



MODERN TIMES GROUP MTG AB (PUBL)

DOCUMENTS FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS –
TUESDAY 19 MAY 2015

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1. Modern Times Group MTG AB Nomination Committee's explanatory statement regarding the proposal for election of the Board at the 2015 Annual General Meeting

MTG Nomination Committee

In accordance with the procedure for the Nomination Committee adopted at the 2014 Annual General Meeting of MTG, Cristina Stenbeck convened a Nomination Committee to prepare the proposals for the Company's 2015 Annual General Meeting. The Nomination Committee consists of Cristina Stenbeck appointed by Investment AB Kinnevik; Marianne Nilsson appointed by Swedbank Robur Funds; and Erik Durhan appointed by Nordea Funds. The members of the Nomination Committee have been appointed by shareholders that jointly represent approximately 55 percent of the votes in MTG. The members of the Nomination Committee appointed Cristina Stenbeck as Chairman of the Nomination Committee at their first meeting.

The Nomination Committee's proposal for election of the Board

The Nomination Committee proposes:

- That the Board shall consist of seven members.
- The re-election of all current members of the Board, except Lorenzo Grabau and Blake Chandlee who have declined re-election.
- The election of new Board members Joakim Andersson and Bart Swanson.
- The re-election of David Chance as Chairman of the Board.

The Nomination Committee's proposal is thus that the following persons are elected to the Board of MTG for a term of office until the end of the next Annual General Meeting:

- David Chance, Chairman of the Board
- Joakim Andersson
- Simon Duffy
- Michelle Guthrie
- Alexander Izosimov
- Mia Brunell Livfors
- Bart Swanson

The Nomination Committee's explanatory statement regarding the proposal

The Nomination Committee has held five meetings either in person or by telephone, with the customary additional contact between meetings. As the basis for its work, the Nomination Committee has had the benefit of thorough and formal evaluations of both the Board and the Chairman of the Board.

On the basis of the formal evaluations and interviews with the Chairman of the Board, the Nomination Committee has assessed the degree to which the current Board fulfils the requirements placed on it. The Nomination Committee's discussions have primarily focused on the Board's overall composition with respect to areas for continued development and succession planning.

In its work, the Nomination Committee identified and managed to attract two individuals who bring a set of separate and complementary experiences and areas of expertise to the Board. Joakim Andersson brings many years of experience from both the Swedish and international debt and equity capital markets, as well as governance, risk and compliance expertise. Bart Swanson brings more than 15 years of entrepreneurial experience from the technology and media sectors, as well as from leading a wide variety of European and global organizations and advising a number of European start-ups. The addition of Bart will further expand the Board's expertise within areas such as digital investing, customer interface management and customer retention management.

Joakim Andersson was appointed Chief Financial Officer of Investment AB Kinnevik, MTG's large reference shareholder, in February 2015. Joakim joined the Kinnevik Group in 2001 at Banque Invik,

and became Group Treasurer of Kinnevik in 2007. As Group Treasurer, Joakim supported Kinnevik's investee companies in managing capital markets, financing and corporate financial management, and was responsible for Kinnevik's cash and liquidity management as well as its treasury operations and controls.

Bart Swanson is currently an advisor at Horizons Ventures, a venture capital firm based in Hong Kong with a focus on disruptive and technology-focused start-ups, including Summly where Bart was Chairman of the Board from 2012 up until 2013 when the company was acquired by Yahoo. During 2010 and 2011 Bart was Chief Operating Officer of Badoo, one of the largest Internet social dating sites, prior to which Bart spent three years as Managing Director at GSI Commerce International (later eBay Enterprise). Before joining GSI Commerce International, Bart was a General Manager at Amazon, where he was one of the key executives in establishing and expanding Amazon.com's footprint in Germany, France and the United Kingdom.

The Nomination Committee is of the opinion that the proposed Board represents a strong mix of individuals with highly valuable and complementary backgrounds within the media and technology sectors, as well as relevant experiences from geographies such as Scandinavia, Central and Eastern Europe, Russia and Africa. In conclusion, the Committee is of the opinion that the proposed Board composition reflects the right skill-sets and level of commitment, both individually and collectively, to take MTG forward in its next phase of investment and contribute to further improvements of the Company's operational and financial performance.

The Board reflects a wide range of nationalities and backgrounds, and a solid mix of men and women with highly relevant skill-sets to match the priorities of the Company. Accordingly, in the view of the Nomination Committee, the composition of the proposed Board is for the time being fit-for-purpose in respect of diversity, including age, gender and nationality, as well as depth of experiences, professional backgrounds and business disciplines. This notwithstanding, the Nomination Committee continues to give particular consideration to, and strive for, greater diversity and equality, in order to promote the highest quality Board debate around key issues of the Company.

Finally, it is noted that the Nomination Committee has evaluated each Board member's independence in the work of preparing its proposals for the 2015 Annual General Meeting, and found that the proposed Board is in compliance with relevant requirements for independence.

Information about the proposed members of the Board

Information about the proposed members of the Board, including the Nomination Committee's assessment of each member's independence, may be found on the MTG's website at www.mtg.com.

April 2015

THE NOMINATION COMMITTEE
MODERN TIMES GROUP MTG AB (PUBL)

2. Information on the proposed members of the Board

David Chance

Chairman of the Board American and British

Born 1957. Chairman of the Board of Directors since May 2003, and a member of the Board since 1998. David was Deputy Managing Director of the BskyB Group between 1993 and 1998. David is Chairman of Top Up TV and is a Non-Executive Director of PCCW Limited (Hong Kong) and Chairman of its NOW TV media group, as well as a Non-Executive Director of Olswang LLP. He has also served as a Non-Executive Director of ITV plc and O2 plc.

David graduated with a BA, BSc and MBA from the University of North Carolina.

Member of the Remuneration Committee.

Direct or related person ownership: 3 565 Class B shares.

Independent of the Company and management and independent of major shareholders.

Joakim Andersson

Proposed new Board Director Swedish

Born 1974. Joakim Andersson was appointed Chief Financial Officer of Investment AB Kinnevik, MTG's large reference shareholder, in February 2015. Joakim joined the Kinnevik Group in 2001 at Banque Invik, and became Group Treasurer of Kinnevik in 2007. As Group Treasurer, Joakim supported Kinnevik's investee companies in managing capital markets, financing and corporate financial management, and was responsible for Kinnevik's cash and liquidity management as well as its treasury operations and controls.

Joakim holds a Master of Science in Business and Economics from Växjö University.

Direct or related person ownership: -

Independent of the Company and management, not independent of major shareholders.

Simon Duffy

British

Born 1949. Member of the Board of Directors since 2008. Simon was Executive Chairman of Tradus plc until the company's sale in March 2008. Simon is Non-Executive Chairman of YouView TV Ltd and mBlox Inc., as well as a Non-Executive Director of Oger Telecom Limited and Wizz Air Holdings Plc. Simon was also Executive Vice-Chairman of ntl:Telewest until 2007, having joined ntl in 2003 as CEO. Simon has also served as CFO of Orange SA, CEO of wireless data specialist End2End AS, CEO and Deputy Chairman of WorldOnline International BV, and held senior positions at EMI Group plc and Guinness plc.

Simon holds a Master's degree from Oxford University and an MBA from Harvard Business School.

Chairman of the Audit Committee.

Direct or related person ownership: 1,750 Class B shares.

Independent of the Company and management and independent of the major shareholders.

Alexander Izosimov

Russian

Born 1964. Member of the Board of Directors since 2008. Alexander served as Chief Executive Officer of the VimpelCom Group and, latterly, the enlarged VimpelCom Ltd, which is one of the world's largest emerging market telecommunications companies, between 2003 and 2011. Alexander is a Director of EVRAZ Group S.A., Transcom Worldwide S.A., Dynasty Foundation and LM Ericsson AB. Alexander previously held several senior management positions at Mars, Inc. over a period of seven years, including as a member of the Global Executive Management Board and as Regional President for Russia, the CIS, Eastern Europe and the Nordics. Alexander worked as a consultant for McKinsey & Co in Stockholm and London for five years.

Alexander graduated from the Moscow Aviation Institute with a Master's degree in Science and from INSEAD with an MBA.

Member of the Audit Committee.

Direct or related person ownership: 34 Class B Shares

Independent of the Company and management and independent of the major shareholders.

Michelle Guthrie

Australian

Born 1965. Member of the Board of Directors since 2013. Michelle Guthrie joined Google in Singapore in 2011 and is currently Managing Director, Agencies, Asia and responsible for Google strategy and relationships with marketing and advertising agencies across Asia. Michelle was Managing Director in the Hong Kong office of global private equity firm Providence Equity between 2007 and 2009, and was a Senior Advisor to Providence Equity between 2009 and 2010. Michelle was the Chief Executive Officer of STAR Group Limited (a wholly-owned subsidiary of News Corporation), Asia's leading media and entertainment company, between 2004 and 2007, and has also worked in legal and business development roles for FOXTEL in Sydney and News International / BSkyB in London. Michelle is a Director of Auckland International Airport Limited and has previously served on the Boards of a number of companies including NASDAQ-listed VeriSign, Inc. and various STAR joint venture companies including Balaji, ESPN STAR Sports, Hathway, China Network Systems, ANTV and Tata Sky. Michelle graduated from Sydney University in Australia.

Member of the Audit Committee.

Direct or related person ownership: -

Independent of the Company and management and independent of the major shareholders.

Mia Brunell Livfors

Swedish

Born 1965. Member of the Board of Directors since 2007. Mia was Chief Executive Officer of Investment AB Kinnevik between 2006 and 2014. Mia previously held various managerial positions at Modern Times Group MTG AB from 1992 including Chief Financial Officer from 2001. Mia is a Non-Executive Director of Millicom International Cellular S.A., Tele2 AB, Transcom Worldwide AB, Qliro Group AB, Stena AB, Efva Attling Stockholm AB and Axel Johnson AB. She was a member of the Board of H&M Hennes & Mauritz AB between 2008 and 2013 and BillerudKorsnäs AB between 2011 and 2014. She is also Chairman of the non-profit organisation Reach For Change.

Mia studied Business Administration at Stockholm University.

Member of the Remuneration Committee.

Direct or related person ownership: 5,505 Class B shares

Independent of the Company and management and independent of major shareholders.

Bart Swanson

Proposed new Board Director American

Born 1963. Bart Swanson is currently an advisor at Horizons Ventures, a venture capital firm based in Hong Kong with a focus on disruptive and technology-focused start-ups, including Summly where Bart was Chairman of the Board from 2012 up until 2013 when the company was acquired by Yahoo. During 2010 and 2011 Bart was Chief Operating Officer of Badoo, one of the largest Internet social dating sites, prior to which Bart spent three years as Managing Director at GSI Commerce International (later eBay Enterprise). Before joining GSI Commerce International, Bart was a General Manager at Amazon, where he was one of the key executives in establishing and expanding Amazon.com's footprint in Germany, France and the United Kingdom.

Bart graduated from the University of Southern California with a Bachelor's degree in History and from the University of Pennsylvania with an MA in International Studies, as well as an MBA from Wharton.

Direct or related person ownership: 1,300 Class B shares

Independent of the Company and management and independent of major shareholders.

3. The Board's reasoned statement pursuant to Ch 18 Sec 4 and Ch 19 Sec 22 of the Swedish Companies Act

The Board hereby presents the following statement in accordance with Ch 18 Sec 4 and Ch 19 Sec 22 of the Swedish Companies Act. The Board's reasons for the proposed dividend and the authorisation to repurchase the Company's own shares being in accordance with the provisions of Ch 17 Sec 3, paragraph 2 and 3 of the Swedish Companies Act are as follows:

The Company's objects, scope and risks

The Company's objects and scope of business operations are set out in the Articles of Association and the submitted Annual Reports. The Company's operations do not entail any risks in excess of those that exist or may be deemed to exist in the industry or those risks which are generally associated with operating a business.

The financial position of the Parent Company and the Group

The financial position of the Parent Company and the Group as per 31 December 2014 is stated in the Annual Report for 2014. The Annual Report also states which accounting principles are applied in the valuation of assets, allocations and liabilities.

The proposal on dividend states that the Board proposes a dividend of SEK 11.00 per share, which corresponds to an amount of approximately SEK 734 million. The proposed dividend constitutes approximately 10 per cent of the Parent Company's equity and approximately 13 per cent of the Group's equity. The non-restricted equity in the Parent Company and the Group's retained profits as of 31 December 2014 amounted to SEK 7,124 million and SEK 4,403 million respectively.

As of 31 December 2014 the Group's equity/assets ratio amounted to 41 per cent. The proposed dividend and authorisation to repurchase the Company's own shares does not limit the Company's possibilities to complete on-going, and further make value-creating, investments. The Company's financial position does not give rise to any other conclusion than that the Company can continue its business and that the Company can be expected to fulfil its obligations on both a short and long-term basis.

Justification for dividend and repurchase

With reference to the above and to what has otherwise come to the knowledge of the Board, the Board is of the opinion that after a comprehensive review of the financial position of the Parent Company and of the Group it follows that the proposed dividend and the authorisation to repurchase the Company's own shares to create flexibility in the work with the Company's capital structure is justified according to the provisions of Ch 17 Sec 3 paragraph 2 and 3 of the Swedish Companies Act, i.e. with reference to the requirements that the objects of the business, its scope and risks place on the size of the Parent Company's and the Group's equity and the Parent Company's and the Parent Company's and the Group's consolidating requirements, liquidity and financing needs in general.

Stockholm, April 2015

THE BOARD OF DIRECTORS

MODERN TIMES GROUP MTG AB (PUBL)

Auditor's opinion under Chapter 8 Section 54 of the Swedish Companies Act (2005:551) as to whether the guidelines of the annual general meeting on the remuneration of senior executives have been followed

To the annual general meeting of Modern Times Group MTG AB (publ.), Corporate identity No 556309-9158

Introduction

We have audited whether the Board of Directors and the Chief Executive Officer of Modern Times Group MTG AB (publ.) during the year 2014 have followed the guidelines on remuneration of senior executives adopted at the annual general meeting on 14 May 2013 and the annual general meeting on 13 May 2014.

Responsibility of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the guidelines being followed and for the internal control that the Board of Directors and the Chief Executive Officer deem necessary to ensure that the guidelines are followed.

Responsibility of the auditor

Our responsibility is to issue an opinion, based on our audit, to the annual general meeting as to whether the guidelines have been followed. We have conducted the audit in accordance with FAR recommendation RevR 8 *Audit of remuneration of senior executives of listed companies*. This recommendation requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the guidelines adopted by the annual general meeting are followed in all material aspects.

The audit has covered the company's organization for and documentation of remuneration issues for senior executives, the new decisions on remuneration that have been taken and a selection of the payments made during the financial year to the senior executives. The auditor chooses what procedures are to be performed, in part by assessing the risk of the guidelines not being followed in all material aspects. In making those risk assessments, the auditor considers internal control relevant to compliance with the guidelines in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

We believe that our audit provides a reasonable basis for our opinion set out below.

Opinion

We consider that the Board of Directors and Chief Executive Officer of Modern Times Group MTG AB (publ.) during 2014 have followed the guidelines on remuneration of senior executives adopted at the annual general meeting on 14 May 2013 and the annual general meeting on 13 May 2014.

Stockholm 1 April 2015

KPMG AB

Joakim Thilstedt
Authorized Public Accountant

5. Evaluation of Modern Times Group MTG AB's remuneration to the CEO and the other members of the management team (Report according to the Swedish Corporate Governance Code, 9.1 and 10.3)

The Remuneration Committee of the Board of Modern Times Group MTG AB (publ) comprises of the Chairman of the Board David Chance and the Board members Mia Brunell Livfors and Lorenzo Grabau. Lorenzo Grabau is Chairman of the Committee.

The responsibilities of the Remuneration Committee include issues related to salaries, pension plans, bonus plans and the employment terms for the CEO and other members of the management team (the senior executives) within MTG. The Committee also advises the Board on long-term incentive schemes.

In accordance with the Swedish Corporate Governance Code, rule 9.1 and 10.3 the Remuneration Committee monitors and evaluates plans for variable remuneration (both ongoing and those that have ended during the year), the application of the guidelines for remuneration to the executives adopted at the Annual General Meeting as well as the current remuneration structure and levels of remuneration in MTG. The following is the Board's report of the results of the evaluation:

General description of the remuneration to the senior executives

Remuneration to the senior executives consists of a fixed and variable salary in cash, as well as the possibility to participate in equity based long-term incentive plans, pension schemes and customary benefits. The remuneration shall ensure that MTG can attract, motivate and retain senior executives and key employees. Accordingly, MTG strives to offer remuneration on conditions that is market competitive, within the context of MTG's international peer group, but at the same time aligned with the shareholders' interests.

Variable remuneration during the year

The variable remuneration paid in cash (STI) shall be based on an annual evaluation of the performance in relation to established goals and targets. Contracted variable remuneration paid in cash during 2014 has not exceeded a maximum of 75 per cent of the fixed annual salary. Further information on the variable remuneration paid in cash is found in the Annual Report 2014.

There are long-term share-related incentive plans (LTI) for senior executives and other key employees in MTG. The long-term incentive plans are performance based. Further information on the long-term incentive plans such as outcome, participation ratio, number of issued and outstanding instruments etc. are found in the Annual Report 2014 and on MTG's website at www.mtg.com.

Evaluation of the variable remuneration

The Remuneration Committee continuously follows and evaluates development of the STI and LTI and the expected outcome is reported to the Board and discussed at Board meetings. Also, the Remuneration Committee monitors to what extent the senior executives and other key employees participate in the on-going long-term share related programs LTIP 2012, LTIP 2013 and LTIP 2014.

Prior to the Annual General Meeting 2015 the Remuneration Committee has initiated a more thorough evaluation of the STI and LTI. The evaluation was made from a number of perspectives; the employees' motivation and alignment of interest with shareholders, shareholder value and simplification of the LTI plan. Based on the results of the evaluation, and with the aim that the senior executives and other key persons in MTG shall build up a significant personal shareholding, the Board has put forward changes both to the STI and LTI.

For the STI the Board proposes that the cap on the STI is raised from 75 per cent to 100 per cent, under the condition that part of the STI is invested in MTG Class B shares that must be held for an agreed period of time.

In order to better achieve the objectives with the LTI; to recruit, motivate and retain key employees and to align participating employees' interests and rewards with those of the shareholders return, the Board has put forward:

- three new criteria for measuring performance (relative TSR, normalised EBIT and absolute TSR); and
- a new shareholding requirement for the CEO and other senior executives as a condition for receiving MTG Class B shares free of charge at the end of the long-term incentive plan.

Evaluation of the guidelines for remuneration to the Executives

The evaluation of the application of the guidelines, as well as the auditor's review, has resulted in the conclusion that MTG has complied with the guidelines on salary and other remuneration to the senior executives adopted by the 2013 and 2014 Annual General Meetings during the year.

Evaluation of the current remuneration structures and levels in MTG

The Remuneration Committee's evaluation has resulted in the Board having made the assessment that the current remuneration structure and levels of remuneration to the senior executives have had a positive effect on MTG. However, the Board considers the proposed remuneration structure and levels of remuneration for STI and LTI to the senior executives to further align senior executive management's incentive with the shareholders' interest and strike a better balance between motivating the members and achieving a well-balanced competitive compensation that will facilitate attracting, motivating and retaining key persons within MTG.

Stockholm, April 2015

THE BOARD OF DIRECTORS

MODERN TIMES GROUP MTG AB (PUBL)