

Item 10

Guidelines for remuneration to senior management

The Board of Directors proposes the Annual General Meeting resolves on the following guidelines for remuneration and other employment terms for the senior management for the period up to the 2012 Annual General Meeting. The guidelines proposed do not comprise any material changes compared to the principles resolved by the 2010 Annual General Meeting.

Details of how we deliver on our principles and policy, including information on previously decided long term variable remuneration that has not yet become due for payment, can be found in the **Remuneration Report** and in **Note C29**, “Information regarding Members of the Board of Directors, Management and Employees” in the annual report 2010.

2011 Remuneration Policy

Remuneration at Ericsson is based on the principles of performance, competitiveness and fairness. These principles and good practice in Sweden guide our policy to:

- Attract and retain highly competent, performing and motivated people that have the ability, experience and skill to deliver on the Ericsson strategy.
- Encourage behavior consistent with Ericsson’s culture and core values of professionalism, respect and perseverance.
- Ensure fairness in reward by delivering total remuneration that is appropriate but not excessive.
- Ensure a total compensation mix of fixed and variable remuneration and benefits that reflects the Company’s principles and is competitive where Ericsson competes for talent.
- Encourage variable remuneration which, first, aligns employees with clear and relevant targets, second, reinforces performance and, third, enables flexible remuneration costs.
- Ensure that all variable remuneration plans have maximum award and vesting limits.
- Encourage employees to deliver sustained performance and build up a personal shareholding in Ericsson, aligning the interests of shareholders and employees.
- Communicate clearly to both employees and shareholders how Ericsson translates remuneration principles and policy into practice.

Group Management

For Group Management consisting of the Executive Leadership Team, including the President and CEO, in the following referred to as the “Group Management”, total remuneration consists of fixed salary, short- and long-term variable remuneration, pension and other benefits.

Furthermore, the following guidelines apply for Group Management:

- Variable remuneration is through cash and stock-based programs awarded against specific business targets derived from the long term business plan approved by the Board of Directors. Targets may include financial targets at either corporate or unit level, operational targets, employee motivation targets and customer satisfaction targets.
- With the current composition of Group Management, the Company's cost during 2011 for the variable remuneration of Group Management can, at a constant share price, amount to between 0 and 150 percent of the aggregate fixed salary cost, all excluding social security costs.
- All benefits, including pension benefits, follow the competitive practice in the home country taking total compensation into account. The retirement age is normally 60 to 65 years of age.
- By way of exception, additional arrangements can be made when deemed required. Such additional arrangement shall be limited in time and shall not exceed a period of 36 months and two times the remuneration that the individual concerned would have received had no additional arrangement been made.
- The mutual notice period may be no more than six months. Upon termination of employment by the Company, severance pay amounting to a maximum of 18 months fixed salary is paid. Notice of termination given by the employee due to significant structural changes, or other events that in a determining manner affect the content of work or the condition for the position, is equated with notice of termination served by the Company.

Stockholm, March 2011
THE BOARD OF DIRECTORS