

Corporate Governance report

Part of
Ericsson
Annual Report
2021

Annual Report 2021

Financial
report

Corporate
Governance
report

Remuneration
report

Sustainability
and Corporate
Responsibility
report



[ericsson.com](https://www.ericsson.com)

Contents

Corporate Governance report 2021

Regulation and compliance	2
Governance structure	4
General Meetings of shareholders	5
Nomination Committee	6
Board of Directors	6
Committees of the Board of Directors	9
Remuneration to Board members	11
Members of the Board of Directors	12
Management	16
Members of the Executive Team	20
Auditor	24
Internal control over financial reporting	24
Auditor's report on the Corporate Governance report	27

This Corporate Governance report is rendered as a separate report added to the Financial Report in accordance with the Annual Accounts Act ((SFS 1995:1554) Chapter 6, Sections 6 and 8) and the Swedish Corporate Governance Code.

The report has been reviewed by Ericsson's auditor in accordance with the Annual Accounts Act.

A report from the auditor is appended here to.

Corporate Governance report 2021

Corporate governance describes how rights and responsibilities are distributed among corporate bodies according to applicable laws, rules and internal processes. Corporate governance also defines the decision-making systems and structures through which owners directly or indirectly control a company.

“For the Board, governance and compliance are a top priority. The Board oversees Ericsson’s continued strengthening of its Ethics and Compliance program to ensure that it lives up to its ambitious standards. The Company is committed to continuously developing and improving its internal processes and internal anti-corruption controls in the years to come.

The Code of Business Ethics outlines the fundamental ethical principles and expectations for Ericsson’s business decisions and integrity. The Board fully supports the addition of integrity to the Company’s core values of respect, professionalism, and perseverance, as it clearly strengthens the Company’s ongoing cultural transformation and reflects Ericsson’s strong ambition to build an integrity-based “speak-up” culture.”

Ronnie Leten
Chair of the Board

Regulation and compliance

External rules

As a Swedish public limited liability company with securities quoted on Nasdaq Stockholm as well as on NASDAQ New York, Ericsson is subject to a variety of rules that affect its governance. Some relevant external rules applicable to Ericsson's governance include:

- The Swedish Companies Act
- Applicable EU regulations
- The Nordic Main Market Rulebook for Issuers of Shares, Nasdaq Nordic
- The Swedish Corporate Governance Code (the Code)
- The NASDAQ Stock Market Rules, including applicable NASDAQ New York corporate governance requirements (subject to certain exemptions principally reflecting mandatory Swedish legal requirements)
- Applicable requirements of the US Securities and Exchange Commission (SEC).

Internal rules

In addition, to ensure compliance with legal and regulatory requirements and the high standards that Ericsson has set, Ericsson has adopted internal rules that include:

- The Code of Business Ethics
- Group Steering Documents, including Group policies and directives, instructions and business processes for approval, control and risk management
- The Code of Conduct for Business Partners

The articles of association and the work procedure for the Board of Directors also include internal corporate governance rules.

Sustainability and corporate responsibility governance

Ericsson's approach to sustainability and corporate responsibility is an integral part of the Company's strategy and culture and is embedded across its operations to drive

business transformation and create value for stakeholders.

The environmental, social and economic performance of the Company is regularly measured, assessed and externally assured. A dedicated Sustainability and Corporate Responsibility unit is accountable for developing and implementing relevant strategies, policies, steering documents, targets and processes.

The Board of Directors oversees the Company's sustainability and corporate responsibility strategy. The Board receives reports on risks and performance annually, or more often as needed.

Ericsson has prepared a separate Sustainability Report in accordance with the Swedish Annual Accounts Act, named the Sustainability and Corporate Responsibility Report 2021.

Compliance with regulations

Compliance with the Swedish Corporate Governance Code

The Code is based on the principle of "comply or explain" and is published on the website of the Swedish Corporate Governance Board, which administers the Code: www.corporategovernanceboard.se. Ericsson does not report any deviations from the rules of the Code in 2021.

Compliance with applicable stock exchange rules

There has been no infringement by Ericsson of applicable stock exchange rules and no breach of good practice on the securities market reported by the disciplinary committee of Nasdaq Stockholm or the Swedish Securities Council in 2021.

2019 Resolutions with US Authorities

In 2019, Ericsson announced the resolution of investigations by the US Department of Justice (DOJ) and the Securities and Exchange Commission (SEC) regarding the Company's compliance with the US Foreign Corrupt Practices Act (FCPA). As part of the Deferred Prosecution Agreement (DPA) with the DOJ and consent judgment with the SEC, Ericsson agreed to engage an independent compliance monitor for a period of three years while the Company continues to undertake significant reforms to strengthen its Ethics & Compliance Program. In 2020, the three-year period for the monitorship commenced with the appointment of Dr. Andreas Pohlmann of the firm Pohlmann & Company – Compliance and Governance Advisory LLP as Ericsson's monitor. The monitor's main responsibilities include reviewing Ericsson's compliance with the terms of the resolution and evaluating the Company's progress in implementing and operating its enhanced compliance program and accompanying controls as

well as providing recommendations for improvements.

On October 21, 2021 Ericsson received correspondence from the DOJ stating its determination that the Company had breached its obligations under the DPA by failing to provide certain documents and factual information. At this time we cannot provide further details about the determination by the DOJ and cannot predict the outcome of the resolution of this matter. Ericsson has taken steps to avoid a recurrence of the issues that led to the breach determination. Ericsson is committed to cooperating openly and fully with the DOJ and its Independent Compliance Monitor consistent with all terms set out in the DPA.

The Code of Business Ethics

Ericsson's newly revised and enhanced Code of Business Ethics (COBE), launched in 2021, outlines the Company's fundamental ethical principles and expectations. COBE is designed to ensure that the Company pursues business with a strong sense of integrity and reflects

the Company's commitment to conducting business responsibly, consistent with all internationally recognized human rights principles and the applicable laws and regulations where the Company operates.

COBE is applicable to all individuals performing work for Ericsson and under its control (including employees, the Board of Directors, the President and CEO, and consultants and contractors) and has been translated into 43 languages to ensure that it is understood by all. Everyone working for the Company has an individual responsibility to ensure that their business practices adhere to COBE.

The Company reviews and updates COBE's content periodically, and runs an acknowledgment process regularly, including during 2021, to ensure that everyone working for Ericsson has read and understood it. New employees and individuals starting work for Ericsson are also required to acknowledge their understanding of COBE upon their recruitment or on the first day of their assignment.

Ericsson's core values

Professionalism	Respect
Perseverance	Integrity

The Company's core values are the foundation of its culture. They guide employees' daily work, in how they relate to each other and the world around them and in the way the Company does business.

The Code of Business Ethics and the Code of Conduct for Business Partners can be found on Ericsson's website.

Governance structure

Shareholders may exercise their decision-making rights in Telefonaktiebolaget LM Ericsson (the "Parent Company") at General Meetings of shareholders.

A Nomination Committee is appointed each year by the major shareholders in accordance with the Instruction for the Nomination Committee adopted by the Annual General Meeting of shareholders. The tasks of the Nomination Committee include the proposal of Board members and external auditor for election by the Annual General Meeting of shareholders and proposal of Board member and auditor remuneration.

In addition to the Board members elected by shareholders, the Board of Directors consists of employee representatives and their deputies who the unions have the right to appoint under Swedish law. The Board of Directors is ultimately responsible for the strategy and the organization of Ericsson and the management of its operations.

The President and CEO, appointed by the Board of Directors, is responsible for handling the day-to-day management of Ericsson in accordance with guidelines issued by the Board. The President and CEO is supported by the Executive Team.

The external auditor of Ericsson is appointed by the shareholders at the General Meeting of shareholders.

Ownership structure

As of December 31, 2021, the Parent Company had 423,904 registered shareholders, of which 411,093 were resident or located in Sweden (according to the share register kept by Euroclear Sweden AB). Swedish institutions held approximately 58.66% of the votes. The largest shareholders as of December 31, 2021 were Investor AB with approximately 23.79% of the votes (8.00% of the shares) and AB Industrivärden (together with Svenska Handelsbankens Pensionsstiftelse and Pensionskassan SHB Tjänstepensionsförening) with approximately 15.45% of the votes (2.95% of the shares) and AMF Tjänstepension & AMF Fonder with approximately 4.36% of the votes (1.87% of the shares).

A significant number of the shares held by foreign investors are nominee-registered, i.e., held of record by banks, brokers and/or nominees. This means that the actual shareholder is not displayed in the share register or included in the shareholding statistics.

More information on Ericsson's shareholders can be found in the chapter "The Ericsson share" in the Financial Report.

Shares and voting rights

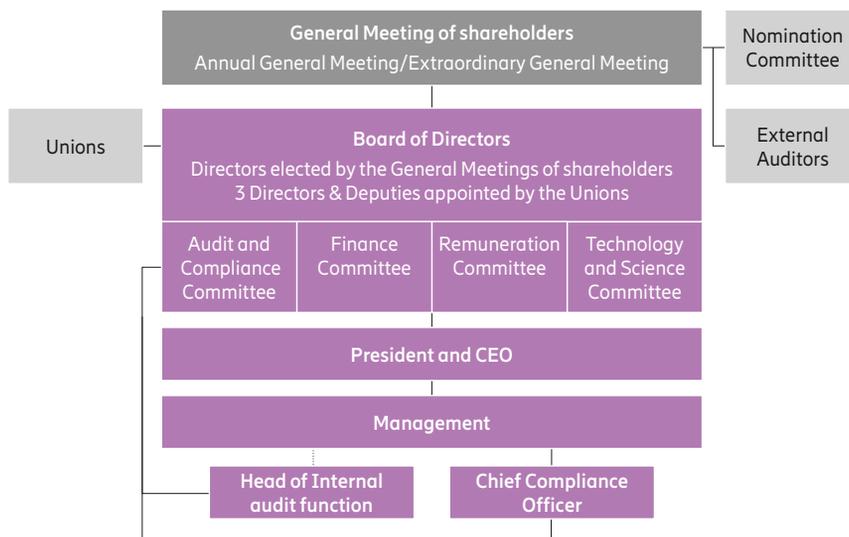
The share capital of the Parent Company consists of two classes of shares listed on Nasdaq Stockholm: A and B shares. Each Class A share carries one vote, and each Class B share carries one tenth of one vote. Class A and B shares entitle the holder to the same proportion of assets and earnings and carry equal rights to dividends.

The Parent Company may also issue Class C shares, which are converted into Class B shares to create treasury stock to finance and hedge long-term variable compensation programs resolved by the General Meeting of shareholders.

In the US, the Ericsson Class B shares are listed on NASDAQ New York in the form of American Depositary Shares (ADS) evidenced by American Depositary Receipts (ADR). Each ADS represents one Class B share.

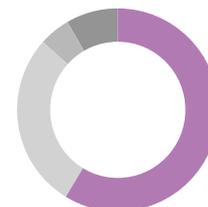
The members of the Board of Directors and the Executive Team have the same voting rights on shares as other shareholders holding the same class of shares.

Governance structure



Shareholders

Ownership percentage (voting rights)



Swedish institutions:	58.66%
Of which:	
– Investor AB:	23.79%
– AB Industrivärden: (together with SHB Pensionsstiftelse and Pensionskassan SHB Tjänstepensionsförening)	15.45%
– AMF Tjänstepension & AMF Fonder:	4.36%
Foreign institutions:	28.23%
Swedish retail investors:	5.02%
Others:	8.09%

Source: Nasdaq

General Meetings of shareholders

Decision-making at General Meetings

The decision-making rights of Ericsson's shareholders are exercised at General Meetings of shareholders. Most resolutions at General Meetings are passed by a simple majority. However, the Swedish Companies Act requires qualified majorities in certain cases, for example in case of:

- Amendment of the articles of association
- Resolution to transfer treasury stock to employees participating in long-term variable compensation programs.

The Annual General Meeting of shareholders

The Annual General Meeting of shareholders (AGM) is held in Stockholm. The date and venue for the meeting are announced on the Ericsson website no later than at the time of release of the third-quarter interim financial report in the preceding year.

Shareholders who cannot participate in person may be represented by proxy. The Board of Directors may decide, in accordance with the articles of association, that the shareholders also shall be able to exercise their voting rights by post before the AGM pursuant to the procedure stated in the Swedish Companies Act. Only shareholders registered in the share register have voting rights. Nominee-registered shareholders who wish to vote must request to be entered into the share register by the record date for the AGM.

The AGM is held in Swedish and is simultaneously translated into English.

Documentation provided by the Company is available in both Swedish and English.

The AGM gives shareholders the opportunity to raise questions relating to the operations of the Group. Normally, the majority of the members of the Board of Directors and the Executive Team is present to answer such questions.

The external auditor is present at the AGM.

Ericsson's AGM 2021

Including shareholders represented by proxy, 1,890 shareholders were represented at the AGM held on March 30, 2021 representing approximately 67% of the votes.

Due to the COVID-19 pandemic, the AGM 2021 was conducted without the physical presence of shareholders, representatives and third parties and the shareholders were able to exercise their voting rights only by post before the meeting. This in line with section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. To allow shareholders to listen to management and ask questions, the Company also held an on-line shareholder event before the voting deadline.

Decisions of the AGM 2021 included:

- Payment of a dividend of SEK 2.00 per share to be paid in two instalments
- Re-election of Ronnie Leten as Chair of the Board of Directors
- Re-election of other members of the Board of Directors: Jon Fredrik Baksaas, Jan Carlson, Eric A. Elzvik, Nora Denzel, Börje Ekholm, Kurt Jofs, Kristin S. Rinne, Helena Stjernholm and Jacob Wallenberg

- Approval of Board of Directors' fees, in accordance with the Nomination Committee's proposal:
 - Chair: SEK 4,225,000 (previously SEK 4,075,000)
 - Other non-employee Board members: SEK 1,060,000 each (previously SEK 1,020,000)
 - Chair of the Audit and Compliance Committee: SEK 420,000 (previously SEK 400,000)
 - Other non-employee members of the Audit and Compliance Committee: SEK 270,000 each (previously SEK 250,000)
 - Chairs of the Finance Committee, the Remuneration Committee and the Technology and Science Committee: SEK 205,000 each (previously SEK 200,000)
 - Other non-employee members of the Finance Committee, the Remuneration Committee and the Technology and Science Committee: SEK 180,000 each (previously SEK 175,000)
- Approval for part of the Directors' fees to be paid in the form of synthetic shares
- Appointment of Deloitte AB as auditor for the period up until the end of the AGM 2022
- Amendment of the articles of association
- Implementation of a Long-Term Variable Compensation Program 2021 (LTV 2021) for the Executive Team.

The minutes from the AGM 2021 are available on Ericsson's website.

Contact the Board of Directors

Telefonaktiebolaget LM Ericsson
The Board of Directors Secretariat
SE-164 83 Stockholm
Sweden
boardsecretariat@ericsson.com

Annual General Meeting 2022

Ericsson's AGM 2022 will take place on March 29, 2022. Further information is available on Ericsson's website.

Nomination Committee

The AGM has adopted an Instruction for the Nomination Committee that includes the tasks of the Nomination Committee and the procedures for appointing its members. The Instruction applies until the General Meeting of shareholders resolves otherwise. Under the Instruction, the Nomination Committee shall consist of:

- Representatives of the four largest shareholders by voting power by the end of the month in which the AGM was held, and
- The Chair of the Board of Directors.

The Committee may also include additional members following a request by a shareholder. The request must be justified by changes in the shareholder's ownership of shares and be received by the Nomination Committee no later than December 31 of each year. No fees are paid to the members of the Nomination Committee. However, the Company shall bear the reasonable expenses reasonably related to the assignment of the Nomination Committee.

Members of the Nomination Committee

The current Nomination Committee members are:

- Johan Forssell (Investor AB), Chair of the Nomination Committee
- Karl Åberg (AB Industrivärden)
- Anders Oscarsson (AMF Tjänstepension & AMF Fonder)
- Jonas Synnergren (Cevian Capital Partners Limited)
- Ronnie Leten (the Chair of the Board of Directors).

The tasks of the Nomination Committee

The main task of the Nomination Committee is to propose Board members for election by the AGM. As member of the Nomination Committee, the Chair of the Board of Directors fulfills an important role to inform the Committee of the Company's strategy and future challenges. Such insights are necessary for the Committee to be able to assess the competence and experience that is required

by the Board. In addition, the Committee must consider independence rules applicable to the Board of Directors and its committees.

The Nomination Committee also makes the following proposals, for resolution by the AGM:

- Remuneration to non-employee Directors elected by the AGM and remuneration to the auditor
- Appointment of auditor, whereby candidates are selected in cooperation with the Audit and Compliance Committee of the Board
- Election of Chair at the AGM
- Changes to the Instruction for the Nomination Committee (if any).

Work of the Nomination Committee for the AGM 2022

The Nomination Committee started its work by going through a checklist of its duties under the Code and the Instruction for the Nomination Committee and by setting a time plan for its work ahead. The complete proposals of the Nomination Committee are presented in connection with the notice convening the AGM 2022.

A good understanding of Ericsson's business and strategy is important for the Nomination Committee. Therefore, the Chair of the Board presented his views to the Committee on the Company's strategy and challenges. The Committee also met with Ericsson's President and CEO, Börje Ekholm, who presented his views in this respect.

The Committee has analysed the needs of competencies in the Board and has been informed of the results of the Board work evaluation led by the Chair of the Board. On this basis the Nomination Committee has assessed the competence and experience required by Ericsson's Board members and the need for improvement of the composition of the Board in terms of diversity in age, gender and cultural/geographic background. The Nomination Committee has applied the Swedish Corporate Governance Code, section 4.1, as diversity policy. The Nomination Committee aims to propose a composition

of Board members with complementing experiences and competencies to make it possible for the Board to contribute to a positive development of Ericsson. The Nomination Committee searches for potential Board member candidates both with a long-term and a short-term perspective and always focuses on diversity to ensure that the Board is provided with different perspectives into the Board work and considerations. The Nomination Committee also considers the need for renewal and carefully assesses whether the proposed Directors have the capability to devote necessary time and care to the Board work.

In 2021, the Committee met with the Chair of the Audit and Compliance Committee to acquaint itself with the assessments made by the Company and the Audit and Compliance Committee of the quality and efficiency of external auditor work. The Audit and Compliance Committee also provided its recommendations on external auditor and audit fees.

As of February 22, 2022, the Nomination Committee has held four meetings.

Board of Directors

The Board of Directors is ultimately responsible for the organization of Ericsson and the management of Ericsson's operations. The Board appoints the President and CEO who is responsible for managing the day-to-day operations in accordance with guidelines from the Board. The President and CEO ensures that the Board is updated regularly on issues of importance to Ericsson. This includes updates on business development, results, financial position and liquidity.

Directors serve from the close of one AGM to the close of the next, but can serve any number of consecutive terms.

The President and CEO may be elected a Director of the Board but may not be elected Chair of the Board under the Swedish Companies Act.

Contact the Nomination Committee

Telefonaktiebolaget LM Ericsson
The Nomination Committee
c/o The Board of Directors Secretariat
SE-164 83 Stockholm
Sweden
nomination.committee@ericsson.com

Proposals to the Nomination Committee

Shareholders may submit proposals to the Nomination Committee at any time but should do so in due time before the AGM to ensure that the proposals can be considered by the Committee. Further information is available on Ericsson's website.

Conflicts of interest

Ericsson maintains rules and regulations regarding conflicts of interest. Directors are disqualified from participating in any decision regarding agreements between themselves and Ericsson. The same applies to agreements between Ericsson and any third party or legal entity in which the Board member has an interest that may be contrary to the interests of Ericsson.

The Audit and Compliance Committee oversees the procedures for related-party transactions. The Committee has also implemented a pre-approval process for non-audit services carried out by the external auditor.

Composition of the Board of Directors and diversity

The current Board of Directors consists of ten Directors elected by the shareholders at the AGM 2021 for the period until the close of the AGM 2022. The Board of Directors also consists of three employee representatives and two deputies, appointed by the trade unions for the same period of time.

The Nomination Committee advised before the AGM 2021 that the Nomination Committee had applied the Swedish Corporate Governance Code, section 4.1, as diversity policy with the aim to propose a composition of Board members with complementing experiences and competencies that is diverse also in terms of age, gender and cultural/geographical background. The current Board composition is the result of the work of the Nomination Committee prior to the AGM 2021. The Board consists of Board members with experiences from different cultural/geographic areas, competencies from

different industry sectors and, excluding the President and CEO, 33% of the shareholder elected Board members are women.

Work procedure

In accordance with the Swedish Companies Act, the Board of Directors has adopted a work procedure for the Board and its Committees outlining rules for the distribution of tasks among the Board, its Committees and the President and CEO. This complements the rules in the Swedish Companies Act and in the articles of association of the Company. The work procedure is reviewed, evaluated and amended by the Board as required or appropriate, and is adopted by the Board at least once a year.

Independence

The Board of Directors and its Committees are subject to a variety of independence rules under applicable Swedish law, the Code and applicable US securities laws, SEC rules and the NASDAQ Stock Market Rules. Ericsson can rely on exemptions from certain US and SEC requirements and may decide to follow Swedish practices in lieu of the NASDAQ Stock Market independence rules.

The composition of the Board of Directors meets all applicable independence criteria. The Nomination Committee concluded before the AGM 2021 that, for purposes of the Code, at least six of the nominated Directors were independent from Ericsson, its senior management and its major shareholders. These were Jon Fredrik Baksaas, Jan Carlson, Nora Denzel, Eric A. Elzvik, Kurt Jofs and Kristin S. Rinne.

At Board meetings where the Board members meet in person, a non-executive

session is normally held without Ericsson management present.

Structure of the work of the Board of Directors

The work of the Board follows a yearly cycle. This enables the Board to appropriately address each of its duties and to keep strategy, risk assessment and value creation high on the agenda.

As the Board is responsible for financial oversight, financial information is presented and evaluated at Board meetings. Furthermore, the Chair of each Committee reports on Committee work at Board meetings and minutes from the Committee meetings are made available to all Directors.

At Board meetings, the President and CEO reports on business and market developments as well as on the financial performance of the Group. Strategic issues and risks are also addressed at most Board meetings. The Board is regularly informed of developments in legal and regulatory matters of importance. Board and Committee meetings may, as appropriate, be held by way of telephone or video conference, and resolutions may be taken per capsulam (unanimous written consent). Such resolutions are accounted for as Board/Committee meetings. During 2021, most of the Board meetings have been held by way of video conference due to the COVID-19 pandemic.

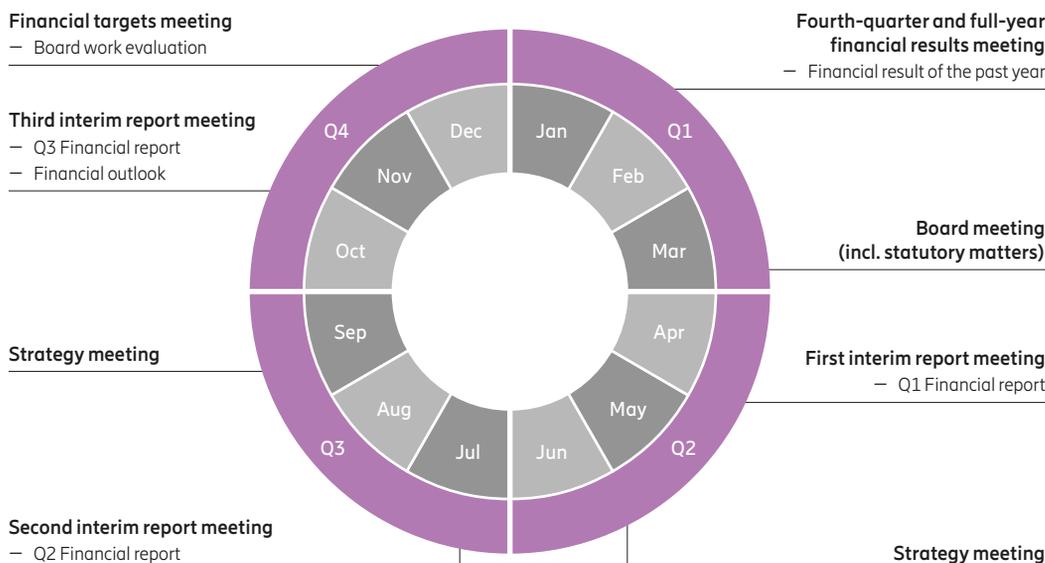
The 2021 annual work cycle of the Board

– Fourth-quarter and full-year financial results meeting

Following the end of the calendar year, the Board held a meeting which focused on the

The Board's annual work cycle 2021

The annual cycle applied to the Board's work allows the Board to appropriately address its duties during the year. It also facilitates the organization in aligning its global processes to allow appropriate Board involvement.



financial results of the entire year 2020 and handled the fourth-quarter financial report.

- **Board meeting (incl. statutory matters)**
A Board meeting was held in connection with the AGM 2021. Members of each of the Board Committees were appointed and the Board resolved on signatory powers.
- **First interim report meeting**
At the first interim report meeting, the Board addressed the interim financial report for the first quarter of the year.
- **Strategy meeting**
A Board meeting was held to address particular strategic matters in further detail.
- **Second interim report meeting**
At the second interim report meeting, the Board addressed the interim financial report for the second quarter of the year.
- **Strategy meeting**
A Board meeting was held, in essence dedicated to short-term and long-term strategies of the Group, with particular focus on merger & acquisitions.
- **Third interim report meeting**
At the third interim report meeting, the Board addressed the interim financial report for the third quarter of the year and the financial outlook.
- **Financial targets meeting**
A Board meeting was held, e.g., for the Board to address the financial targets. At this meeting, the results of the Board evaluation were presented to and discussed by the Board.

Training

New Directors receive training tailored to their individual needs. Introductory training typically includes meetings with heads of business areas and Group functions, as well as training required by Nasdaq Stockholm on listing issues and insider rules.

The Board's strategy discussions are usually combined with deep dives into issues of importance for the Ericsson Group, including business area and market area deep dives.

Directors' knowledge in these fields is crucial to allow well-founded Board resolutions, and to ensure that the Company takes due advantage of the different competencies of the Directors.

During 2021, the Board has had deep dives into topics such as ethics and compliance and the regulatory landscape.

Auditor involvement

At the AGM 2021, Deloitte AB was reappointed external auditor.

The Board meets with Ericsson's external auditor in closed sessions at least once a year to receive and consider the auditor's observations. The auditor provides reports to management on the accounting and financial reporting of the Group.

The Audit and Compliance Committee also meets regularly with the auditor to receive and consider observations on the interim reports and the Annual Report. The auditor reports on whether the accounts, the management of funds and the general financial position of the Group are presented fairly in all material respects.

In addition, the Board reviews and assesses the process for financial reporting, as described on page 25 under Internal control over financial reporting. Combined with other steps taken internally, the Board's and the auditor's review of the interim and annual reports are deemed to give reasonable assurance of the effectiveness of the internal controls over financial reporting.

Work of the Board of Directors in 2021

In 2021, 18 Board meetings were held. For attendance at Board meetings, see the table on page 11. In addition to the Board meetings held as a part of the annual work cycle of the Board, the Board receives information updates, in writing or in telephone meetings, as deemed appropriate.

Business strategy, ethics and compliance, geopolitics, cyber security and mergers and

acquisitions, are among the matters that have been in focus within the Board during the year. Compliance, strategy and risk management are always high on the Board's agenda as well as sustainability and corporate responsibility, which are integrated into the business strategy. The Board continuously monitors international developments and their possible impact on Ericsson.

Board work evaluation

A key objective of the Board work evaluation is to ensure that the Board work is functioning well. This includes gaining an understanding of the issues that the Board thinks warrant greater focus, as well as determining areas where additional competence is needed within the Board and whether the Board composition is appropriate. The evaluation also serves as guidance for the work of the Nomination Committee.

Each year, the Chair of the Board initiates and leads the evaluation of the Board and Committee work and procedures. Evaluation tools include detailed questionnaires and discussions. The services of an external corporate advisory firm have been retained by the Company to assist in developing questionnaires, carrying out surveys and summarizing responses.

In 2021, Directors responded to a written questionnaire covering the Board work in general as well as the work of the Chair of the Board, the Audit and Compliance Committee, the Finance Committee, the Remuneration Committee and the Technology and Science Committee. In addition, each Director responded to a questionnaire on the Director's individual performance. As part of the evaluation process, the Chair of the Board also had individual discussions with each of the Directors. The results from the evaluations were presented to the Board and were thoroughly discussed. The Nomination Committee was informed of the results of the Board work evaluation.

Organization of the Board work

Number of Committee members as of December 31, 2021

Board of Directors 13 Directors			
Audit and Compliance Committee (4 Directors) Oversight of financial reporting Oversight of internal control Oversight of auditing Oversight of the Group's Ethics & Compliance program	Finance Committee (4 Directors) Finance strategy	Remuneration Committee (4 Directors) Guidelines for remuneration to Group management Long-Term Variable Remuneration Executive remuneration	Technology and Science Committee (5 Directors) Technology strategy and planning Technology ecosystem and partnerships Science direction

Committees of the Board of Directors

The Board of Directors has currently established four Committees: the Audit and Compliance Committee, the Finance Committee, the Remuneration Committee and the Technology and Science Committee. Members of each Committee are appointed for one year from among the Board members.

The main task of the Committees is to prepare matters for resolution by the Board. However, the Board has authorized each Committee to determine and handle certain issues in limited areas. It may also on occasion provide extended authorization for the Committees to determine specific matters. If deemed appropriate, the Board of Directors and each Committee have the right to engage independent external expertise, either in general or with respect to specific matters.

The minutes from the Committee meetings are made available to all Directors and the Chair of the Committee reports on the work of the Committee at Board meetings.

Audit and Compliance Committee

On behalf of the Board, the Audit and Compliance Committee monitors the following:

- The scope and accuracy of the financial statements
- Compliance with material legal and regulatory requirements
- Internal control over financial reporting
- Risk management
- The effectiveness and appropriateness of the Group's compliance programs including the Ethics & Compliance (E&C) Program.

The Audit and Compliance Committee also reviews the annual and interim financial reports and oversees the external audit process. In order to ensure the auditor's independence, there are pre-approval policies and procedures in place for audit and non-audit related services to be performed by the

external auditor. Pre-approval authority may not be delegated to management.

The Audit and Compliance Committee itself does not perform audit work. The Head of Ericsson's internal audit function reports directly to the Audit and Compliance Committee.

Ericsson's external auditor is appointed by the shareholders at the AGM. The Committee is involved in the preparatory work for the Nomination Committee to propose external auditor for appointment at the AGM. It also monitors the ongoing performance and independence of the auditor with the aim to avoid conflicts of interest.

The Audit and Compliance Committee oversees matters relating to compliance risk, and regularly receives reporting on compliance related matters from the Chief Legal Officer, the Chief Compliance Officer and the Head of Corporate Investigations. The Chief Legal Officer has a direct reporting line to the Audit and Compliance Committee on compliance matters that fall outside the scope of the E&C Program, and on the holistic management of legal, compliance, ethical and associated reputational risks arising in the Company's operations. The Chief Compliance Officer has a further independent reporting line to the Committee on the areas of the E&C Program (defined as the areas of ethics, anti-bribery and -corruption, conflicts of interests, anti-money laundering and competition law). The Chief Compliance Officer regularly reports to the Committee on the effective operation of the E&C Program, including information of actual or suspected serious Code of Business Ethics (COBE) violations, insights from investigations outcomes and remediation activities, the identification of patterns of failures, and emerging risks and changes in the legal and regulatory environment. The Head of Corporate Investigations has an extraordinary reporting line to the Committee in the event s(he) is impeded or obstructed in fulfilling his/her duties.

The Audit and Compliance Committee also oversees Ericsson's process for reviewing transactions with related parties and Ericsson's whistleblower procedures. Further, the Audit and Compliance Committee reviews the Group's handling of information and cyber security as well as data privacy, and the Group's environmental, social and governance (ESG) reporting and performance.

On an annual basis, the Audit and Compliance Committee receives training on topics of special relevance to the Committee, within areas such as finance, legal, compliance and cyber security. During 2021, the Committee received training on several topics including anti-corruption and competition law.

Reporting Compliance Concerns

Ericsson provides employees and other external stakeholders a dedicated communication channel for reporting compliance concerns – the Ericsson Compliance Line. The Ericsson Compliance Line is operated by a third party and it is available 24/7, 365 days per year, enabling people to report from multiple countries and in many languages. Employees and external stakeholders are encouraged to report conduct that could violate the law, Ericsson's policies including COBE and related steering documents or the Ericsson Code of Conduct for Business Partners. Such conduct may relate to corruption, fraud, questionable accounting, deficiencies in the internal controls, auditing, environmental, occupational health and safety, human right matters, workplace respect and fairness or other matters that could constitute a breach of law, or that could harm the sustainability or reputation of Ericsson, its employees and shareholders.

Ericsson's Allegation Management Office is responsible for the overall management process from the time an allegation of a potential compliance violation is reported to the remediation of any such substantiated violation. Corporate Investigations is responsible for ensuring that all plausible allegations

Members of the Committees as of December 31, 2021

Members of the Committees of the Board of Directors

Audit and Compliance Committee	Finance Committee	Remuneration Committee	Technology and Science Committee
Eric A. Elzvik (Chair) Jan Carlson Kurt Jofs Torbjörn Nyman	Ronnie Leten (Chair) Anders Ripa Helena Stjernholm Jacob Wallenberg	Jon Fredrik Baksas (Chair) Kurt Jofs Ronnie Leten Kjell-Åke Soting	Kristin S. Rinne (Chair) Jan Carlson Nora Denzel Kurt Jofs Anders Ripa

of potential compliance violations assigned to Corporate Investigations are appropriately investigated and for oversight of investigations that it delegates to other Ericsson units (e.g., Security, People) or to external third-party investigators. Group-relevant allegations reported through the Ericsson Compliance Line and other channels are reported to the Audit and Compliance Committee.

To respond to the coming into force of the EU Directive on Whistleblower Protection, and its transposition into Swedish and other local laws, Ericsson has enhanced its internal processes and is further analyzing the impact on its current allegation management process to meet further requirements entering into force during 2022.

More information on reporting compliance concerns can be found on page 18 of the Sustainability and Corporate Responsibility report.

Members of the Audit and Compliance Committee

The Audit and Compliance Committee consists of four Board members appointed by the Board in connection with the AGM 2021: Eric A. Elzvik (Chair), Jan Carlson, Kurt Jofs, and Torbjörn Nyman (employee representative). The Board has appointed shareholder elected Board members with CFO or CEO experience to the Committee.

The composition of the Audit and Compliance Committee meets all applicable independence requirements, including the conditions for reliance on an exemption for employee representatives. The Board of Directors has determined that each of Eric A. Elzvik, Jan Carlson and Kurt Jofs is an "audit committee financial expert", as defined under the SEC rules and regulations, and that each of them qualifies as financially sophisticated under the applicable Nasdaq listing rules and are familiar with the accounting practices of an international company, such as Ericsson.

Work of the Audit and Compliance Committee in 2021

The Audit and Compliance Committee held eleven meetings in 2021. Directors' attendance is reflected in the table on page 11. During the year, the Audit and Compliance Committee reviewed the scope and results of external financial audits and the independence of the external auditor. Prior to publishing, the Committee also reviewed and discussed each interim report and the annual report with the external auditor. The Committee also monitored the external audit fees and approved non-audit-services performed by the external auditor in accordance with such policies and procedures.

The Committee approved the audit plan for the internal audit function based on among other things the annual risk assessment, and reviewed the reports of the internal audit function. The Committee also received and reviewed updates and reports to the Ericsson Compliance Line and from other internal reporting channels including updates on on-going investigations within the Group.

The Committee monitored the continued compliance with the Sarbanes-Oxley Act as well as the internal control and risk management process and monitored and evaluated the effectiveness and appropriateness of Ericsson's E&C Program.

Finance Committee

The Finance Committee is responsible for preparing for resolution by the Board, matters related to the finance strategy such as capital structure, capital targets, rating strategy and treasury operations.

Members of the Finance Committee

The Finance Committee consists of four Board members appointed by the Board in connection with the AGM 2021: Ronnie Leten (Chair), Anders Ripa (employee representative), Helena Stjernholm and Jacob Wallenberg. The Board has appointed shareholder elected Board members with extensive industrial and financial experience to the Committee.

Work of the Finance Committee in 2021

The Finance Committee held four meetings in 2021. Directors' attendance is reflected in the table on page 11. During 2021, the Finance Committee assessed the Company's financial strength and balance-sheet as well as reviewed the finance strategy including capital structure, capital targets, rating strategy and treasury operations.

Remuneration Committee

The Remuneration Committee's responsibilities include:

- Reviewing and preparing, for resolution by the Board, proposals on salary and other remuneration, including retirement compensation, for the President and CEO
- Reviewing and preparing, for resolution by the Board, proposals to the AGM on Guidelines for remuneration to the Executive Team
- Reviewing and preparing, for resolution by the Board, proposals to the AGM on the Long-Term Variable Compensation Program (LTV) and similar equity arrangements
- Approving proposals on salary and other remuneration, including retirement compensation, for the members of the Executive Team (other than the President and CEO)

- Approving proposals on target levels for the short-term variable compensation (STV) for the members of the Executive Team (other than the President and CEO)
- Approving pay-out of the STV for the members of the Executive Team members (other than the President and CEO), based on achievements and performance.

In its work, the Remuneration Committee considers trends in remuneration, legislative changes, disclosure rules and the general global executive remuneration environment. It reviews salary survey data before preparing salary adjustment recommendations for the President and CEO for resolution by the Board and before approving any salary adjustments for the other members of the Executive Team.

Members of the Remuneration Committee

The Remuneration Committee appointed by the Board in connection with the AGM 2021 consists of four Board members: Jon Fredrik Baksas (Chair), Kurt Jofs, Ronnie Leten and Kjell-Åke Soting (employee representative). The Board has appointed shareholder elected Board members to the Committee with experiences from different markets of relevance to the Group.

During the year 2021, Peter Boreham from Mercer advised and assisted the Remuneration Committee as an independent expert.

Work of the Remuneration Committee in 2021

The Remuneration Committee held eight meetings in 2021. Director's attendance is reflected in the table on page 11.

The Remuneration Committee reviewed and prepared a proposal for LTV 2021 for the Executive Team, for resolution by the Board and further approval by the AGM 2021. It further resolved on salaries and STV 2021 for the members of the Executive Team (other than the President and CEO), reviewed the vesting results for LTV 2018 and result of the 2020 EBIT (Group operating income) performance condition for LTV 2020, and prepared proposals regarding remuneration to the President and CEO for resolution by the Board. It reviewed the implementation of Guidelines for remuneration to the Executive Team in 2021 and resolved not to propose any changes for resolution by the Board. It also proposed the Remuneration Report 2020 to be approved by the Board and subsequently referred to the AGM 2021 for adoption.

During the latter part of 2021 the Remuneration Committee reviewed the current LTV structure and executive remuneration, including the integration of environmental, social and governance (ESG) performance measures to executive remuneration, along

with 2022 targets for STV for the members of the Executive Team (other than the President and CEO) and the Remuneration Report 2021. The resulting proposals on LTV 2022 and the Remuneration Report will be referred to the AGM 2022 for approval.

For further information on fixed and variable remuneration, please see Notes to the consolidated financial statements – note G2 Information regarding members of the Board of Directors and Group management and note G3 “Share-based compensation” in the Financial report and the Remuneration report.

Technology and Science Committee

The responsibilities of the Technology and Science Committee include:

- Reviewing and preparing for consideration and/or resolution by the Board, matters related to technology strategy and planning for the Group, monitoring the Group’s technology ecosystem, relationships and partnerships
- Reviewing and preparing for consideration and/or resolution by the Board, matters related to science direction and influence on a geopolitical level.

Members of the Technology and Science Committee

The Technology and Science Committee consists of five Board members appointed by the Board in connection with the AGM 2021: Kristin S. Rinne (Chair), Jan Carlson,

Nora Denzel, Kurt Jofs and Anders Ripa (employee representative). The Board has appointed Board members to the Committee with extensive experience within technology.

Work of the Technology and Science Committee in 2021

The Technology and Science Committee held four meetings in 2021. Directors’ attendance is reflected in the table below. The Technology and Science Committee has during the year reviewed selected focus areas:

- Network evolution
- Semiconductor industry
- Artificial Intelligence
- Cloud and edge technologies
- Energy and sustainability.

Directors’ attendance and fees 2021

Board member	Fees resolved by the AGM 2021		Number of Board/Committee meetings attended in 2021				
	Board fees, SEK ¹⁾	Committee fees, SEK	Board	Audit and Compliance-Committee	Finance Committee	Remun. Committee	Tech. and Science Committee
Ronnie Leten	4,225,000	385,000	18		4	8	
Helena Stjernholm	1,060,000	180,000	18		4		
Jacob Wallenberg	1,060,000	180,000	18		4		
Jon Fredrik Baksaas	1,060,000	205,000	18			8	
Jan Carlson	1,060,000	450,000	18	10			4
Nora Denzel	1,060,000	180,000	18				4
Börje Ekholm	– ²⁾	–	18				
Eric A. Elzvik	1,060,000	420,000	18	11			
Kurt Jofs	1,060,000	630,000	18	11		8	4
Kristin S. Rinne	1,060,000	205,000	18				4
Torbjörn Nyman	27,000 ³⁾	16,500 ³⁾	18	11			
Anders Ripa ⁴⁾	27,000 ³⁾	9,000 ³⁾	18		3		3
Kjell-Åke Sotिंग	27,000 ³⁾	12,000 ³⁾	18			8	
Roger Svensson ⁵⁾	4,500 ³⁾	3,000 ³⁾	3		1		1
Per Holmberg ⁶⁾	21,000 ³⁾	–	14				
Ulf Rosberg ⁷⁾	22,500 ³⁾	–	15				
Loredana Roslund	27,000 ³⁾	–	18				
Total number of meetings			18	11	4	8	4

¹⁾ Non-employee Directors can choose to receive part of their Board fee (exclusive of Committee fees) in the form of synthetic shares.

²⁾ Board member remuneration resolved by the AGM is only for non-employee Directors elected by the shareholders.

³⁾ Employee representative Board members and their deputies are not entitled to a Board fee, but instead get paid compensation in the amount of SEK 1,500 per attended Board and Committee meeting.

⁴⁾ Appointed employee representative Board member as of March 30, 2021 (previously deputy employee representative Board member).

⁵⁾ Resigned as employee representative Board member as of March 30, 2021.

⁶⁾ Resigned as deputy employee representative Board member as of November 3, 2021.

⁷⁾ Appointed deputy employee representative Board member as of March 30, 2021.

Remuneration to Board members

Remuneration to Board members not employed by the Company is proposed by the Nomination Committee for resolution by the AGM.

The AGM 2021 approved the Nomination Committee’s proposal for fees to non-employee Board members for Board and Committee work. For further information on Board of Directors’ fees 2021, please refer to Notes to the consolidated financial statements – note G2 “Information regarding members

of the Board of Directors and Group management” in the Financial Report.

The shareholders at the AGM 2021 also approved the Nomination Committee’s proposal that Board members may be paid part of their Board fee in the form of synthetic shares. A synthetic share gives the right to receive a future cash payment of an amount which corresponds to the market value of a Class B share in Ericsson at the time of payment. The Directors’ right to receive payment with regard to allocated synthetic shares occurs, as a general rule, after the publication of the

Company’s year-end financial statement during the fifth year following the General Meeting that resolved on the allocation of the synthetic shares. The purpose of paying part of the Board of Directors’ fee in the form of synthetic shares is to further align the Directors’ interests with shareholder interests. For more information on the terms and conditions of the synthetic shares, please refer to the notice convening the AGM 2021 and to the minutes from the AGM 2021, which are available at Ericsson’s website.

Members of the Board of Directors

Board members elected by the AGM 2021



Ronnie Leten

Chair of the Board of Directors, Chair of the Finance Committee, Member of the Remuneration Committee

First elected
2018

Born
1956

Education

Master of Science in Applied Economics, University of Hasselt, Belgium.

Nationality
Belgium

Board Chair
Epiroc AB and Piab

Board Member
–

Holdings in Ericsson

100,000 Class B shares ¹⁾, 128,452 call options ²⁾, and 94,954 synthetic shares ³⁾.

Principal work experience and other information

President and CEO of Atlas Copco AB 2009–2017 and various leadership positions within the Atlas Copco Group 1997–2009 and 1985–1995. Previous positions include plant manager of Tenneco Automotive Inc., Belgium, 1995–1997 and various positions within General Biscuits 1979–1985.



Helena Stjernholm

Deputy Chair of the Board of Directors, Member of the Finance Committee

First elected
2016

Born
1970

Education

Master of Business Administration, Stockholm School of Economics, Sweden.

Nationality
Sweden

Board Chair
–

Board Member
AB Industrivärden, AB Volvo and Sandvik AB

Holdings in Ericsson
20,060 Class B shares ¹⁾ and 32,208 synthetic shares ³⁾.

Principal work experience and other information

President and CEO of AB Industrivärden since 2015. Partner in the private equity firm IK Investment Partners (2008–2015), with responsibility for the Stockholm office from 2011 to 2015. Investment Manager at IK Investment Partners (1998–2008). Previous experience as consultant for Bain & Company (1997–1998).



Jacob Wallenberg

Deputy Chair of the Board of Directors, Member of the Finance Committee

First elected
2011

Born
1956

Education

Bachelor of Science in Economics and Master of Business Administration, Wharton School, University of Pennsylvania, USA. Officer of the Reserve, Swedish Navy.

Nationality
Sweden

Board Chair
Investor AB

Deputy Board Chair
ABB Ltd., FAM and Patricia Industries

Board Member
The Knut and Alice Wallenberg Foundation, Wallenberg Investments AB and Nasdaq Inc.

Holdings in Ericsson
427,703 Class B shares ¹⁾ and 48,315 synthetic shares ³⁾.

Principal work experience and other information

Chair of the Board of Investor AB since 2005. President and CEO of SEB in 1997 and Chair of SEB's Board of Directors 1998–2005. Executive Vice President and CFO of Investor AB 1990–1993. Honorary Chair of IBLAC (Mayor of Shanghai's International Business Leaders Advisory Council) and member of the steering committee of the European Round Table of Industrialists, Deputy Chair of the Swedish-American Chamber of Commerce US, member of the International Advisory Board of the Atlantic Council, Washington DC, member of the International Business Council of the World Economic Forum, Trilateral Commission and the Advisory Board of Tsinghua University.



Jon Fredrik Baksaas

Chair of the Remuneration Committee

First elected
2017

Born
1954

Education

Master of Science in Economics, NHH Norwegian School of Economics & Business Administration, Norway.

Nationality
Norway

Board Chair
Statnett SA and DNV GL Group AS

Board Member
Svenska Handelsbanken AB.

Holdings in Ericsson
42,999 synthetic shares ³⁾.

Principal work experience and other information

President and CEO of Telenor Group (2002–2015). Previous positions within the Telenor Group since 1989, including Deputy CEO, CFO and CEO of TBK AS. Positions before Telenor include CFO of Aker AS, finance director of Stolt Nielsen Seaway AS and controller at Det Norske Veritas, Norway and Japan. Member of the GSMA Board (2008–2016) and Chair of the GSMA Board (2014–2016).

The Board memberships and holdings in Ericsson reported above are as of December 31, 2021.

¹⁾ The number of shares and ADS includes holdings by related persons, if applicable.

²⁾ Call options issued by Investor AB entitling to purchase Ericsson Class B shares.

³⁾ Since 2008, the AGM has each year resolved that part of the Board fee may be received in the form of synthetic shares. A synthetic share is a right to receive in the future a payment corresponding to the value of the Class B share in Ericsson at the time of payment. Please see page 11 for further information.



Jan Carlson

Member of the Audit and Compliance Committee and the Technology and Science Committee

First elected
2017

Born
1960

Education

Master of Science degree in Engineering Physics and Electrical Engineering, the University of Linköping, Sweden.

Nationality
Sweden

Board Chair

Autoliv Inc. and Veoneer Inc.

Board Member

–

Holdings in Ericsson
7,900 Class B shares¹⁾ and 48,315 synthetic shares²⁾.

Principal work experience and other information

Chair and President and CEO of Veoneer Inc. since June 2018. President and CEO of Autoliv Inc. 2007–2018 and Chair of Autoliv Inc. since 2014. Previous positions within the Autoliv Group since 1999, including President Autoliv Europe, Vice President Engineering of Autoliv and President Autoliv Electronics. Previous positions include President of Saab Combitech and of Swedish Gate Array.



Nora Denzel

Member of the Technology and Science Committee

First elected
2013

Born
1962

Education

Master of Business Administration, Santa Clara University, USA. Bachelor of Science in Computer Science, State University of New York, USA.

Nationality
USA and Ireland

Board Chair

–

Board Member

Advanced Micro Devices Inc., NortonLifeLock Inc. and SUSE

Holdings in Ericsson
3,850 ADS¹⁾ and 16,102 synthetic shares²⁾

Principal work experience and other information

CEO (interim) of Outerwall Inc. (January 2015–August 2015). Senior Vice President Big Data, Marketing and Social Product Design and General Manager QuickBooks Payroll Division (2008–2012). Previous positions include Senior Vice President and General Manager of HP's Global Software, Storage and Consulting Divisions (2000–2006), Senior Vice President Product Operations Legato Systems (bought by Dell EMC) and various engineering, marketing and executive positions at IBM. Non-Profit board member of the National Association of Corporate Directors (NACD) Northern California Chapter.



Börje Ekholm

President, CEO and Member of the Board

First elected
2006

Born
1963

Education

Master of Science in Electrical Engineering, KTH Royal Institute of Technology, Stockholm, Sweden. Master of Business Administration, INSEAD, France.

Nationality
Sweden and USA

Board Chair

–

Board Member

Alibaba Group and Trimble Inc.

Holdings in Ericsson
260,351 Class B shares, 1,009,000 ADS¹⁾ and 2,000,000 call options³⁾.

Principal work experience and other information

President and CEO of Telefonaktiebolaget LM Ericsson since 2017. CEO of Patricia Industries, a division within Investor AB (2015–2017). President and CEO of Investor AB (2005–2015). Formerly Head of Investor Growth Capital Inc. and New Investments. Previous positions at Novare Kapital AB and McKinsey & Co Inc. Holds honorary Doctorate at KTH Royal Institute of Technology, Sweden. Since 2017, member of the Steering Committee of the World Economic Forum Digital Communication Governors. Member of the Board of the Swedish-American Chamber of Commerce New York.



Eric A. Elzvik

Chair of the Audit and Compliance Committee

First elected
2017

Born
1960

Education

Master of Business Administration, Stockholm School of Economics, Sweden.

Nationality
Sweden and Switzerland

Board Chair

Global Connect Group

Board Member

Landis+Gyr Group AG, AB Volvo and VFS Global

Holdings in Ericsson
10,000 Class B shares¹⁾ and 16,102 synthetic shares²⁾

Principal work experience and other information

CFO and member of the Group Executive Committee of ABB Ltd (2013–2017). Division CFO ABB Discrete Automation & Motion (2010–2012) and division CFO Automation Products Division (2006–2010). Previous positions within the ABB Group since 1984, including senior management positions within finance, mergers & acquisitions and new ventures. Currently, senior industrial advisor to EQT.

The Board memberships and holdings in Ericsson reported above are as of December 31, 2021.

¹⁾ The number of shares and ADS includes holdings by related persons, if applicable.

²⁾ Since 2008, the AGM has each year resolved that part of the Board fee may be received in the form of synthetic shares. A synthetic share is a right to receive in the future a payment corresponding to the value of the Class B share in Ericsson at the time of payment. Please see page 11 for further information.

³⁾ Call options issued by AB Industrivärden (1,000,000 call options) and Investor AB (1,000,000 call options), each entitling the purchase of one Ericsson B share from AB Industrivärden/Investor AB respectively (further information is available in the Notes to the consolidated financial statements – note G2 "Information regarding members of the Board of Directors and Group management" in the Financial Report).

Board members elected by the AGM 2021, cont'd.

**Kurt Jofs**

Member of the Remuneration Committee, the Audit and Compliance Committee and the Technology and Science Committee

First elected
2018

Born
1958

Education
Master of Science in Engineering, Royal Institute of Technology, Stockholm, Sweden.

Nationality
Sweden

Board Chair
–

Board Member
AB Volvo, Feal AB and Arjeplog Hotel Silverhatten AB

Holdings in Ericsson
50,450 Class B shares¹⁾ and 19,378 synthetic shares²⁾.

Principal work experience and other information
Entrepreneur and investor with extensive experience in various industries. Previous positions include Executive Vice President and responsible for Ericsson's Networks business 2003–2008, CEO of Segerström & Svensson 1999–2001. CEO of Linjebuss 1996–1999, and various positions within ABB and Ericsson.

**Kristin S. Rinne**

Chair of the Technology and Science Committee

First elected
2016

Born
1954

Education
Bachelor of Arts, Washburn University, USA.

Nationality
USA

Board Chair
–

Board Member
Synchronoss

Holdings in Ericsson
22,666 synthetic shares²⁾.

Principal work experience and other information
Previously Senior Vice President, Network Technology, Network Architecture & Planning, at AT&T (2007–2014). CTO of Cingular Wireless (2005–2007) and VP Technology & New Product Development of Cingular Wireless (2000–2005). Previous positions within Southwestern Bell and SBC (1976–2000). Trustee of Washburn University Foundation. Member of the Advisory Board of Link Labs.

The Board memberships and holdings in Ericsson reported above are as of December 31, 2021.

¹⁾ The number of shares and ADS includes holdings by related person, if applicable.

²⁾ Since 2008, the AGM has each year resolved that part of the Board fee may be received in the form of synthetic shares. A synthetic share is a right to receive in the future a payment corresponding to the value of the Class B share in Ericsson at the time of payment. Please see page 11 for further information.

Board members and deputies appointed by the trade unions

**Torbjörn Nyman**

Employee representative, Member of the Audit and Compliance Committee

First appointed
2017

Born
1961

Appointed by
LO, the Swedish Trade Union Confederation

Nationality
Sweden

Holdings in Ericsson
33,828 Class B shares ¹⁾.

Employed since
1996
Working as ICT Strategic Product Manager within Business Area Networks.

**Anders Ripa**

Employee representative, Member of the Finance Committee and of the Technology and Science Committee

First appointed
2017

Born
1962

Appointed by
PTK

Nationality
Sweden

Holdings in Ericsson
2,377 Class B shares and 1,708 Class A shares ¹⁾.

Employed since
1998
Working as Security Advisor for Mission Critical Networks within Business Area Networks.

**Kjell-Åke Soting**

Employee representative, Member of the Remuneration Committee

First appointed
2016

Born
1963

Appointed by
PTK

Nationality
Sweden

Holdings in Ericsson
9,107 Class B shares ¹⁾.

Employed since
1996
Working as Global SQA Manager within Business Area Networks.

**Ulf Rosberg**

Employee representative – Deputy

First appointed
2021

Born
1964

Appointed by
PTK

Nationality
Sweden

Holdings in Ericsson
10 Class B shares ¹⁾.

Employed since
1985
Working as System Manager within R&D, Business Area Networks.

**Loredana Roslund**

Employee representative – Deputy

First appointed
2017

Born
1967

Appointed by
PTK

Nationality
Sweden

Holdings in Ericsson
2,271 Class B shares ¹⁾.

Employed since
1994
Working as Project Manager within R&D, Business Area Networks.

Börje Ekholm was the only Director who held an operational management position at Ericsson in 2021. Per Holmberg left his position as deputy Employee representative of the Board of Directors on November 3, 2021.

¹⁾ The number of shares and ADS reflects ownership as of December 31, 2021 and includes holdings by related persons, if applicable.

Management

The President and CEO and the Executive Team

The Board of Directors appoints the President and CEO and the Executive Vice President(s). The President and CEO is responsible for the management of day-to-day operations and is supported by the other members of the Executive Team.

- The role of the Executive Team is to:
- Define Group strategies and policies, drive corporate agenda and establish a strong corporate culture
 - Determine targets for operational units, allocate resources and monitor unit performance
 - Secure operational excellence and realize global synergies through efficient organization of the Group.

The organizational structure includes four business areas, five geographical market areas and a number of supporting group functions.

Business areas are responsible for developing competitive product-led business solutions, including both products and services and for investing in research and development for technology and cost leadership. **Segments** have been defined for financial reporting purposes based on the business areas. See further information in Note B1, "Segment Information" in the Financial Report.

Market areas are responsible for selling and delivering customer solutions. Resources are moved closer to the customers in order to establish leading positions in critical markets.

Group functions are responsible for providing an effective support platform to the market areas and business areas to drive synergies

and align ways of working across units and for driving the corporate agenda.

The Executive Team members as of December 31, 2021, are presented on pages 20–23.

Remuneration to the Executive Team

Guidelines for remuneration to the Executive Team were approved by the AGM 2020. For further information on fixed and variable remuneration, see the Remuneration Report and note G2, "Information regarding members of the Board of Directors and the Group management" in the Financial Report.

The Ericsson Group Management System

Ericsson has a global management system, the Ericsson Group Management System (EGMS). EGMS aims to ensure an adequate and effective management and continual improvement of Ericsson's operations, ensure ISO certification as decided, support effecting Ericsson's core values, contribute to the corporate culture, and ensure that the business is managed:

- To fulfill the objectives of Ericsson's major stakeholders (customers, shareholders, employees)
- Within established risk limits and with reliable internal control (win with integrity)
- In compliance with relevant applicable laws, listing requirements, governance codes and corporate responsibilities.

EGMS is a framework consisting of rules and requirements for Ericsson's business, specified through governance structures, ways of working, processes, organizational descriptions, policies, directives and instructions. The management system is applied in Ericsson's operations globally, and its consistency and

global reach is designed to build trust in the way Ericsson operates. EGMS is founded on ISO 9001 (international standard for quality management systems) but is designed as a dynamic governance system to enable Ericsson to adapt the system to evolving demands and expectations, including new legislation as well as customers' and other stakeholders' requirements. Ericsson implements external requirements only after thorough analysis and after putting them into the Ericsson context.

The main elements of EGMS are:

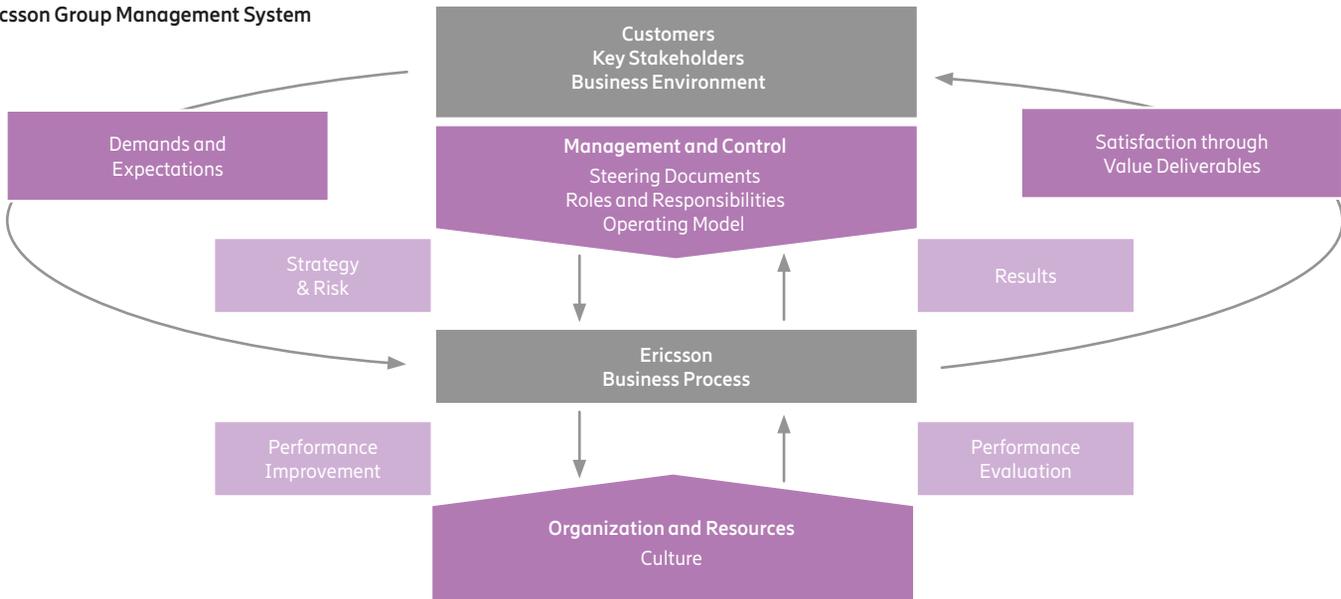
- Management and control
- Ericsson business processes
- Organization and resources, culture.

Management and control

Ericsson's strategy process includes the whole chain from business intelligence and strategic forecasting to deployment of developed strategies into targets and programs in coordinated cycles; capturing the overall strategic direction, market development and progress of strategy execution.

Group-wide policies, directives and instructions govern how the organization works and are core elements in managing and directing Ericsson. The policies, directives and instructions contain, among other things, the Code of Business Ethics, the Code of Conduct for Business Partners and accounting and reporting directives to fulfill external reporting requirements. Ericsson has a Group Steering Documents Committee that works to align policies and directives with Group strategies, values and structures.

Ericsson Group Management System



Ericsson business processes

Ericsson business processes are a set of defined Group-wide processes integrated in EGMS. They describe how Ericsson delivers value to customers, proactively and on-demand. Ericsson business processes offer capabilities to translate customer requirements into defined hardware, software, solutions and services offered by Ericsson.

Organization and resources

Ericsson is operated in two dimensions: one operational structure and one legal structure. The operational structure aligns accountability and authority regardless of country borders and supports the process flows with cross-country operations. In the operational structure, Ericsson is organized in group functions, segments, business areas and market areas. The legal structure is the basis for legal requirements and responsibility as well as for tax and statutory reporting purposes. There are more than 200 legal entities within the Ericsson Group with approximately 80 branch offices with representation (via legal entities, branch and representative offices) in approximately 150 countries. The company culture is defined by the core values, respect, professionalism, perseverance and integrity, as well as the five focus areas of the culture transformation initiative: Ericsson on the Move.

Chief Compliance Officer

Ericsson’s Board of Directors and Executive Team are committed to ensuring ethics and compliance remain a priority for the Group. The Audit and Compliance Committee monitors the effectiveness and appropriateness of Ericsson’s Ethics & Compliance (E&C) Program. The

Chief Compliance Officer (CCO) oversees the operation of the E&C Program, with particular focus on ethics, anti-bribery and -corruption, conflicts of interests, anti-money laundering, and competition. The CCO advises and updates the Group Compliance Committee, the CEO, Executive Team, the Audit and Compliance Committee and the Board on operations relating to the E&C Program. The CCO has a dual reporting line to the Chief Legal Officer and to the Audit and Compliance Committee to ensure adequate independence of the Compliance Office. Compliance officers, located at Ericsson’s headquarters in Stockholm, Sweden, and in other geographies support Ericsson’s market area and business area operating model and report to the CCO.

Insider Committee

Ericsson has established an Insider Committee to make assessments relating to the disclosure of inside information. The Insider Committee comprises the Chief Legal Officer, the Chief Financial Officer and the Chief Marketing and Communications Officer.

Audits, assessments and certification

The purpose of audits and assessments is to determine the level of compliance and to provide valuable information for understanding, analyzing and continually improving performance, to ensure that the EGMS is adequate and effective in managing Ericsson’s operations. Management monitors compliance with policies, directives, instructions and processes through internal self-assessment activities within the respective units. This is complemented by internal and external audits and assessments.

To ensure fulfilment of demands and requirements from customers and other external stakeholders, Ericsson takes conscious decisions on certification. Certification means that Ericsson’s interpretation of standards or requirements are confirmed by a third party via an assessment activity.

As EGMS is a global system, group-wide ISO certificates are issued by a third party certification body proving that the system is efficient throughout the organization as well as compliant to the ISO standards in scope. Ericsson’s operations are currently globally certified to ISO 9001 (Quality), ISO 14001 (Environment), ISO 45001 (Health & Safety) and ISO 27001 (Information Security). Selected Ericsson units are also certified to TL 9000 (telecom-specific standard). EGMS is also assessed within the scope of the audit plan of Ericsson’s internal audit function (Corporate Audit).

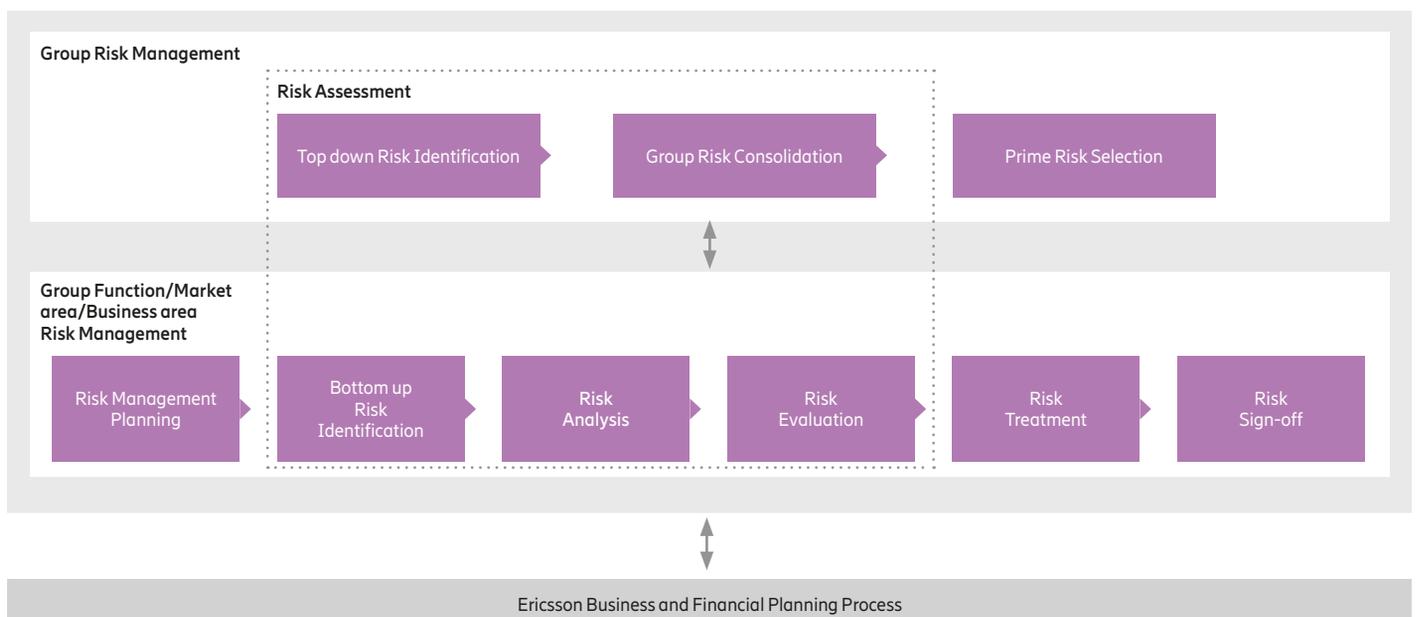
ISO/management system assessments are performed by BSI (British Standards Institution). Internal audits are performed by the Company’s internal audit function which reports to the Audit and Compliance Committee.

With a risk-based approach, Ericsson conducts audits of suppliers to secure compliance with Ericsson’s Code of Conduct for Business Partners, which includes rules that suppliers to the Ericsson Group must comply with. Ericsson’s external financial audits are performed by Deloitte AB.

Different types of assurance as described above have differing scope and rationale. All assurance providers have defined and established accountabilities and responsibilities.

ERM Process

[Read more about Risk management on next page.](#)



Risk management

The management of operational risks in Ericsson is embedded in various business processes and controls, such as decision tollgates and approvals. Certain cross-process risks are centrally coordinated, such as risks relating to information security, IT security, sustainability and corporate responsibility, privacy and anti-bribery and -corruption. Financial risk management is governed by a Group policy and carried out by the Treasury and Customer Finance functions. For further information on financial risk management, please see Notes to the consolidated financial statements – note F1 “Financial risk management” in the Financial Report.



Ericsson’s Enterprise Risk Management (ERM) framework is an integrated part of the EGMS. The aim of the ERM framework is to strengthen the Group’s governance by integrating risk management with the strategy-setting and execution.

The ERM framework is designed to establish an adequate and effective management of risk, i.e. the uncertainty in achieving the strategic objectives of the Company. The framework provides methods to assess and treat the risks, and to agree on and stay within the Company’s risk appetite. The ERM framework is based on five elements (illustrated above and described in the following text). It is applied across Ericsson’s operations and

covers business areas, market areas and group functions. The framework comprises the minimum requirements that the units must meet to have a common basis for ERM to enable transparency and risk oversight.

Governance & Culture

Ericsson is executing on an ERM strategy with the aim to drive transformation in certain focus areas, such as risk culture, risk appetite and usage of risk weighted return concepts in strategic decisions, relation between risk and internal control, and aligned assurance.

Risk Governance

Each manager is responsible for handling the risks that emerges from their respective area of responsibility. The responsibility for the identified prime risks of the Company is always allocated to a member of the Executive Team. The Group Risk Management function is responsible for driving the ERM strategy execution and the ERM operations on Group level. The head of each group function, market area and business area, is accountable for appointing one or several risk manager(s) to drive risk management within the unit’s area of responsibility, and for overseeing the ERM in the respective unit. The CFO is accountable for performing oversight of ERM and the Board of Directors and the Audit and Compliance Committee are responsible for reviewing the effectiveness and appropriateness of the ERM.

Risk culture

Ericsson’s risk culture is reflected in the attitudes, behaviours, and understanding about risk, both positive and negative, that influence decisions made by leaders and employees. The implementation of Ericsson’s ERM Framework is supporting the five focus areas of the culture transformation initiative: Ericsson on the Move.

Strategy

Risk management is an important element of strategic decision making and value creation

since it captures the opportunities and threats that are related to reaching the strategic objectives. Ericsson’s risk management activities are interconnected with the development and deployment of Ericsson’s business plans and functional strategies.

Assessment & Treatment

Assessment and Treatment of risks are done in accordance with the ERM process (illustrated on page 17) that applies to the Group and to all roles with responsibilities with regards to risk management activities. It focuses on getting the group functions, market areas and business areas to connect their risks with strategic objectives and accountabilities for decision making, in a clear way. The process also covers the activities that are managed centrally by the Group Risk Management function.

Risk management planning

Risk management planning is done in collaboration between risk managers in the group functions, market areas, business areas and the Group Risk Management function.

Risk Assessment

The Risk Assessment results in a risk register for the unit where all significant risks to achieve strategic objectives are identified and their probability, impact and dependencies are understood. The risks in the units’ risk registers are re-assessed on regular base.

Current risks within the scope of accountability for the group function, market area and business area are identified in the bottom-up risk identification process step. The appropriate risk manager engages the leadership teams and stakeholders in a unit and the organization to identify risks. In the top-down risk identification, the Group Risk Management function conducts interviews with senior management, and external experts, to identify and refine the risks Ericsson faces.

The Risk Universe (illustrated on page 18) is used as inspiration to identify emerging risks and secure that all applicable risk categories

Risk Universe

Intellectual Property Rights	Competition	M&A	Cyber and information security	Security, safety and continuity	People
Governance, risk and control	Laws and regulations	Communication and marketing	Geopolitical	Customer	Accounting
Treasury	Technology	Supply and sourcing	Product and service	Project execution	Environment and climate

are covered. Risk Descriptions cover event, cause and impact (illustrated below). For further information on risks related to Ericsson's business, see the chapter "Risk factors" in the Financial Report.

In the Risk Analysis process step, the impact of an identified risk is estimated considering four dimensions – financial impact, strategic impact, occupational health and safety impact, and reputational impact. The key risks in a unit are presented in a heat map (see example to the right). The heat map shows the impact and probability for each key risk and enables comparison for all kinds of risks supporting prioritization.

Risk Evaluation is done to define the risk appetite for each risk i.e., the accepted probability and impact rating. The risk appetite for an individual risk indicates the ambition with treatment plans, hence driving operational decisions.

The Group Risk Management function identifies opportunities to consolidate risks based on commonalities: e.g. similar treatment plans or root causes. Further, the Group Risk Management function identifies and hands over the responsibility of the Group consolidated risks, to the suitable units for further analysis and treatment.

Risk Treatment

For identified risks of relevance, treatment options are chosen, i.e. avoid or accept the risk, mitigate the probability or impact of the risk, or increase the risk in order to pursue an opportunity. Based on the selected treatment option(s), a treatment plan for getting the probability and impact within the risk appetite is defined and described, including references to current or planned internal controls (illustrated below). Once the treatment plan is implemented, its effectiveness shall be assessed on an ongoing basis, and decisions shall be made where corrective actions are needed.

Risk sign-off

The risk sign-off entail a process step where the risks, including the responsibility for handling a risk and treatment plans, are acknowledged by the unit's leadership team and aligned cross-Group in a workshop with the applicable leadership team and the head of the Group Risk Management function. Such workshops are arranged by the appropriate risk manager.

Prime Risk Selection

Ericsson's prime risks are defined as the identified top risks in the Group. The responsibility for each prime risk is allocated to a member of the Executive Team and these risks are given additional attention in terms of analysis and reporting. The Group Risk Management function identifies potential prime risks in the Ericsson risk register in collaboration with the responsible units and the Executive Team.

Communication & Reporting

Risk Communication

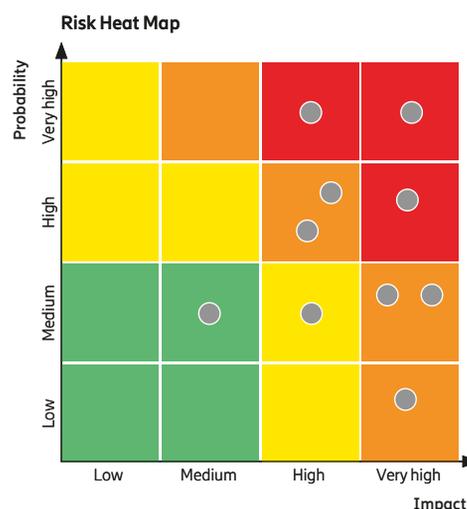
Effective communication is important to enable employees to share information, collaborate, and support each other in managing risks in the business. The risk management community has the mission to create awareness and, improve knowledge with respect to risk management issues and requirements. Ericsson has established a Group Risk Council to facilitate cross-Group alignment and improvements of the ERM framework as well as of the management of actual risks. The Head of Group Risk Management is the chair of the council in which all risk managers participate.

Risk Reporting

The risk managers coordinate the reporting of key risk status to the leadership teams within the respective unit on a regular basis. Each unit's risk register is also reported to the Group Risk Management function as part of the Group risk consolidation and prime risk selection. The formal reporting to the Group Risk Management function is only required once

a year. Risks identified outside of the reporting cycle that could potentially be significant at Group level are however required to be escalated when identified to the Group Risk Management function.

The Head of the Group Risk Management function reports, in collaboration with the Prime Risk Owners, the status of the prime risks to the Executive Team and the Audit and Compliance Committee on a regular basis. These reports include a heat map overview and a more detailed reporting of prime risks and relevant treatment.

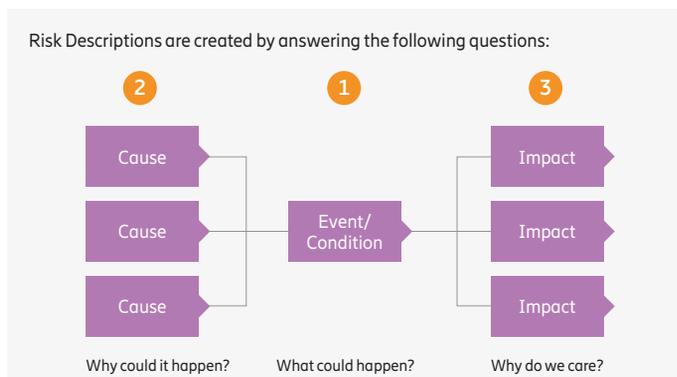


The illustration shows an example of the heat map used for presenting the key risks in a unit.

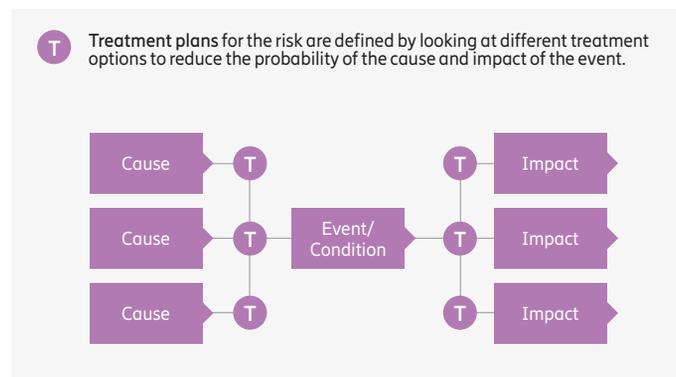
Monitoring

The Group Risk Management function monitors the efficiency and effectiveness of the ERM Framework. This is done through self-assessments but also by providing assessment requirements regarding risk management to the ISO 9001 internal assessment process and follow up on the internal assessment results. The Group Risk Management function also reviews internal and external audit results to address identified weaknesses as part of the continuous improvements of the ERM framework.

Risk Description



Treatment plan



Members of the Executive Team

**Börje Ekholm**

President and Chief Executive Officer (CEO) (since 2017)

–

Born
1963

Education

Master of Science in Electrical Engineering, KTH Royal Institute of Technology, Stockholm, Sweden. Master of Business Administration, INSEAD, France.

Nationality

Sweden and USA

Board Member:

Telefonaktiebolaget LM Ericsson, Alibaba Group and Trimble Inc.

Holdings in Ericsson¹⁾

260,351 Class B shares, 1,009,000 ADS and 2,000,000 call options²⁾.

Background

CEO of Patricia Industries, a division within Investor AB (2015–2017). President and CEO of Investor AB (2005–2015). Formerly Head of Investor Growth Capital Inc. and New Investments. Previous positions at Novare Kapital AB and McKinsey & Co Inc. Since 2017, member of the Steering Committee of the World Economic Forum Digital Communication Governors. Member of the Board of the Swedish-American Chamber of Commerce New York.

**Fredrik Jejdling**

Executive Vice President, Business Area Networks (since 2017)

Functions

Head of Business Area Networks and Head of Segment Networks

Born
1969

Education

Master of Science in Economics and Business Administration, Stockholm School of Economics, Sweden.

Nationality

Sweden

Board Member

Teknikföretagen and the Confederation of Swedish Enterprise

Holdings in Ericsson¹⁾

72,767 Class B shares.

Background

Senior Vice President and Head of Business Unit Network Services (2016–2017). Has held a variety of positions in commercial operations and financials, including Head of Region Sub-Saharan Africa, Head of Region India, and Head of Sales and Finance for Business Unit Global Services. Previous positions include senior positions with LUX Asia Pacific and Tele2 Group.

**Arun Bansal**

Executive Vice President (since 2020), Market Area Europe & Latin America (since 2017)

Functions

Head of Market Area Europe & Latin America

Born
1968

Education

Bachelor of Engineering (Electronics), University of Jiwaji, India, and Postgraduate Diploma in Marketing, Indira Gandhi National Open University, India.

Nationality

India

Board Member

OPCOM Cables Sdn Bhd, Malaysia and Mycronic AB Sweden

Holdings in Ericsson¹⁾

100,771 Class B shares and 18,078 ADS.

Background

Various senior management positions, including Senior Vice President (2016–2017), Head of Business Unit-Radio (2014–2016), Head of South East Asia & Oceania and Country Manager in Indonesia and Bangladesh. Lived and worked across multiple countries and markets, including Malaysia, Sweden, Singapore, UK and USA.

**Majbritt Arfert**

Senior Vice President, Chief People Officer (CPO) (since 2017)

Functions

Head of Group Function People

Born
1963

Education

Bachelor of Human Resources, University of Gothenburg, Sweden.

Nationality

Sweden

Board Member

–

Holdings in Ericsson¹⁾

51,021 Class B shares.

Background

Acting Head of Group Function Human Resources (November 2016–March 2017). Previously Head of Human Resources Ericsson Sweden (2015–2016) and Vice President and Head of Human Resources Business Unit Support Solutions (2007–2015). Has held various senior global positions in Ericsson including Head of Human Resources Business Unit Broadband Networks, Head of Human Resources Microwave Systems as well as a position as Head of Human Resources and Internal Communications at Sony Ericsson Germany.

The Board memberships and Ericsson holdings reported above are as of December 31, 2021.

¹⁾ The number of shares and ADS includes holdings by related persons, if applicable.

²⁾ Call options issued by AB Industrivärden (1,000,000 call options) and Investor AB (1,000,000 call options), each entitling the purchase of one Ericsson B share from AB Industrivärden/Investor AB respectively (further information is available in the Notes to the consolidated financial statements – note G2 "Information regarding members of the Board of Directors and the Group management" in the Financial Report).



Xavier Dedullen

Senior Vice President, Chief Legal Officer, and secretary of the Board of Directors of Telefonaktiebolaget LM Ericsson (since 2018)

Functions

Head of Group Function Legal Affairs & Compliance

Born

1964

Education

Master of Laws (LL.M), New York University School of Law, USA, Master of Laws (Lic. Jur), KU University of Leuven, Belgium, and Bachelor in Law, Facultés Notre Dame de la Paix, Belgium.

Nationality

Belgium

Board Member

–

Holdings in Ericsson¹⁾

44,923 Class B shares.

Background

Previously Group General Counsel at Holcim Ltd (2013–2018) with responsibility for the Legal and Compliance functions, based in Switzerland. Started career in private practice in New York in 1988 followed by various in-house positions of increasing seniority in the banking, power and telecom industries, based in the UK, Hong Kong and Switzerland. Prior to joining Holcim Ltd, worked at Verizon (2004–2013) most recently as Vice President International – Legal and External Affairs.



Erik Ekudden

Senior Vice President, Chief Technology Officer (CTO) (since 2018)

Functions

Head of Group Function Technology

Born

1968

Education

Master of Science in Electrical Engineering, KTH Royal Institute of Technology, Stockholm, Sweden.

Nationality

Sweden

Board Member

–

Holdings in Ericsson¹⁾

31,198 Class B shares and 9,118 ADS.

Background

Group Chief Technology Officer and Head of Technology and Architecture within Group Function Technology and Emerging Business (July 2017–March 2018). Joined Ericsson in 1993 and has held various management positions in the company, including Head of Technology Strategy, Chief Technology Officer Americas in Santa Clara US, and Head of Standardization and Industry. Member of the Royal Swedish Academy of Engineering Sciences (IVA). Since 2020, member of the Broadband Commission for Sustainable Development and member of the board of IVA's Näringslivsråd.



Niklas Heuvel dop

Senior Vice President, Market Area North America (since 2017)

Functions

Head of Market Area North America

Born

1968

Education

Master of Science in Industrial Engineering and Management, the Linköping Institute of Technology, Sweden.

Nationality

Sweden

Board Member

The Swedish-American Chamber of Commerce New York and CTIA – US wireless industry trade association

Holdings in Ericsson¹⁾

82,209 Class B shares and 13,908 ADS.

Background

Senior Vice President, Chief Strategy Officer and Head of Group Function Technology & Emerging Business (April 2017–March 2018). Previous positions include Chief Customer Officer and Head of Group Function Sales (2016–2017) and senior leadership positions across Europe and the Americas, including Head of Global Customer Unit AT&T and Head of Market Unit Central America and Caribbean. Previous positions outside Ericsson include CEO of ServiceFactory and COO of WaterCove Networks.



Chris Houghton

Senior Vice President, Market Area North East Asia (since 2017)

Functions

Head of Market Area North East Asia

Born

1966

Education

Bachelor of Law, Huddersfield Polytechnic, United Kingdom.

Nationality

United Kingdom

Board Member

–

Holdings in Ericsson¹⁾

96,963 Class B shares.

Background

Head of Region North East Asia (2015–2017). Has also previously held management positions within Ericsson, including Head of Region India, Head of Customer Unit UK and Ireland and various management positions within Ericsson in China, Hungary, India, Ireland, Japan, Sweden and the UK.

The Board memberships and Ericsson holdings reported above are as of December 31, 2021.

¹⁾ The number of shares and ADS includes holdings by related persons, if applicable.

Members of the Executive Team, cont'd.

**Jan Karlsson**

Senior Vice President, Business Area Digital Services (since 2018)

Functions

Head of Business Area Digital Services and Head of Segment Digital Services

Born

1966

Education

Bachelor in Business Administration, ESSEC Business School, France.

Nationality

Sweden

Board Member

TM Forum

Holdings in Ericsson¹⁾

1,368 Class B-shares and 6,964 ADS.

Background

Acting Head of Business Area Digital Services February–July 2018. Previous Head of Solution Area BSS within Business Area Digital Services. Before joining Ericsson early 2017 Jan Karlsson was the CEO of DigitalRoute, an ISV focusing on data collection & pre-processing across Telco and Non-telco verticals.

**Peter Laurin**

Senior Vice President, Business Area Managed Services (since 2017)

Functions

Head of Business Area Managed Services and Head of Segment Managed Services

Born

1971

Education

Master of Technology, Chalmers University of Technology, Sweden, and Master of Business Administration, Gothenburg School of Economics and Commercial Law, Sweden.

Nationality

Sweden

Board Member

ByggVesta AB

Holdings in Ericsson¹⁾

3,775 Class B shares.

Background

Head of Region Northern Europe and Central Asia. Previous management positions within Ericsson include Head of Ericsson's Global Customer Unit Vodafone (2013–2016) and various executive positions in North America, Asia and Europe. Previous external roles include positions in Arthur D. Little and Mediatude Ltd.

**Stella Medicott**

Senior Vice President, Chief Marketing and Communications Officer (CMO and CCO) (since 2019)

Functions

Head of Group Function Marketing & Corporate Relations

Born

1969

Education

Bachelors of Arts (Hons) degree in Social Science, University of Lincoln (known at that time as University of Humberside), United Kingdom and Postgraduate Diploma in Marketing, Chartered Institute of Marketing, United Kingdom.

Nationality

United Kingdom

Board Member

–

Holdings in Ericsson¹⁾

7,572 Class B shares.

Background

Vice President of Marketing, Communications and Government Relations for Ericsson Market Area Europe and Latin America July 2017–June 2019. Prior to joining Ericsson, Stella Medicott was Chief Marketing Officer at Red Bee Media, which was acquired by Ericsson in May 2014. She has over 25 years of marketing experience in major IT, telecoms and media companies including two years at Technicolor as VP Marketing and ten years at Siemens Communications as Global VP Marketing.

**Carl Mellander**

Senior Vice President, Chief Financial Officer (CFO) (since 2017)

Functions

Head of Group Function Finance & Common Functions

Born

1964

Education

Bachelor of Arts in Business Administration and Economics, Stockholm University, Sweden; and East- and South East Asia Program, Lund University, Sweden

Nationality

Sweden

Board Member

International Chamber of Commerce (ICC) Sweden

Holdings in Ericsson¹⁾

91,461 Class B shares.

Background

Acting Chief Financial Officer and Head of Group Function Finance and Common Functions (July 2016–March 2017). Previous positions within Ericsson include Vice President and Group Treasurer, and Head of Finance in Region Western and Central Europe. Also held Head of Finance/CFO positions within the telecom operator space and defence industry.

The Board memberships and Ericsson holdings reported above are as of December 31, 2021.

¹⁾ The number of shares and ADS includes holdings by related persons, if applicable.



Nunzio Mirtillo

Senior Vice President, Market Area South East Asia, Oceania & India (since 2017)

Functions

Head of Market Area South East Asia, Oceania & India

Born

1961

Education

Master in Electronic Engineering, Sapienza University, Italy.

Nationality

Italy

Board Member

–

Holdings in Ericsson¹⁾

130,189 Class B shares.

Background

Previously Head of Region Mediterranean. Previous management positions within Ericsson include Head of Sales Networks for Western Europe within Business Unit Networks, Head of Business Operations in Market Unit South East Europe and Key Account Manager for Wind Italy, Vodafone Italy and other customers.



Fadi Pharaon

Senior Vice President, Market Area Middle East & Africa (since 2019)

Functions

Head of Market Area Middle East & Africa

Born

1972

Education

Master of Science in Computer Science, KTH Royal Institute of Technology, Sweden and a Master of Business Administration, Heriot Watt University, Edinburgh Business School, Scotland.

Nationality

Sweden and Lebanon

Board Member

–

Holdings in Ericsson¹⁾

334 Class B shares and 1,138 ADS.

Background

Vice President of Networks & Managed Services (presales and commercial management) within Market Area Europe & Latin America. Previous management positions within Ericsson include Head of Presales and Strategy for Ericsson Region South East Asia & Oceania, and Country Manager for Ericsson Singapore and Brunei.



Åsa Tamsons

Senior Vice President, Business Area Technologies & New Businesses (since 2018)

Functions

Head of Business Area Technologies & New Businesses and Head of Segment Emerging Business and Other

Born

1981

Education

Master of Business Administration, Stockholm School of Economics, Sweden.

Nationality

Sweden

Board Member

CNH Industrial

Holdings in Ericsson¹⁾

35,311 Class B shares.

Background

Head of Business Area Technology and Emerging Business (April–September 2018) and Group Strategy and M&A. Previously Partner at McKinsey & Company, serving high-tech and telecommunications companies worldwide on growth strategies, digital and commercial transformations. Before joining Ericsson lived and work in the US, Brazil, France, Sweden and Singapore.

The Board memberships and Ericsson holdings reported above are as of December 31, 2021.

¹⁾ The number of shares and ADS includes holdings by related persons, if applicable.

Auditor

According to the articles of association, the Parent Company shall have no less than one and no more than three registered public accounting firms as external independent auditor. Ericsson's auditor is currently appointed each year at the AGM for a one-year mandate period. The auditor reports to the shareholders at General Meetings.

The duties of the auditor include:

- Updating the Board of Directors regarding the planning, scope and content of the annual audit work
- Reviewing the interim reports to assess that the financial statements are presented fairly in all material respects and providing review opinions over the interim reports for the third and fourth quarters and the year-end financial statements
- Providing an audit opinion over the Annual Report
- Advising the Board of Directors of non-audit services performed, the consideration paid and other issues that determine the auditor's independence.

Auditing work is carried out by the auditor continuously throughout the year. For further information on the contacts between the Board and the auditor, please see "Work of the Board of Directors" earlier in this Corporate Governance report.

Current auditor

Deloitte AB was reappointed auditor at the AGM 2021 for a period of one year, i.e. until the close of the AGM 2022. Deloitte AB has appointed Thomas Strömberg, Authorized Public Accountant, to serve as auditor in charge. Thomas Strömberg is also auditor in charge in Epiroc AB.

Fees to the auditor

Ericsson paid the fees (including expenses) for audit-related and other services listed in the table in note H5, "Fees to auditors" in the Financial Report.

Internal control over financial reporting

This section has been prepared in accordance with the Annual Accounts Act and the Swedish Corporate Governance Code and is limited to internal control over financial reporting.

Since Ericsson is listed in the US, the requirements outlined in the Sarbanes-Oxley Act (SOX) apply, subject to certain exceptions. These regulate the establishment and maintenance of internal control over financial reporting as well as management's assessment of the effectiveness of the controls.

In order to support high-quality reporting and to meet the requirements of SOX, the Company has implemented detailed documented controls and testing, and reporting procedures based on the internationally established 2013 COSO framework for internal control. The COSO framework is issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Management's internal control report, according to SOX, will be included in Ericsson's Annual Report on Form 20-F and filed with the SEC in the US.

Disclosure policies

Ericsson's financial reporting and disclosure policies follow the International Financial Reporting Standards (IFRS) and aim to ensure transparent, relevant and consistent communication with equity and debt investors on a timely, fair and equal basis. This will support a fair market value for Ericsson securities. Ericsson wants current and potential investors to have a good understanding of how the Company works, including operational performance, prospects and potential risks.

To achieve these objectives, financial reporting and disclosure must be:

- **Transparent** – enhancing understanding of the economic drivers and operational performance of the business, building trust and credibility
- **Consistent** – comparable in scope and level of detail to facilitate comparison between reporting periods
- **Simple** – to support the understanding of the business operations and performance, and to avoid misinterpretations

- **Relevant** – with focus on what is relevant to Ericsson's stakeholders or required by regulation or listing agreements, to avoid information overload
- **Timely** – with regularly scheduled disclosures as well as ad-hoc information, such as press releases on important events, performed in a timely manner
- **Fair and equal** – where all material information is published via press releases to ensure that the whole investor community receives the information at the same time
- **Complete** – free from material errors and a reflection of best practice – disclosures compliant with applicable financial reporting standards and listing requirements and in line with industry norms.

Ericsson's website comprises comprehensive information about the Group, including:

- An archive of annual and interim reports
- Access to recent news.

Disclosure controls and procedures

Ericsson has controls and procedures in place to allow for timely disclosure in accordance with applicable laws and regulations, including the US Securities Exchange Act of 1934, and under agreements with Nasdaq Stockholm and NASDAQ New York. These procedures also require that such information is provided to management, including the President and CEO and the CFO, so timely decisions can be made regarding the required disclosures.

The Disclosure Committee assists management in fulfilling their responsibility regarding disclosures made to the shareholders and the investment community. One of the main tasks of the committee is to monitor the integrity and effectiveness of the disclosure controls and procedures. The Disclosure Committee comprises members with various expertise including representation from the segments.

Ericsson has investments in certain entities that the Company does not control or manage. With respect to such entities, disclosure controls and procedures are substantially more limited than those maintained with respect to subsidiaries.

Controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objectives. Ericsson's President and CEO and the CFO evaluated the Company's disclosure controls and procedures and concluded that they were effective at a reasonable assurance level as of December 31, 2021.

Internal control over financial reporting

Ericsson has integrated risk management and internal control over financial reporting into its business processes. As defined in the COSO framework, internal control is an aggregation of components such as a control environment, risk assessment, control activities, information and communication and monitoring.

The control framework is updated regularly to reflect relevant changes in processes, tools usage, outcome of risk assessments, changes in legislations, etc. Continuous enhancements are initiated to strengthen and risk-adapt the design of the controls and the efficiency of the internal control over financial reporting. The scope of the enhancements covers both business process controls and IT controls.

The Company continued to adapt its workplace practices globally due to the COVID-19 pandemic, resulting in most of its employees still working remotely; this has not significantly affected the Company's internal controls over financial reporting.

Control environment

The Company's internal control structure is based on the division of tasks between the Board of Directors and its Committees and the President and CEO. The Company has implemented a management system that is based on:

- Steering documents, such as policies and directives, and the Code of Business Ethics
- A strong corporate culture
- The Company's organization and mode of operations, with well-defined roles and responsibilities and delegations of authority
- Several well-defined Group-wide processes for planning, operations and support.

The most essential parts of the control environment relative to financial reporting are

included in steering documents and processes for accounting and financial reporting. These steering documents are updated regularly to include, among other things:

- Changes to laws
- Financial reporting standards and listing requirements, such as IFRS and SOX.

The processes include specific controls to be performed to ensure high-quality financial reports. The management of each reporting legal entity, region and business unit is supported by finance functions in the execution of controls related to transactions and reporting. The finance functions are organized in Company Control and Business Shared Services Hubs/Centers, each supporting a number of legal entities within a geographical area. A financial controller function is also established on Group level, reporting to the CFO.

Risk assessment

Risks of material misstatements in the financial reporting may exist in relation to recognition and measurement of assets, liabilities, revenue and cost or insufficient disclosure. Other risks related to financial reporting include fraud, loss or embezzlement of assets and undue favorable treatment of counterparties at the expense of the Company.

Policies and directives regarding accounting and financial reporting cover areas of particular significance to support correct, complete and timely accounting, reporting and disclosure.

Identified types of risks are mitigated through well-defined business processes with integrated risk management activities, segregation of duties and appropriate delegation of authority. This requires specific approval of material transactions and ensures adequate asset management.

Control activities

The Company's business processes include financial controls regarding the approval and accounting of business transactions. The financial closing and reporting process has controls regarding recognition, measurement, and disclosure. These include the application of critical accounting policies and estimates,

in individual subsidiaries as well as in the consolidated accounts.

Regular analyses of the financial results for each subsidiary, region and business unit cover the significant elements of assets, liabilities, revenues, costs and cash flow. Together with further analysis of the consolidated financial statements performed at Group level, these procedures are designed to produce financial reports without material errors.

For external financial reporting purposes, the Disclosure Committee performs additional control procedures to review whether the disclosure requirements are fulfilled.

The Company has implemented controls to ensure that financial reports are prepared in accordance with its internal accounting and reporting policies, and IFRS as well as with the relevant listing regulations. It maintains detailed documentation on internal controls related to the accounting and financial reporting. It also keeps records on the monitoring of the execution and results of such controls. This allows the President and CEO and the CFO to assess the effectiveness of the controls in a way that is compliant with SOX.

Entity-wide controls, focusing on the control environment and compliance with financial reporting policies and directives, are implemented in the subsidiaries. Detailed process controls and documentation of controls performed are also implemented in the significant subsidiaries or operational units covering these subsidiaries, covering the items with significant materiality and risk.

In order to secure compliance, governance and risk management in the areas of legal entity accounting and taxation, as well as securing funding and equity levels, the Company operates through Company Control and Business Shared Services Hubs/Centers, covering subsidiaries in each geographical area.

Based on a common IT platform, a common chart of accounts and common master data, the Company Control and Business Shared Services Hubs/Centers perform accounting and financial reporting services for most subsidiaries.

Information and communication

The Company's information and communication channels support complete, correct and timely financial reporting by making all relevant internal process instructions and policies accessible to all the employees concerned. Regular updates and briefing documents regarding changes in accounting policies, reporting and disclosure requirements are also supplied.

Subsidiaries and operating units prepare regular financial and management reports for internal steering groups and Company management. These include analysis and comments on financial performance and risks. The Board of Directors receives financial reports monthly. Ericsson has established a whistleblower tool, the Ericsson Compliance Line, that can be used for the reporting of alleged violations that:

- Are conducted by Group or local management, and
- Relate to corruption, questionable accounting, deficiencies in the internal control of accounting or auditing matters, or otherwise seriously affect vital interests of the Group or personal health and safety.

Monitoring

The Company's process for financial reporting is reviewed annually by management. This forms a basis for evaluating the internal management system and internal steering documents to ensure that they cover all significant areas and risks related to financial reporting. The Management of the Company Control and Business Shared Services Hubs/Centers continuously monitor accounting quality through a set of performance indicators. Compliance with policies and directives is

monitored through annual self-assessments and representation letters from company heads and company controllers in subsidiaries as well as in business areas and market areas.

The Company's financial performance is also reviewed at Board meetings. The Committees of the Board fulfill important monitoring functions regarding remuneration, loans, investments, customer finance, cash management, financial reporting and internal control. The Audit and Compliance Committee and the Board of Directors review all interim and annual financial reports before they are released to the market. The Company's internal audit function reports directly to the Audit and Compliance Committee. The Audit and Compliance Committee also receives regular reports from the external auditor. The Audit and Compliance Committee follows up on any actions taken to improve or modify controls.

Board of Directors

Stockholm, March 3, 2022

Telefonaktiebolaget LM Ericsson (publ)
Org. no. 556016-0680

Auditor's report on the Corporate Governance report

To the general meeting of the shareholders in Telefonaktiebolaget LM Ericsson (publ) corporate identity number 556016-0680

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the financial year January 1, 2021 – December 31, 2021 on pages 1– 26 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit

conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, March 3rd 2022

Deloitte AB

Thomas Strömberg
Authorized public accountant

About Ericsson

Ericsson provides high-performing solutions to enable its customers to capture the full value of connectivity. The Company supplies communication infrastructure, services and software to the telecom industry and other sectors. Ericsson has approximately 100,000 employees and serves customers in more than 180 countries. Ericsson is listed on Nasdaq Stockholm and the Ericsson ADS trade on NASDAQ New York. The Company's headquarters are located in Stockholm, Sweden.

It all started in a mechanical workshop in Stockholm in 1876 where Lars Magnus Ericsson designed telephones and his wife Hilda manufactured them by winding copper wire coils. With 5G now a commercial reality, we continue to invest to strengthen our 5G leadership. Our portfolio is designed to help our customers digitalize and to increase efficiency in an intelligent and sustainable way, while finding new revenue streams.