nomination Committee's term of office, and provided that the Nomination Committee finds this prudent, the shareholder that appointed the resigning member may be asked to appoint a new member, provided that the shareholder is still one of the largest shareholders of Millicom. If that shareholder declines to appoint a new member, the Nomination Committee may choose to ask the next largest qualified shareholder to appoint a Nomination Committee member and so on.

In the event of changes to the ownership structure of the Company whereby a shareholder that has appointed a member to the Nomination Committee significantly reduces its shareholding, the Nomination Committee may decide to change its composition and invite the new larger shareholder(s) to appoint a member of the Nomination Committee. In its decision, the Nomination Committee shall *inter alia* take into account the status of its work, the time remaining to the Annual General Meeting and the nature of the change in ownership. If more than three months remain until the Annual General Meeting, however, a shareholder that has become amongst the three largest shareholders shall always, at its request, have the right to appoint a member of the Nomination Committee.

The Nomination Committee shall have the right to receive, upon request, personnel resources, such as secretarial services from Millicom, and to charge Millicom with costs for recruitment consultants and related travel if deemed necessary.

AGM – item 19: SHARE REPURCHASE PLAN

The Board proposes that the meeting resolves on the Share Repurchase Plan:

1. *To authorize the Board, at any time between June 25, 2020 and the day of the 2023 annual general meeting of shareholders, to repurchase Millicom's common shares and Swedish Depository Receipts (SDRs), hereafter individually and collectively referred to as the "Shares", in accordance with applicable laws and regulations in force, and in particular the Luxembourg law of 10 August 1915 on commercial companies, as amended (the "1915 Law") (the "Share Repurchase Plan"), and subject to the following conditions:*

2. *The transactions under the Share Repurchase Plan may be carried out by any permitted means, including but not limited to entering into market, off-market, over-the-counter and mutual agreement transactions, through payment in cash or in kind, using distributable profits, available reserves, new shares issue, derivative financial instruments or any other financing mechanism.*
3. *While the primary purpose of the Share Repurchase Plan is set out below, the Share Repurchase Plan may be carried out for all purposes allowed, or which would become authorized by, the applicable law and regulations.*
4. *The maximum number of Shares that may be acquired in each of the periods between (i) June 25, 2020 up until December 31, 2021, and (ii) January 1, 2022 and the date of the annual general meeting to be held in 2023, may not exceed the higher of 10,000,000 Shares or ten per cent (10%) of Millicom's outstanding share capital as per January 1, 2020 for the first period, and as per December 31, 2021 for the second period; provided further that the maximum number of Shares that may be acquired under this three-year Share Repurchase Plan shall not exceed 15,000,000 Shares in total.*
5. *Repurchase transactions under the Share Repurchase Plan may be made at acquisition prices per Share as follows:*
 - a. *For Shares repurchased on a regulated market where the shares are traded, the price per Share shall be within the registered interval for the share price prevailing at any time (the so called spread), that is, the interval between the highest buying rate and the lowest selling rate of the Shares on the market on which the purchases are made.*
 - b. *For any other Shares repurchased, the price per share may not exceed 110% of the most recent closing trading price of the Shares on the Nasdaq Stock Market in the U.S., provided that the minimum repurchase price is above SEK 50 (or USD equivalent).*
6. *The Share Repurchase Plan may not have the effect of reducing Millicom's net assets and reserves under the limit required by the 1915 Law or the Articles of Association of the Company.*
7. *Only fully paid-up Shares may be included in repurchase transactions made under the Share Repurchase Plan.*

The primary purposes of this resolution are to provide the Board with more options in its efforts to deliver long-term shareholder value and total shareholder return, and to provide a method to secure availability of Shares for Board remuneration and Millicom's share-based incentive plans.

The Board is hereby authorized to:

- (i) transfer all or part of the Shares repurchased under the Share Repurchase Plan to employees of the Millicom Group in connection with any existing or future Millicom share-based incentive plan,*
- (ii) use the purchased shares to meet obligations arising from debt financial instruments exchangeable into equity instruments,*
- (iii) use the repurchased shares as consideration for merger and acquisition purposes, including joint ventures and the buy-out of minority interests in Millicom's subsidiaries or joint ventures, as the case may be, in accordance with the limits set out in the 1915 Law, and*
- (iv) any other purpose not expressly prohibited by applicable law.*

All powers are hereby granted to the Board, with the power to delegate and substitute, to ensure the implementation of this authorization, conclude all agreements, carry out all formalities and make all declarations with regard to all authorities and, generally, do all that is necessary or proper for the execution of any decisions made in connection with this authorization.

The Share Repurchase Plan supersedes and replaces all other previous share repurchase plans of Millicom, which are deemed cancelled.

AGM – item 20: GUIDELINES AND POLICY FOR SENIOR MANAGEMENT REMUNERATION

The Board proposes that the Annual General Meeting resolves on the following guidelines and policy for remuneration and other employment terms for the senior management for the period up to the 2021 AGM.

Compensation philosophy and guidelines:

- **Market competitive and representative remuneration** - compensation is designed to be market competitive and representative of the seniority and importance of roles, responsibilities and geographical locations of individuals (with the majority of executive roles located in the United States).
- **Incentivize and reward for performance** – a significant proportion of compensation of senior management is variable (at risk) and based on measures of personal and company performance directly attributable to short-term and longer-term value creation.
- **Alignment with shareholder interests** – variable compensation plans support a culture of entrepreneurship and performance, and incorporate both short-term and longer-term financial and operational metrics strongly correlated to the creation of shareholder wealth.
- **Encourage and support longer-term value creation** – variable compensation for executive management includes share-based plans designed to complement and support Millicom’s long-term business view and strategy based on cumulative aggregate performance of the Company over periods of up to three years.
- **Retention of key talent** – variable compensation plans include a significant portion of share-based compensation, payout of which is also conditional on future employment with the Company for three year rolling periods, starting on the grant date.
- **Executive management to be ‘invested’** - executive management, through Millicom’s share ownership guidelines, are required to reach and maintain a significant level of personal ownership of Millicom shares.

Objectives of senior management compensation:

- **Fixed salary and benefits:** to ensure that Millicom can attract, motivate and retain senior management, within the context of Millicom’s international talent pool, which consists of Telecommunications, Media & FMCG companies;
- **Short Term Incentives (STI):** to incentivize senior management to execute strategic plans in operational decision making to achieve short-term performance goals impacting performance

and enhancing the value of the Company. In general, 30% of the STI is based on individual performance, and the remaining 70% based on achievement of financial targets, as well as operational targets.

- **Long Term Incentives (LTI):** to align senior management longer-term incentives with the longer-term interests of shareholders, encouraging long-term value creation, retention and management focus on long-term value and commitment to the Company. LTI payouts are in shares and based on company cumulative aggregate cash flow, and revenue targets approved by the Compensation Committee and the Board, as well as to shareholder return. Millicom emphasize the One Team mentality – by maintaining unified goals and objectives in the long-term incentive program for the executive leadership team with the purpose of driving the successful achievement of three-year performance goals designed to enhance long-term value of the Company.

Benchmarking of Executive Management Compensation: For the Chief Executive Officer (“CEO”) and Executive Vice Presidents, compensation is benchmarked against a peer group, which includes Zayo Group Holdings, Cable One Inc, Century link Inc., Sprint Corp., Telephone & Data Systems Inc., Altice USA Inc., United States Cellular Corp., T-Mobile US Inc., Paypal Holdings Inc., Liberty Latin America Ltd., Sirius XM Holdings Inc., Dish Network Corp., Frontier Communications Corp.

Remuneration Policy

(i) Base salary and benefits

Base annual salaries shall be competitive and based on individual responsibilities and performance. The base salary and other benefits of the CEO are proposed by the Compensation Committee and approved by the Board, and the base salary and benefits of direct reports to the CEO (“Executive Vice Presidents”) are proposed by the CEO and approved by the Compensation Committee.

(ii) Variable remuneration

Senior management may receive variable remuneration in addition to base salary. The variable remuneration consists of (a) Short-term Incentives (“STI”), and (b) Long-term Incentives (“LTI”).

The amounts and percentages for variable remuneration are based on pre-established goals and targets relating to the performance of both Millicom and individual employees, as summarized below and presented in detail in item 21.

(a) Short-term Incentives (“STI”)

The STI consists of two components: a cash bonus and a restricted share-based component (the Deferred Share Plan, or “DSP”). For certain Millicom operations, the deferred share component is calculated as deferred cash.

STI performance measures are aligned with Millicom’s strategy; to monetize mobile data, build cable, prepare for convergence, accelerate B2B, execute the digital roadmap and provide the best customer experience. These measures, and relative weightings (shown below) are designed to reflect Millicom’s

strategic goals of encouraging profitable operations, efficient use of capital, overall growth and customer focus:

- (i) Service Revenue (20%),
- (ii) EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) (20%),
- (iii) OFCFaL (Operating Free Cash Flow after Leases*) (20%),
- (iv) Net Promoter Score (NPS) (10%), and
- (v) Personal Performance** (30%).

* EBITDA less CAPEX (OCF), less changes in working capital and other non-cash items and taxes paid (OCF), less lease capital and interest repayments.

** Personal Performance is assessed on achievement of personalized qualitative and quantitative goals aligned to the overall strategy and objectives of the Company.

The DSP seeks to attract and retain management and high-potential employees, by rewarding for past performance and incentivizing longer-term service. It is part of Millicom's short-term incentive program and as such the Board deems that pro rata vesting (30%/30%/40%) over a three-year period is reasonable in order to achieve the objectives of Millicom's overall compensation and reward strategy.

Modifications compared to the 2019 STI

The definition of OFCF has been modified (for the change in accounting for leases under IFRS 16), to OFCF after leases.

Eligibility

Eligibility for participation in the DSP component of the STI is limited to members of Millicom's Global Senior Management, which comprises the CEO, the Executive Vice Presidents ("EVPS"), Corporate Vice Presidents ("VPs"), and Country General Managers ("GMs"), plus Corporate Directors, and Country-based Directors reporting directly to Country General Managers (**GM-1**). Additionally, employees designated as being "key talents" or having "critical skills" may be nominated to participate in the DSP (the "**DSP Participants**"). Currently, 238 individuals are included in this group. Other employees participate in the STI and are eligible to receive a cash bonus, but do not participate in the DSP.

2020 DSP (based on 2019 performance)

Information on the 2020 DSP, including performance measures and payout scales (based on performance in 2019), and the number of share awards to be granted, are described in agenda item 21 below.

2021 DSP (based on 2020 performance)

Millicom has maintained the same design for the 2021 DSP. The 2021 DSP share awards will vest (subject to the participant still being employed by Millicom) 30% in Q1 2022, 30% in Q1 2023 and 40% in Q1 2024. The 2021 DSP will be presented for approval at the 2021 AGM, once all final details, including maximum number of share awards to be granted, are known.

(b) Long-term Incentive Plan ("LTI")

The LTI is a performance-based share plan (“PSP”) whereby share awards granted fully vest at the end of a three-year period, subject to achievement against performance measures and fulfillment of conditions. These measures, and relative weightings are shown below:

- (i) Service Revenue, with a specific 3-year CAGR target (25%),
- (ii) OFCFaL, with a specific 3-year CAGR target (50%), and
- (iii) Relative Total Shareholder Return (“TSR”) vis-a-vis a peer group of companies (25%).

For certain Millicom operations, this award is calculated as deferred cash, and the two components are OFCFaL and Service Revenue, each with a 50% weighting.

2020 PSP share awards are granted in Q1 of 2020 and will vest, subject to achievement of the performance conditions, at the end of a three-year period ending ten trading days after the 2022 earnings release in Q1 of 2023.

Modifications compared to the 2019 LTI

The definition of OFCF has been modified (for the change in accounting for leases under IFRS 16), to OFCF after Leases (OCF_aL).

Eligibility

Eligibility for participation in the LTI is limited to members of Millicom’s Global Senior Management Team (GSMT), which is defined by Millicom’s internal role grading structure and consists of the CEO, EVPs, VPs and GMs. Currently, 42 individuals are included in this group.

2020 PSP (based on 2020-2022 performance)

Information on the 2020 PSP, including performance measures and payout scales (based on performance from 2020 to 2022), and the number of share awards to be granted, is included in agenda item 21 below.

(iii) Other benefits

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

(iv) Pension

The Global Senior Management are eligible to participate in a global retirement saving plan which also covers death and disability insurance. This global plan is secured through premiums paid to insurance companies. Company contributions to the global defined contribution retirement saving plan range between 10% - 15% of the executive’s base pay.

Notice of termination and severance pay

If the employment of Millicom’s most senior management is terminated, a notice period of up to 12 months could potentially apply.

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

Deviations from the policy and guidelines

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

Independent Advisor

The Board has retained Mercer as its independent compensation consultant. Mercer provides advice, executive benchmarking data and best practices and makes suggestions based on its knowledge of the market.

AGM – item 21: SHARE-BASED INCENTIVE PLANS

As outlined in the proposed guidelines and policy for senior management remuneration under agenda item 20 above (and the corresponding guidelines approved at the 2019 AGM), variable compensation includes the following share-based incentive plans:

- (i) a short-term Deferred Shares Plan (DSP), and
- (ii) a three-year Performance Share Plan (PSP).

The Board proposes that the meeting resolves to approve the 2020 DSP, the 2020 PSP and the granting of share awards under both plans, as further described below.

Governance of the Plans

The Compensation Committee of the Board monitor and evaluate programs for variable remuneration (both ongoing programs and those that have ended during the year), the manner in which the guidelines for remuneration to senior management adopted at the Annual General Meeting have been applied, and the current remuneration structure and levels of remuneration in Millicom. The design of each share-based plan is reviewed each year to ensure that:

- The programs are well aligned with the interest of shareholders;
- The programs are designed to help attract, motivate and retain the competencies needed in Millicom's senior management; and
- The programs have a positive effect on Millicom development and thus are beneficial for both Millicom and its shareholders.

The Compensation Committee determines when an offer for the grant of share awards shall be made, the eligible employees to whom such offer shall be made and the terms governing the offer for the grant of share awards in accordance with the principles adopted by the AGM. The Compensation Committee shall also have the right to resolve on more detailed terms and conditions in accordance with the principles adopted by the AGM.

The Board approves the detailed terms and conditions of the share-based compensation plans, in accordance with the terms and guidelines set out herein. In connection therewith, the Board is entitled to make adjustments to meet foreign regulations or market conditions, and, in connection with delivery of shares to participants, offer share settlement in order to cover the participant’s tax costs upon vesting.

The Board may make certain other adjustments, including deciding to reduce the delivery of shares for all participants, or for certain categories of participants, covered by the 2020 PSP and 2020 DSP, if material changes occur within the Millicom or in the market that, in the Board's assessment, mean that the terms and conditions for the allotment of shares under the plans no longer fulfil the main objectives of the plans.

Preparation of the Proposal

Millicom's Compensation Committee has prepared the 2020 DSP and the 2020 PSP in consultation with external advisors. The plans have been reviewed at meetings of the Compensation Committee in late 2019 and in the first months of 2020.

(i) Proposed 2020 DSP (based on 2019 performance)

The proposed 2020 DSP represents 50% of the 2019 STI and rewards DSP Participants for performance related to the 2019 financial year. Each share unit granted carries a non-transferable right to receive one share in Millicom on the relevant vesting date. Eligibility for participation in the 2020 DSP is described in item 20.

Calculation

STI compensation is calculated as Base Salary X a pre-determined % of base salary X plan performance.

Performance measures (based on 2019 performance) and payout scale

Performance is measured on the extent to which performance targets (group, regional, or country level as applicable to each individual) are achieved, as follows:

Performance measure	% of the DSP
Service revenue	20%
EBITDA (earnings before interest, tax, depreciation and amortization)	20%
OFCF (operating free cash flow)	20%
NPS (net promoter score)	10%
Personal performance	30%

Payout is based on a linear scale with minimum, target and maximum achievement of performance measures (except personal performance) as follows:

Achievement	Payout
Achievement less than 95% of target	0%

Achievement at 100% of target	100%
Achievement at or above 110% of target	200%

Personal performance is based on the rating scale below, whereby employees rated “does not meet” do not receive any STI compensation, and employees rated ‘partially meets’ are not eligible to participate in the 2020 DSP.

Performance rating	Does not meet	Partially meets	Meets	Exceeds	Exceptionally Exceeds
Payout	0%	15% on cash component. 0% on share component.	30%	45%	60%

Payment / vesting

If the AGM approves the 2020 DSP, and thereby the granting of share awards to the DSP Participants, the STI is paid 50% in cash and 50% in DSP shares. For employees not participating in the DSP, or to the extent that the DSP is not approved by the AGM, the STI (including the portion that would have been provided as shares) will be a cash bonus. The share awards will vest (generally subject to the participant still being employed by Millicom) 30% in Q1 2021, 30% in Q1 2022 and 40% in Q1 2023.

Grant of share awards

371,512 share units were granted, conditional on AGM approval as per the above, under the DSP plan in Q1 2020, representing approximately 0.37% of the outstanding shares and outstanding votes.

(ii) Proposed 2020 PSP

The proposed 2020 PSP represents 100% of the 2020 LTI and rewards PSP Participants based on performance measures between 2020 and 2023. Each share unit granted as part of the 2020 PSP, carries a non-transferable right to receive one share in Millicom on the relevant vesting date. Eligibility for participation in the 2020 PSP is described in item 20.

Calculation

The target number of PSP share units per participant is based on seniority and ranges from 35% to 480% (for the CEO) of base annual salary (as of January 1, 2020) as follows:

Seniority	% of base annual salary (range)
Country General Managers and Corporate Vice Presidents	35%-60%
CEO and Executive Management Team	100%-480%

Performance measures

Each PSP share unit will vest as one Millicom share, subject to the achievement of the following performance measures:

Performance measure	% of the PSP
Operating Free Cash Flow after Leases (“OFCFaL”), with a specific 3-year CAGR target from 2020 to 2022	50%
Service Revenue, with a specific 3-year CAGR target from 2020 to 2022	25%
Relative Total Shareholder Return (“TSR”) vis-a-vis a peer group* of companies over the period from March 1, 2020 to February 28, 2023	25%

* The peer group used for assessment of the Relative Total Shareholder Return consists of America Movil, TIM Brazil, TEF Brazil, Entel Chile, Liberty Latin America, Telecom Argentina, Grupo Televisa, and Megacable.

Payout Scale

The following linear payout scale is applied to the OFCFaL and Service Revenue performance measures, with a zero payout for achievement less than 80%, a 100% payout for 100% achievement (“**Target**”) and a 200% payout for 120% or more achievement (“**Maximum**”):

OFCFaL and Service Revenue achievement	<80%	90%	95%	100%	105%	110%	115%	120%
Payout	0%	50%	75%	100%	125%	150%	175%	200%

The following linear payout scale is applied to the Relative TSR performance measure:

Relative (median) TSR	<100%	100%	105%	110%	115%	120%
Payout	0%	100%	125%	150%	175%	200%

In addition, participants who receive a ‘does not meet’ performance rating are not eligible to participate in the PSP in the following year.

Payment / vesting

The share awards vest after a three-year vesting period, in Q1 2023, subject to achievement of performance measures and the participant being employed by Millicom at the time of vesting.

Grant of share awards

A maximum of 683,794 share units are granted under the PSP plan representing approximately 0.68% of the outstanding shares and 0.67% of the outstanding votes.

Share ownership requirements

Participants in the PSP are subject to Millicom’s Share Ownership Policy, which requires them to hold all shares vested (post tax) under either the PSP or the DSP and maintain the following minimum levels of share ownership:

Seniority	% of base annual salary
CEO	400%
CFO and Senior EVPs	200%
EVPs	100%
Other participants	50%

Accounting, cost and maximum number of shares

Both the DSP and PSP are accounted for in accordance with IFRS 2, which requires the cost of share awards to be recorded as employee costs in the income statement over the vesting period, based on the number of shares expected to vest and the fair value of those shares. Elements specific to each plan are as follows:

(i) 2020 DSP

No expense is recognized for DSP share awards that do not ultimately vest. Vesting of the shares is not dependent on market conditions. The number of shares that may vest, approximate cost and percentage of outstanding shares (based on a share price on March 5, 2020 of USD 45.32) are as follows:

	Shares that may vest	Approximate cumulative three-year cost (SEK)	Approximate cumulative three-year cost (USD)	% of outstanding shares
At Maximum	371,512	159 million	16.8 million	0.37%

The costs and dilution are expected to have only a marginal effect on key ratios of Millicom.

Information about the performance results of the 2020 STI and the 2021 DSP grant will be presented in Millicom’s 2020 Annual Report.

(ii) 2020 PSP

No expense is recognized for share awards that do not ultimately vest, except for PSP share awards where vesting is conditional upon a market condition which are treated as vested regardless of whether or not the market conditions are satisfied, provided that all other performance conditions are satisfied.

The cost of the 2020 PSP is allocated over the vesting period and is calculated in two distinct components as follows:

- 1) As the TSR measure is based on market conditions, the fair value of the shares in the PSP requires adjustment for future market-based conditions. For this, a specific valuation was performed on the grant date based on the probability of the TSR conditions being met (including

the extent to which they are expected to be met) and the expected payout based upon leaving conditions.

- 2) The Service Revenue and OFCFaL performance components are non-market measures which are considered together with a leaving (forfeiture) estimate and based initially on a target fulfilment expectation.

The number of shares that may vest, approximate cost and percentage of outstanding shares (based on a share price on March 5, 2020 of USD 45.32) are as follows:

	Shares that may vest	Approximate cumulative three-year cost (SEK)	Approximate cumulative three-year cost (USD)	% of outstanding shares
At Target	341,897	131 million	13.9 million	0.34%
At Maximum	683,794	263 million	27.8 million	0.68%

The reference share price related to the market conditions for the PSP is USD 37.74. The reference price for the non-market measure is USD 41.55.

Cost and dilution are expected to have only a marginal effect on key ratios of Millicom.

Information about the performance results and the outcome of the 2020 PSP will be presented in Millicom's 2023 Annual Report.

Hedging arrangements and delivery of shares

The undertaking to deliver shares to the participants in the 2020 DSP and 2020 PSP will be fulfilled either by Millicom transferring its own treasury shares or, if required, by acquiring and transferring shares or issuing new shares.

Delivery of shares, subject to the terms of conditions of the plans, will be made free of charge.

Information regarding other incentive programs in Millicom

Please refer to the 2019 Annual Report and the Company's website www.millicom.com, for further information regarding all Millicom's on-going share or share price-related incentive programs.

The Board

May 12, 2020

The personal data of SDR holders and shareholders collected from the SDR/share register, notification of attendance to the AGM as well as information regarding representatives and advisors will be used for registration, drawing up of voting list for the AGM and, where applicable, minutes from the AGM. The personal data will be processed in accordance with the General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and of the Council) in force as of May 25, 2018.

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About Millicom

Millicom (NASDAQ U.S.: TIGO, Nasdaq Stockholm: TIGO_SDB) is a leading provider of cable and mobile services dedicated to emerging markets in Latin America and Africa. Millicom sets the pace when it comes to providing high-speed broadband and innovation around The Digital Lifestyle® services through its principal brand, TIGO. As of December 31, 2019, Millicom operating subsidiaries and joint ventures employed more than 22,000 people and provided mobile services to approximately 52 million customers, with a cable footprint of more than 11 million homes passed. Founded in 1990, Millicom International Cellular S.A. is headquartered in Luxembourg.