

# Ericsson 2025 AGM Shareholder Materials



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# Refreshed and Responsive fit-for-purpose Board



## Independence

- Independent Chair
- 7 of 11 members are independent
- 100% independent Audit and Remuneration Committees
- Per Ericsson's bylaws, Nomination Committee consists of representatives of the four largest shareholders (by voting power) and the Board Chair

## Board refreshment

- 5 new directors (45% of Board) in last 3 years\*
- Board committee refresh leveraged new director expertise (2023)
- 2025 New Director Nominations:
  - Marachel Knight: Brings over 28 years of telecom and technology experience, with leadership positions at AT&T
  - Christian Cederholm: As President, CEO and Board member of Investor AB, brings an investor perspective and financial expertise

## Actions in response to shareholder feedback

- Proposed 3-year 2025 CEO LTV performance target to align long-term interests of shareholders
- Adjusted CEO remuneration structure to include STV pay
- Committed to disclosure of detailed [proxy vote results](#)
- Expanded disclosure on Ethics & Compliance program
- Reduced to single deputy Board Chair

\*Based on 2025 AGM director nominations

# 2025 CEO Remuneration Overview



## CEO Remuneration for 2025:

- No change to annual base salary or pension provision vs 2024
- Variable pay divided into:
  - 65% target opportunity for short-term variable pay (50% in 2024) to move closer to the market level
  - 150% target opportunity for long-term variable pay (no change vs 2024)
- Total remuneration increase broadly similar to the average increase expected for Ericsson global employee population during 2025
- In response to shareholder feedback, the Remuneration Committee and the Board have re-evaluated the LTV program, and LTV performance metrics
  - The changes further amplify the long-term focus of the Executive Team to ensure it:
    - aligns with the long-term interests of shareholders
    - strengthens Ericsson’s commitment to long-term sustainability and responsible business practices

# 2025 CEO LTV Performance Metrics



The following three-year performance metrics are proposed:

- **Group Profitability (weight 45%)** will be determined by a **three-year Group EBITA target**, calculated as the average achievement of three annual pre-set group EBITA targets.  
*(vs 1 year EBITA target in 2024)*
- **Absolute Total Shareholder Return (weight 25%)** measures the compound annual growth rate of Ericsson class B share, including dividends.  
*(no change vs 2024)*
- **Relative Total Shareholder Return (weight 20%)** measures Ericsson class B performance vs a **broader stock index** focused on European companies (STOXX EUROPE 600).  
*(vs public company comps in 2024)*
- **Sustainability and Corporate Responsibility (weight 10%)** will be determined by a three-year target to increase the proportion of women in leadership positions (weight 5%), and a **three-year average CO2 emissions reduction target** (weight 5%).  
*(vs three consecutive 1 year CO2 reduction targets in 2024).*

# Ethics & Compliance / Remuneration Alignment



- **Ethics and Compliance review**, covering 200 Executives and member of Executive Team
  - Each Executive and member of Executive Team is subject to an annual assessment where performance against pre-defined integrity indicators can reduce short-term variable payout or justify an additional incentive.
- **Breach of Code of Business Ethics**, variable pay-out entitlement may be denied in whole or in part
  - Short term variable pay (STV) – covering 71,100 employees
  - Sales Incentive Plan (SIP) – covering 1,700 employees
  - Key Contributor Plan (KC) – covering 19,000 employees
  - Long-term variable pay (LTV) – covering 200 employees
- **At the Board of Directors' discretion**, may at any time prior to the normal award vesting date, reduce (including to zero) the number of shares to which an award relates, considering various factors, including:
  - the Company's financial results and position
  - conditions on the stock market; and/or
  - such other circumstances as the Board of Directors considers appropriate including evaluation of each participant:
    - Internal or external investigation
    - Performance
    - Harmful behavior
    - Damage caused

# 2025 AGM Key Agenda Items



## Voting Items Include:

### Item 8.4: Approval of dividend and record dates

- A dividend of SEK 2.85 per share, and increase of 5.6% year-over-year, to be paid in two equal installments, based on record dates March 27, 2025, and September 29, 2025

### Items 9 and 11: Election of directors

- Nomination of Marachel Knight, an independent director, with over 28 years of experience in the telecoms and technology sector
- Nomination of Christian Cederholm, President and CEO of Investor AB

### Item 10: Approval of Board and Committee fees

- The Nomination Committee has proposed an 8.48% increase in director fees over fees approved at the 2024 AGM
- Additional compensation be paid to non-employee Board members elected by the AGM for each physical Board meeting attended in Sweden, whose residence is not in a Nordic country

### Item 16: Approval of 2025 LTV

- A Long-Term Variable Compensation Program for the Executive Team and Executives (estimated 200 employees)

### Item 20: Resolution on proposal from a (employee) shareholder requesting new policy related to remuneration



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