

**Evaluation of Millicom's remuneration to senior management (Report according to the Swedish Corporate Governance Code, 9.1)****Introduction**

The Compensation Committee of the Board of Directors of Millicom International Cellular S.A. ("Millicom" or "Company") comprises three directors of the Board: Ms. Pernille Erenbjerg, Mr. Lars-Åke Norling, and Mr. James Thompson. Ms. Erenbjerg is the Chair of the Compensation Committee.

In accordance with rule 9, paragraph 1, of the Swedish Code of Corporate Governance, the Compensation Committee has monitored and evaluated 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 following is the Board's report of the results of the evaluation.

**General description of senior management remuneration**

The remuneration programs for the senior management of Millicom are designed 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,
- create incentives for senior management to execute strategic plans and deliver excellent operating results, with an emphasis on rewarding growth, and
- align senior management incentives with the interests of shareholders, including requiring substantial share ownership by all senior management.

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

**Variable remuneration**

The variable remuneration to senior management consists of a Short-term Incentive Plan ("STI") and a Long-term Incentive Plan ("LTI"). The amounts and percentages for variable remuneration are based on pre-established goals and targets relating to the performance of both Millicom and individual employees and are intended to be competitive as part of a total compensation package. The STI consists of two components, a cash bonus and a restricted share component (the Deferred Share Plan, or "DSP"). The LTI, which consists of a Performance Share Plan ("PSP"), seeks to complement and support Millicom's long-term business view and strategy by focusing senior management decision-making on the medium to longer-term, and encouraging significant personal ownership of Millicom shares by senior management.

The Compensation Committee approves the equity plan documents, which determine the framework for grants of shares to be made, the eligible employees to whom such offer shall be made and the terms governing the offer for the grant of such awards. These annual guidelines and plan terms are in effect once adopted by the annual general meeting.

The annual base salary and other benefits of the Chief Executive Officer (“CEO”) have been approved by the Compensation Committee, and the annual base salary and other benefits of senior management have been proposed by the CEO and approved by the Compensation Committee.

For participants in the PSP, Millicom’s share ownership policy requires a minimum level of ownership of Millicom shares (expressed as a percentage of base salary) before the employee can sell any vested Millicom shares, which further aligns management with shareholder interests.

The remuneration charge for senior management for the year ended 31 December 2019, and further information on the share-based incentive programs such as outcome, participation ratio, and the number of issued and outstanding instruments, are set out in Millicom’s 2019 Annual Report.

#### **Evaluation of programs for variable remuneration**

Progress towards the achievement of the programs for variable remuneration is monitored by the Compensation Committee throughout the year and the programs' expected outcomes are discussed at Board meetings. The Compensation Committee also monitors the extent to which senior management and other key employees participate in the programs. The evaluation of the programs for variable remuneration has shown that:

- the programs are well aligned with the interests of shareholders;
- the programs are designed to help attract, motivate and retain the competences needed in Millicom’s senior management; and
- share or share price-related incentive programs have a positive effect on Millicom's development and thus are beneficial for both Millicom and its shareholders.

#### **Evaluation of the guidelines for remuneration and current remuneration structures and levels in Millicom**

The Board considers that the guidelines have given the company the ability to recruit and retain senior management with appropriate skills and strike an appropriate balance between motivating senior management and achieving competitive levels of compensation that are aligned with the interests of the shareholders and market practices. The evaluation has resulted in the conclusion that the guidelines adopted by the 2019 Annual General Meeting have been followed during 2019.

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Luxembourg, March 2020  
MILlicom INTERNATIONAL CELLULAR S.A.  
THE BOARD OF DIRECTORS