

Unofficial translation of Minutes of the Annual General Meeting of shareholders of Modern Times Group MTG AB (publ), company reg. no. 556309-9158, 19 May 2015 at Hotel Rival in Stockholm.

Time: 2.00 pm – 3.45 pm

**Present:** Shareholders and proxy holders, Appendix 1, stating the number of shares and votes.

Furthermore, noted as present were: the Chairman of the Nomination Committee, Cristina Stenbeck, the Chairman of the Board, David Chance, the Board members Simon Duffy, Lorenzo Grabau, Alexander Izosimov and Mia Brunell Livfors, the new Board Members Joakim Andersson and Bart Swanson, the Chief Executive Officer Jørgen Madsen Lindemann, the Chief Financial Officer Mathias Hermansson and the auditor-in-charge Joakim Thilstedt.

### § 1

#### Opening of the Annual General Meeting (agenda item 1)

David Chance opened the Annual General Meeting and welcomed the shareholders.

### § 2

#### Election of Chairman of the Annual General Meeting (agenda item 2)

The Meeting elected the lawyer Wilhelm Lüning as Chairman of the Meeting, in accordance with the Nomination Committee's proposal.

The Chairman informed the Meeting that Jennifer Ryan had been appointed to act as minute keeper at the Meeting, that the Meeting was simultaneously interpreted, that a sound recording for internal use was made in order to facilitate the preparation of the minutes and that other audio or video recording was not permitted.

The Chairman informed the Meeting on the voting procedures with electronic voting devices for resolutions that require special majority according to the Swedish Companies Act, items 18 and 19, according to the proposed agenda and for whenever else voting was required.

The Meeting resolved that shareholders who had not given notice to attend, invited guests, employees in the company, representatives of media and other persons who were not shareholders were entitled to attend the Meeting, but were not entitled to address the Meeting.

### § 3

#### Preparation and approval of the voting list (agenda item 3)

The Meeting approved the procedure for preparing the voting list and that the list of shareholders who had given notice to attend and were present at the Meeting, Appendix 1, should be the voting list at the Meeting.

The Chairman informed that a number of non-Swedish funds that were represented at the Meeting had given special instructions for voting under certain items on the proposed agenda and that these

instructions had been recorded in the electronic voting system. The Chairman also informed that the voting instructions were available if any shareholder wished to review them and that the voting instructions would be recorded in the minutes only in the event that they affected the Meeting's resolutions.

#### **§ 4**

##### Approval of the agenda (agenda item 4)

The Meeting approved the proposed agenda of the Meeting which had been included in the notice to attend the Meeting.

The Chairman informed that the complete proposals of the Board and the Nomination Committee had been included in the notice and in the press release announced on 5 May 2015 regarding the Nomination Committee's amended proposal.

The statements and reports of the Board and the Nomination Committee, as well as the other documents to the Annual General Meeting, which had been held available in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, were presented.

#### **§ 5**

##### Election of one or two persons to check and verify the minutes (agenda item 5)

The Meeting elected Bengt Eke, representing, among others, AFA Livförsäkrings AB, and Anders Oscarsson, representing AMF, to check and verify the minutes jointly with the Chairman of the Meeting.

#### **§ 6**

##### Determination of whether the Annual General Meeting had been duly convened (agenda item 6)

Notice to attend the Annual General Meeting had been by way of an announcement in the Swedish Official Gazette on 20 April 2015 and by having made the notice to attend available on the company's website since 16 April 2015, and by the company having announced information that the notice had been made in Svenska Dagbladet on 20 April 2015.

The Chairman found that notice had been made in accordance with the provisions in the Articles of Association.

The Meeting resolved to approve the notice procedure and declared the Meeting duly convened.

#### **§ 7**

##### Remarks by the Chairman of the Board (agenda item 7)

David Chance gave his remarks on the work of the Board and commented on the Board's proposals to the Meeting.

#### **§ 8**

##### Presentation by the Chief Executive Officer (agenda item 8)

Jørgen Madsen Lindemann presented the company's business and development.

## § 9

### Presentation of the Annual Report and Auditor's Report and of the Group Annual Report and the Group Auditor's Report (agenda item 9)

The Annual Report of the company and the Group Annual Report, with the incorporated income statements and balance sheets in respect of the financial year 2014, were presented.

Joakim Thilstedt, KPMG AB, auditor-in-charge, reported on the audit work and thereafter commented on the Auditor's Report in respect of the parent company and the Group for the financial year 2014.

After the Chairman had opened the Meeting for questions, Carina Lundberg Markow, representing Folksam, Amelie Hjelmstedt, representing Aktiespararna, Arne Svahn and Gunnar Tjellström addressed the Meeting. The questions concerned, among other things, MTG's work related to sustainability and measures to ensure that the company protect children's rights, how the company's business has been affected by the political situation in Ukraine and South America, the business operations of CTC Media and compliance and new legislation in Russia as well as the company's new logo. The questions were answered by Jørgen Madsen Lindemann.

## § 10

### Resolution on the adoption of the income statement and the balance sheet and of the group income statement and the group balance sheet (agenda item 10)

The Meeting adopted the income statements and balance sheets included in the company's Annual Report for the parent company and the Group in respect of the financial year 2014.

## § 11

### Resolution on the proposed treatment of the company's unappropriated earnings as stated in the adopted Balance Sheet (agenda item 11)

The Chairman presented the principal contents of the Board's proposal regarding distribution of profits pursuant to the Annual Report and noted that the Board of Directors had given a reasoned statement with respect to the distribution of the disposable funds and that the company's auditor had recommended that the profit be appropriated in accordance with the proposal.

The Meeting resolved, in accordance with the Board's proposal, that the unappropriated earnings at the Meeting's disposal should be distributed as follows: a dividend of SEK 11 per share and that the remaining unappropriated earnings should be carried forward.

The Meeting further determined, in accordance with the Board's proposal, that the record date for entitlement to payment of dividend should be 21 May 2015.

The Chairman informed that the payment of dividend was expected to be paid out to the shareholders on or around 26 May 2015.

## § 12

### Resolution on the discharge from liability for the Directors of the Board and the Chief Executive Officer (agenda item 12)

The Meeting discharged the Board and the Chief Executive Officer from liability for the management of the company and its affairs during the financial year 2014.

It was noted that the members of the Board and the Chief Executive Officer did not take part in the resolution.

It was recorded that all shareholders attending the Meeting supported the resolution, except for those shareholders that had given special instructions for no or abstain votes.

### **§ 13**

#### Determination of the number of Directors of the Board (agenda item 13)

The Chairman of the Nomination Committee, Cristina Stenbeck, gave an account of the Nomination Committee's work to the Meeting and presented the Nomination Committee's motivated proposal regarding the Board.

The Meeting resolved that, for the period until the close of the next Annual General Meeting, the Board of Directors shall consist of six members.

### **§ 14**

#### Determination of the remuneration to the Directors of the Board and the auditor (agenda item 14)

The Chairman presented the Nomination Committee's proposals regarding remuneration to the Board and the auditor, namely that, for the period until the close of the next Annual General Meeting, a remuneration of SEK 1,260,000 shall be allocated to the Chairman of the Board, SEK 475,000 to each of the Directors of the Board and in total SEK 800,000 for the work in the committees of the Board of Directors. For work within the Audit Committee SEK 225,000 shall be allocated to the Chairman and SEK 125,000 to each of the other three members and for work within the Remuneration Committee SEK 100,000 shall be allocated to the Chairman and SEK 50,000 to each of the other two members. Remuneration to the auditor was proposed to be paid in accordance with approved invoices.

The Meeting resolved in accordance with the proposal.

### **§ 15**

#### Election of the Directors of the Board and the Chairman of the Board (agenda item 15)

The Chairman informed the Meeting of the assignments the proposed members of the Board held in other companies.

In accordance with the Nomination Committee's proposal the Meeting re-elected David Chance, Simon Duffy, Michelle Guthrie and Alexander Izosimov as Board members and elected Joakim Andersson and Bart Swanson as new members of the Board for the period until the end of the next Annual General Meeting. The Meeting further re-elected David Chance as Chairman of the Board.

### **§ 16**

#### Approval of the procedure of the Nomination Committee (agenda item 16)

The Chairman presented the principal contents of the Nomination Committee's proposal in respect of the procedure of the Nomination Committee in accordance with Appendix 2.

On question from Amelie Hjelmstedt, representing Aktiespararna, Cristina Stenbeck commented on her participation in the Nomination Committee's work for the following term of office.

The Meeting resolved in accordance with the proposal.

### **§ 17**

#### Resolution regarding guidelines for remuneration to the senior executives (agenda item 17)

The Chairman of the Remuneration Committee, Lorenzo Grabau, explained the background for, and presented the main terms and conditions of the Board's proposal regarding guidelines for remuneration to senior executives in accordance with Appendix 3, and the incentive programme including transfer of own Class B shares to participants under the incentive programme.

The shareholder Gunnar Tjellström asked a question regarding the participation ratio in previous years

share based incentive programmes and Amelie Hjelmstedt, representing Aktiespararna, expressed a request that the programmes over time should include more employees in the company. Lorenzo Grabau commented on the questions.

The Chairman noted that the auditor had left a report stating that the company has complied with the guidelines as adopted by the Annual General Meetings previous years.

The Meeting resolved in accordance with the proposal regarding guidelines for remuneration to the senior executives in Appendix 3.

## **§ 18**

### Resolution regarding incentive programme (agenda items 18(a) and (b))

The Meeting resolved, with 99.277 per cent of the votes cast and with 98.303 per cent of the shares represented at the Meeting, in accordance with the Board's proposal, Appendix 4, to adopt the incentive programme.

## **§ 19**

### Resolution to authorise the Board of Directors to resolve on repurchase of own shares (agenda item 19)

The Chairman presented the main terms of the Board's proposal to authorise the Board to resolve on repurchase of own shares in accordance with Appendix 5, and further noted that the Board had given a reasoned statement regarding the proposal.

The Meeting resolved, with 99.986 per cent of the votes cast and with 99.699 per cent of the shares represented at the Meeting, in accordance with the proposal.

## **§ 20**

### Closing of the Annual General Meeting (agenda item 20)

David Chance expressed his thanks to the resigning Board Members Lorenzo Grabau, Blake Chandlee and Mia Brunell Livfors for their contributions to MTG.

The Chairman declared the Annual General Meeting closed.

At the minutes:

Jennifer Ryan

Minute checkers:

Wilhelm Lüning

Bengt Eke

Anders Oscarsson

**Procedure of the Nomination Committee (item 16 on the agenda)**

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The Nomination Committee proposes that the work of preparing proposals to the 2016 Annual General Meeting regarding the Board and auditor and their remuneration, Chairman of the Annual General Meeting and the procedure for the Nomination Committee shall be performed by a Nomination Committee.

The Nomination Committee will be formed during September 2015 in consultation with the largest shareholders of the company as at 31 August 2015. The Nomination Committee will consist of at least three members appointed by the largest shareholders of the company who have wished to appoint a member. The Chairman of the Board will be a member of the Committee and will also act as its convenor. The members of the Committee will appoint the Committee Chairman at their first meeting.

The Nomination Committee is appointed for a term of office commencing at the time of its formation in September 2015 and ending when a new Nomination Committee is formed. If a member resigns during the Committee term, the Nomination Committee can choose to appoint a new member. The shareholder that appointed the resigning member shall be asked to appoint a new member, provided that the shareholder is still one of the largest shareholders in the company. If that shareholder declines participation in the Nomination Committee, the Committee can choose to ask the next largest qualified shareholder to participate. In the event of changes to the ownership structure of the company, the Committee can choose to change its composition in order to ensure the Committee reflects the ownership of the company. However, unless there are special circumstances, the composition of the Nomination Committee may remain unchanged following changes in the ownership structure of the company that are either minor or occur less than three months prior to the 2016 Annual General Meeting. In all cases, the Nomination Committee shall consist of at least three members appointed by shareholders.

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

## **Guidelines for remuneration to senior executives (item 17 on the agenda)**

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The Board proposes the following guidelines for determining remuneration for MTG's senior executives as well as members of the Board if they are remunerated outside their directorship.

### *Remuneration guidelines*

The objective of the guidelines is to ensure that MTG can attract, motivate and retain senior executives, within the context of MTG's international peers, which primarily consists of Nordic and European media, telecom and online companies. The aim is to create a remuneration that is market competitive, well balanced and reflects individual performance and responsibility, both short-term and long-term, as well as MTG's overall performance and align the senior executives' incentives with the interests of the shareholders. The intention is that the senior executives shall have a significant long term shareholding in MTG and that remuneration to the senior executives shall be based on the pay for performance principle.

Remuneration to the senior executives shall consist of fixed salary, short-term variable remuneration paid in cash ("**STI**") the possibility to participate in long-term share or share price related incentive programs ("**LTI**") as well as pension and other customary benefits.

### *Fixed salary*

The senior executives' fixed salary shall be competitive and based on the individual senior executive's responsibilities and performance.

### *Variable remuneration*

The STI shall be based on fulfillment of established targets for the MTG Group and in the senior executives' area of responsibility. The result shall be linked to measurable targets (qualitative, quantitative, general, individual). The targets within each area of responsibility are defined to promote MTG's development in the short and long-term.

The maximum payment under the STI shall generally not exceed 100 percent of the senior executives' fixed salary. Payment of part of the STI is conditional upon it being invested in MTG shares and on those shares being held for an agreed period of time.

The LTI shall be linked to certain pre-determined financial and/or share or share-price related performance criteria and shall ensure a long-term commitment to the development of the MTG Group and align the senior executives' incentives with the interests of the shareholders.

### *Pension and other benefits*

The senior executives shall be entitled to pension commitments that are customary, competitive and in line with market conditions in the country in which the senior executive is employed. Pension commitments will be secured through premiums paid to insurance companies.

MTG provides other benefits to the senior executives in accordance with local practice. Other benefits can include, for example, a company car and health care. Occasionally, housing allowance could be granted for a defined period.

### *Notice of termination and severance pay*

The maximum notice period in any senior executive's contract is twelve months during which time salary payment will continue. MTG does not generally allow any additional contractual severance payments to be agreed.

### *Compensation to Board Members*

Board members, elected at General Meetings, may in certain cases receive a fee for services performed within their respective areas of expertise, outside of their Board duties. Compensation for these services shall be paid at market terms and be approved by the Board.

### *Deviations from the guidelines*

The Board may deviate from the above guidelines on a case by case basis. For example, additional variable remuneration or cash payments may be paid in the case of exceptional performance or in special circumstances such as recruitment or retention. In such cases the Board will explain the reason for the deviation at the following Annual General Meeting.

### *Evaluation of the guidelines and auditor's statement with respect to the compliance with the guidelines*

In accordance with the Swedish Corporate Governance Code Rule 10.3 and 9.1 the Remuneration Committee within the Board monitors and evaluates the application of the guidelines for remuneration to the Executives established by the Annual General Meeting. Also, the company's auditor has, pursuant to Ch 8 Sec 54 of the Swedish Companies Act, provided a statement with respect to whether there has been compliance with the guidelines for remuneration to the Executives which have applied during 2014. The evaluation and auditor's review have resulted in the conclusion that the guidelines adopted by the Annual General Meeting have been followed by MTG during 2014.



## **Incentive plan (items 18(a) and (b) on the agenda)**

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The Board proposes that the Annual General Meeting resolves to adopt a retention and performance based long-term incentive plan (the "**Plan**") for senior executives (not referring to members of the Board) and other key employees within the MTG Group as follows.

### ***Adoption of the Plan (item 18(a))***

#### *Objectives and new features of the Plan*

The main objectives for adopting the Plan are to create conditions to recruit, motivate and retain high performing key employees and to align the employees' interests and rewards with those of the shareholders by linking part of their remuneration to MTG's profit and the shareholder return in order to facilitate maximum long-term value growth in MTG.

The structure of the Plan is similar to the performance based long-term incentive plans adopted by MTG previous years. In order to better achieve the objectives of the Plan, the Board has put forward three new retention and performance based criteria. Also, a shareholding requirement for the CEO and other senior executives has been introduced as a condition for receiving MTG Class B shares at the end of the Plan.

#### *The Plan in brief*

The Plan is proposed to include approximately 100 senior executives and certain key employees within the MTG Group. Based on the participant's annual base salary and a calculated price on the MTG Class B share, the participants will be granted rights to receive MTG Class B shares free of charge, subject to the terms and conditions of the Plan.

The number of MTG Class B shares that vests depends on, and to what extent, a retention criterion based on relative total shareholder return (TSR) and two performance criteria based on MTG's absolute total shareholder return (TSR) and the normalised operating income excluding associated company income (EBIT) are achieved. In addition, vesting of MTG Class B shares requires that the participant after the release of MTG's interim financial report for the period January – March 2018 is still employed by the MTG Group, and applicable to the CEO and senior executives, that they own MTG-shares amounting to a target holding.

The maximum numbers of MTG Class B shares which may vest under the Plan are limited to 495,000, representing approximately 0.7 per cent of the outstanding shares and 0.4 per cent of the outstanding votes.

#### *Grant of share awards*

The number of rights to receive MTG Class B shares free of charge (the "**Share Award**") granted to a participant is based on a percentage of the participant's annual base salary, gross before taxes, (the "**Gross Salary**") and a share price of SEK 251.69 (calculated as the average volume weighted price on the MTG Class B share at Nasdaq Stockholm during the period 26-31 March 2015, with a deduction of SEK 11.00 (the proposed dividend per share)) (the "**SEK 251.69 Calculated Share Price**").

In accordance with this principle, grant of Share Awards under the Plan will be the following:

- the CEO will be granted Share Awards amounting to 75 per cent of his Gross Salary;
- the other senior executives (approximately 10 persons) will be granted Share Awards amounting to 75 per cent of their Gross Salary; and
- the certain key employees (approximately 90 persons) will be granted Share Awards amounting to 50 per cent of their Gross Salary.

Vesting of the Share Awards; terms and retention and performance based conditions

The Share Awards shall be governed by the following terms and conditions:

- Granted free of charge after the Annual General Meeting 2015 and will vest after a three-year period, ending at the release of MTG's interim financial report for the period January – March 2018 (the "**Vesting Period**").
- May not be transferred or pledged.
- Dividends paid on the MTG Class B share will increase the number of shares that each Share Award entitles to, in order to align the participants' and shareholders' interests.

The number of MTG Class B shares that will vest depends on the achievement in relation to the relevant retention or performance criteria for the Share Award. The Share Awards are divided into Series A (retention based) and Series B and Series C (performance based).

*Series A: Relative TSR* MTG's total return on the Class B share (TSR) for the calendar years 2015-2017 exceeding the average TSR for a peer group of Nordic and western European entertainment companies consisting of; CME, ITV, M6, Mediaset, Pro Sieben, RTL, Sky, TF 1, TVN, Schibsted, Comhem and Sanoma (the "**Peer Group**") as entry level. The companies in the Peer Group which have the highest and the lowest TSR, respectively, shall be excluded from the calculation.

*Series B: Normalised EBIT* MTG's normalised operating income (EBIT), excluding associated company income, for three (3) stand-alone one-year performance periods, (calendar years 2015, 2016 and 2017), are corresponding to target levels set by the Board for each of the calendar years, with the relative weight of each of the three one-year performance periods being one-third. After each one-year performance period, MTG will inform the shareholders if the target level was met or not in the annual report for the year. Information on the target levels and the level achieved for Series B will be communicated in connection to vesting.

*Series C: Absolute TSR* MTG's total return on the Class B share (TSR) for the calendar years 2015-2017 is exceeding 10 percent as entry level and being 33 per cent as target level.

The relative weight of Share Awards of Series A, Series B and Series C is one-third respectively.

In order for each Share Award to entitle the participant to one (1) MTG Class B share, the entry level for Share Awards of Series A and the target level for Share Awards of Series B and C, respectively, must have been fulfilled. If the entry level for Share Awards of Series C is reached, 20 per cent of the participant's Share Awards of Series C will vest. Where the level of fulfilment for Share Awards of Series C is between the entry level and target level, vesting will occur on a linear basis in stages. If the entry level for Share Awards of Series A and C, or target level Share Awards of Series B, is not reached, the Share Awards in that series lapse.

Depending on fulfilment of the relevant retention and criterion for Share Awards of Series A and B, respectively, and the level of fulfillment for Share Awards of Series C, and on the condition that the participant is (with certain exceptions) still employed by the MTG Group, after the Vesting Period, each Share Award will vest as one (1) MTG Class B share, free-of-charge. For the CEO and the other senior executives vesting also requires that they own shares corresponding to a target holding in MTG, that is 100 per cent of the annual base salary, net after taxes, (the "**Net Salary**") for the CEO and 50 per cent of the Net Salary for the other senior executives (the "**Target Holding**").

MTG intends to present the final outcome of the Plan in the 2018 annual report.

#### *Scope*

The maximum numbers of MTG Class B shares which may be delivered to the participants on vesting of the Share Awards are limited to 495,000, representing approximately 0.7 per cent of the outstanding shares and 0.4 per cent of the outstanding votes. The number of MTG Class B shares that according to

the Plan may be delivered to the participants shall, under conditions that the Board stipulates, be subject to recalculation following a bonus issue, a share split or a reverse share split, a rights issue or similar measures.

#### *Costs of the Plan and effect on certain key ratios*

The Plan will be accounted for in accordance with IFRS 2 which stipulates that the Share Awards should be recorded as a personnel expense. Based on the SEK 251.69 Calculated Share Price; the CEO and senior executives have achieved the Target Holding; the annual employee turnover is 10 per cent; and that 50 per cent of the granted Share Awards will vest, the total cost, exclusive of social security costs, for the Plan is estimated to be approximately SEK 38 million. Such cost will be allocated over the years 2015-2018.

The estimated social security costs will also be recorded as a personnel expense in the income statement by current reservations. The social security costs are estimated to be approximately SEK 13 million with the assumptions above and an average social security tax rate of 23 per cent and an annual share price increase of 10 per cent of the MTG Class B share during the Vesting Period.

The annual cost of the Plan including social charges is estimated to be approximately SEK 18 million based on the above assumptions. This cost can be related to the company's total personnel costs, including social charges, of SEK 2,592 million in 2014. The impact on basic earnings per share if the Plan had been introduced in 2014 with the assumptions above would result in a decrease of SEK 0.24 on a yearly pro forma basis.

Each Category has a pre-determined maximum vested amount (cap) of approximately 2.0 – 3.0 times the Gross Salary, depending on the participant's category. If the vested amount exceeds the maximum amount, the number of shares each Share Award entitles the employee to receive at vesting, will be reduced accordingly. Assuming 100 per cent fulfilment of the retention and performance based criteria and that the respective caps have been reached the maximum cost for the Plan is approximately SEK 104 million in accordance with IFRS 2 and the maximum cost for social charges approximately SEK 95 million.

Based on the SEK 251.69 Calculated Share Price the maximum dilution is 0.62 per cent in terms of the Plan cost as defined in IFRS 2 in relation to the company's market capitalisation.

#### *Delivery of shares under the Plan*

A maximum 495,000 Class B shares held by the company may be transferred to the participants under the Plan in accordance with item 18(b).

#### *Preparation and administration of the Plan*

MTG's Remuneration Committee has prepared the Plan in consultation with external advisors and major shareholders. The Plan has been dealt with at meetings of the Board during the first months of 2015.

The Board or the Remuneration Committee shall be responsible for preparing the detailed terms and conditions of the Plan, in accordance with the terms and guidelines resolved on by the Annual General Meeting. The Board and the Remuneration Committee are authorised to make necessary adjustments to fulfil local legislation, market prerequisites and restrictions in certain jurisdictions or if the Target Holding and delivery of shares to persons outside of Sweden cannot be achieved at reasonable costs and with reasonable administrative efforts. Such authorisations may e.g. include resolving that participating senior executives' Share Awards may vest even if the Target Holding has not been achieved and that participants may be offered cash-based settlement. It is further proposed that the Board shall be entitled to make other adjustments, if it so deems appropriate, should changes occur in the MTG Group or its operating environment that entails that the Plan no longer correctly reflects the performance of the MTG Group. Any such adjustments shall only be made in order to fulfil the main objectives of the Plan.

### *Information regarding other long-term incentive plans in MTG*

For senior executives and key employees in MTG there are currently three long-term incentive plans. For further information regarding these plans such as terms and conditions, participation ratio, number of issued and outstanding instruments etc. please refer to the Annual Report 2014, note 28 for the Group, and MTG's website at [www.mtg.com](http://www.mtg.com).

### ***Transfer of own Class B shares to the participants (item 18(b))***

The Board proposes that the Annual General Meeting resolves that a maximum of 495,000 MTG Class B shares held by the company may be transferred free of charge to participants, in accordance with the terms of the Plan.

The number of the shares that may be transferred to the participants shall be subject to recalculation in the event of an intervening bonus issue, reversed split, split, rights issue and/or other similar events.

### **Other information regarding the proposals under agenda item 18**

#### Special majority requirements

The resolution under item 18(b) is valid only if supported by shareholders holding not less than nine-tenths of both the votes cast and the shares represented at the Annual General Meeting. Items 18(a) and 18(b) are conditional upon each other.

#### Documentation

The reasoned statement of the Board pursuant to Ch 19 Sec 22 of the Swedish Companies is available at the company's website [www.mtg.com](http://www.mtg.com), at the company's premises at Skeppsbron 18 in Stockholm and will be sent to those shareholders who so request and state their postal address or email address. The documentation can be ordered by telephone at +46 (0) 771-246 400 or in writing at the address Modern Times Group MTG AB c/o Computershare AB, P.O. Box 610, SE-182 16 Danderyd, Sweden.

**Authorisation for the Board to resolve on repurchase of own shares (item 19 on the agenda)**

The Board proposes that the Board shall be authorised to resolve to repurchase the company's own shares, if the purpose is to cancel shares through a decrease of the share capital, in accordance with the following conditions:

- The repurchase of Class A and/or Class B shares shall take place on the Nasdaq Stockholm in accordance with Nasdaq Stockholm's rules regarding purchase of own shares.
- The repurchase of Class A and/or B shares may take place on one or more occasions for the period up until the next Annual General Meeting.
- So many Class A and/or Class B shares may, at the most, be repurchased so that the company's holding does not at any time exceed 10 per cent of the total number of shares in the company.
- The repurchase of Class A and/or Class B shares at the Nasdaq Stockholm may occur at a price within the share price interval registered at that time, where share price interval means the difference between the highest buying price and lowest selling price.
- It is the from time to time lowest-priced, available, shares that shall be repurchased by the company.
- Payment for the shares shall be in cash.

The purpose of the authorisation is to give the Board flexibility to continuously decide on changes to the capital structure during the year and thereby contribute to increased shareholder value.

The Board shall be able to resolve that repurchase of own shares shall be made within a repurchase program in accordance with the Commission's Regulation (EC) no 2273/2003, if the purpose of the authorisation and the repurchase only is to decrease the company's share capital.

**Other information regarding the proposal under agenda item 19**

Special majority requirements

A valid resolution to authorise the Board to re-purchase own shares under item 19 requires support by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

Documentation

The reasoned statement of the Board pursuant to Ch 19 Sec 22 of the Swedish Companies is available at the company's website [www.mtg.com](http://www.mtg.com), at the company's premises at Skeppsbron 18 in Stockholm and will be sent to those shareholders who so request and state their postal address or email address. The documentation can be ordered by telephone at +46 (0) 771-246 400 or in writing at the address Modern Times Group MTG AB c/o Computershare AB, P.O. Box 610, SE-182 16 Danderyd, Sweden.