

To the Board of Directors of Telefonaktiebolaget LM Ericsson

The Nomination Committee's proposals to the Annual General Meeting 2013

The Nomination Committee of Telefonaktiebolaget LM Ericsson hereby presents its proposals and information to the Board of Directors.

Chairman of the Annual General Meeting

The Nomination Committee proposes that Advokat Sven Unger be elected Chairman of the Annual General Meeting of shareholders 2013.

Number of Board members and deputies of the Board of Directors to be elected by the Annual General Meeting

According to the articles of association, the Board shall consist of no less than five and no more than twelve Board members, with no more than six deputies. The Nomination Committee proposes that the number of Board members elected by the Annual General Meeting of shareholders remain twelve and that no deputies be elected.

Fees payable to non-employed members of the Board of Directors elected by the Annual General Meeting and to non-employed members of the Committees of the Board elected by the Annual General Meeting

The Nomination Committee proposes that fees to non-employed Board members elected by the Annual General Meeting and non-employed members of the Committees of the Board elected by the Annual General Meeting be paid as follows:

- SEK 3,850,000 to the Chairman of the Board of Directors (*previously SEK 3,750,000*);
- SEK 900,000 each to the other Board members (*previously SEK 875,000*);
- SEK 350,000 to the Chairman of the Audit Committee (*unchanged*);
- SEK 250,000 each to the other members of the Audit Committee (*unchanged*);
- SEK 200,000 each to the Chairmen of the Finance and the Remuneration Committee (*unchanged*); and
- SEK 175,000 each to the other members of the Finance and the Remuneration Committee (*unchanged*).

The Nomination Committee proposes that the individual fee to the Board members and the fee to the Chairman of the Board of Directors be increased. Further the Nomination Committee proposes that the fees for work on the Committees of the Board be unchanged.

It is important that the Board fees are maintained at an appropriate level to make it possible to recruit the best possible competence to the Board of Directors of Ericsson. The Nomination Committee has compared the Board fees in Ericsson with the Board fees in other Nordic and European companies as well as Board fees in certain U.S. high-tech companies. The Nomination Committee has concluded that compared with the Board fees in companies of equal size and complexity, Ericsson's Board fees are lower. When assessing the level of fees it must be considered that the Ericsson group has customers in more than 180 countries and that sales amount to more than SEK 200 billion.

Against this background, the Nomination Committee considers well-justified the proposed increases of the individual Board fee from SEK 875,000 to SEK 900,000 and of the fee to the Chairman of the Board from SEK 3,750,000 to SEK 3,850,000.

The Nomination Committee considers that the fees for Committee work are reasonable, and proposes that these fees remain unchanged.

The proposal of the Nomination Committee implies all in all an increase of the fees of less than 2.5 percent compared with the total fees to the Board members for Board and Committee work resolved by the Annual General Meeting 2012.

Fees in the form of synthetic shares

Background

With the purpose of further increasing the mutual interest in the Company of Directors and shareholders, the Nomination Committee proposes that the Directors should, as previously, be offered the possibility of receiving part of the Board fees in the form of synthetic shares. A synthetic share constitutes a right to receive payment of an amount which corresponds to the market value of a share of series B in the Company on NASDAQ OMX Stockholm at the time of payment.

Proposal

The Nomination Committee therefore proposes that the Annual General Meeting of Shareholders 2013 resolve that part of the fees to the Directors, in respect of their Board assignment (however, not in respect of Committee work), may be paid in the form of synthetic shares, on the following terms and conditions.

- A nominated Director shall be able to choose to receive the fee in respect of his or her Board assignment, according to the following four alternatives:
 - (i) 25 percent in cash – 75 percent in synthetic shares
 - (ii) 50 percent in cash – 50 percent in synthetic shares
 - (iii) 75 percent in cash – 25 percent in synthetic shares
 - (iv) 100 percent in cash.
- The number of synthetic shares to be allocated shall be valued to an average of the market price of shares of series B in the Company on NASDAQ OMX Stockholm during a period of five trading days immediately following the publication of Ericsson's interim report for the first quarter of 2013. The synthetic shares are vested during the term of office, with 25 percent per quarter of the year.
- The synthetic shares give a right to, following the publication of Ericsson's year-end financial statement in 2018, receive payment of a cash amount per synthetic share corresponding to the market price of shares of series B in the Company at the time of payment.
- An amount corresponding to dividend in respect of shares of series B in the Company, resolved by the Annual General Meeting during the holding period, shall be disbursed at the same time as the cash amount.
- Should the Director's assignment to the Board of Directors come to an end no later than during the third calendar year after the year in which the Annual General Meeting resolved on allocation of the synthetic shares, payment may take place the year after the assignment came to an end.
- The number of synthetic shares may be subject to recalculation in the event of bonus issues, split, rights issues and similar measures, under the terms and conditions for the synthetic shares.

The complete terms and conditions for the synthetic shares are described in **Exhibit 1**.

The financial difference for the Company, should all Directors receive part of their fees in the form of synthetic shares compared with the fees being paid in cash only, is assessed to be very limited.

Election of the Chairman of the Board of Directors, other Board members and deputies of the Board of Directors

Nancy McKinstry, Anders Nyrén and Michelangelo Volpi have declined re-election. The Nomination Committee proposes that the following persons be elected Board members:

Chairman of the Board:

re-election: Leif Johansson.

Other Board members:

re-election: Roxanne S. Austin, Sir Peter L. Bonfield, Börje Ekholm, Alexander Izosimov, Ulf J. Johansson, Sverker Martin-Löf, Hans Vestberg and Jacob Wallenberg; and

new election: Nora Denzel, Kristin Skogen Lund and Pär Östberg.

In the composition of the Board of Directors, the Nomination Committee considers, among other things, necessary experience and competence but also the value of diversity, gender balance and renewal, and assesses the appropriateness of the number of members of the Board.

In its appraisal of qualifications and performance of the individual Board members, the Nomination Committee takes into account the competence and experience of each individual member along with the individual member's contribution to the Board work as a whole. The Nomination Committee considers it important that Board members can devote the necessary time and care required to fulfill their tasks as Board members in Ericsson, and has therefore also familiarized itself with the proposed Board members' engagements outside of Ericsson and the time they require.

The Nomination Committee has further thoroughly familiarized itself with the Board work and the work of individual Board members. The Nomination Committee is of the opinion that the current Board is well functioning and that the Board fulfils high expectations in terms of composition and expertise. All Board members contribute meritoriously with their respective expertise. Nancy McKinstry, Anders Nyrén and Michelangelo Volpi have however notified their intention to leave the Board after several years on Ericsson's Board of Directors.

The Nomination Committee proposes that Nora Denzel, Kristin Skogen Lund and Pär Östberg be elected new Board members. Information regarding the proposed Board members is presented in **Exhibit 2**. It is the Nomination Committee's assessment that each of the proposed Board members, with their respective experiences, will add valuable expertise to the Board and that they are therefore well suited as Board members in Ericsson. It could be specifically mentioned that Nora Denzel has industrial experience of relevance to Ericsson within among other things software and technological

development, that Kristin Skogen Lund has broad experience, of value for Ericsson, within the media industry, among other things with respect to content distribution, and that Pär Östberg has solid financial experience and knowledge with focus in Asia, an important market for Ericsson.

Information regarding proposed Board members

Information regarding all the proposed Board members is presented in **Exhibit 2**.

Independence of Board members

The Nomination Committee has made the following assessments in terms of applicable Swedish independence requirements:

- (i) The Nomination Committee considers that at least the following Board members are independent of the Company and its senior management:
 - a. Roxanne S. Austin
 - b. Sir Peter L. Bonfield
 - c. Nora Denzel
 - d. Börje Ekholm
 - e. Alexander Izosimov
 - f. Leif Johansson
 - g. Ulf J. Johansson
 - h. Kristin Skogen Lund
 - i. Pär Östberg

- (ii) From among the Board members reported in (i) above, the Nomination Committee considers that at least the following are independent of the Company's major shareholders:
 - a. Roxanne S. Austin
 - b. Sir Peter L. Bonfield
 - c. Nora Denzel
 - d. Alexander Izosimov
 - e. Leif Johansson
 - f. Ulf J. Johansson
 - g. Kristin Skogen Lund

Moreover, the Nomination Committee considers that at least the following Board members are independent in respect of all applicable independence requirements:

- a. Roxanne S. Austin
- b. Sir Peter L. Bonfield
- c. Nora Denzel
- d. Alexander Izosimov
- e. Leif Johansson
- f. Ulf J. Johansson
- g. Kristin Skogen Lund

Fees payable to the auditor

The Nomination Committee proposes, like previous years, that the auditor fees be paid against approved account.

Election of auditor

The Nomination Committee proposes that the company should have one registered public accounting firm as auditor and that PricewaterhouseCoopers AB be appointed auditor for the period as of the end of the Annual General Meeting 2013 until the end of the Annual General Meeting 2014.

Stockholm in March 2013

The Nomination Committee

Terms and Conditions for Board Fees in the form of allocation of Synthetic Shares in Telefonaktiebolaget LM Ericsson 2013

1. Definitions

- "the Company" Telefonaktiebolaget LM Ericsson, corporate registration number 556016-0680.
- "Synthetic Share" A right to receive a future payment of an amount which corresponds to the market value of a share of series B in the Company on NASDAQ OMX Stockholm at the time of payment.

2. Synthetic Share Program for Non-employed Directors elected by the general meeting

A nominated director can choose to receive the fee in respect of his or her Board assignment (however, not in respect of committee work) as follows: i) 25 percent of the fee in cash and a number of Synthetic Shares, the value of which at the time of allocation corresponds to 75 percent of the fee, ii) 50 percent of the fee in cash and 50 percent in the form of Synthetic Shares, or iii) 75 percent of the fee in cash and 25 percent in the form of Synthetic Shares. Directors may also choose not to participate in the Synthetic Share Program.

The number of Synthetic Shares allocated to the director shall be based on a volume weighed average of the market price of shares of series B on NASDAQ OMX Stockholm during the five trading days immediately following the publication of the Company's interim report for the first quarter of the year that the director was elected or re-elected director. The number of Synthetic Shares shall be rounded down to the nearest whole number of shares.

3. Vesting Period

The director's right to receive maximum allocation of Synthetic Shares is contingent on whether the director remains as a director during the whole or only part of the term of office. Vesting is granted with 25 percent per commenced quarter of the year as a director, the first quarter beginning 1 April.

4. Payment

The director's right to receive payment with regard to allocated Synthetic Shares occurs after the publication of the Company's year-end financial statement during the fifth year following the general meeting which resolved on the allocation of the Synthetic Shares. The amount payable shall be determined based on the volume weighed average price for shares of series B during the five trading days immediately following the publication of the

Exhibit 1

year-end financial statement and payment shall be made ten banking days after the payable amount has been determined.

Dividend in respect of shares of series B, which the general meeting has resolved on during the holding period, shall be disbursed to the director on the same day as payment with regard to Synthetic Shares is made.

The Company is entitled to make deductions for applicable taxes in respect of amounts to be paid to the directors and to forward such deducted amounts to the tax authorities.

5. Recalculation

Should the share capital in the Company be increased or decreased, convertibles or warrants be issued or the Company be liquidated or merged or similar changes occur, the number of Synthetic Shares shall be recalculated to ensure the director economic rights corresponding to what would have been the case had the director been the holder of a corresponding number of shares of series B since the time of allocation. In connection herewith Swedish market praxis for recalculation of similar instruments shall, as far as possible, be applied. In the event that recalculation is not possible or a matter or transaction regarding the Company becomes more difficult due to the fact that Synthetic Shares are outstanding, payment may be made in advance with respect to outstanding Synthetic Shares based on the prevailing market price of the Company's shares of series B.

Each recalculation shall be made, with binding effect for the Company and the directors, by an accounting firm appointed by the Stockholm Chamber of Commerce, which firm shall be independent from the Company.

6. Advance Payment

In the event that the director's Board assignment comes to an end not later than during the third calendar year following the year during which the general meeting resolved on allocation of Synthetic Shares, the director has a right, within three months of the termination, to request that the time of payment be advanced, and instead occur, in relation to all allocated Synthetic Shares, after the publication of the year-end financial statement in the year following the year during which the assignment came to an end. The amount payable shall be calculated based on the volume weighed average price for shares of series B during the five trading days immediately following the publication of the year-end financial statement and payment shall be made ten banking days after the payable amount has been determined. The corresponding right to request advance payment shall apply for the surviving relatives of a deceased director.

7. Prohibition against Pledging or Transfer of Rights

The right that comes with the Synthetic Share cannot be borrowed on, pledged, transferred, or in any other way be disposed of. However, if the director deceases, the rights are transferred to the deceased's estate.

8. Amendments to the Terms and Conditions

Any amendments to these terms and conditions shall be approved by the general meeting of the Company.

9. Disputes

Disputes regarding the interpretation or application of these terms and conditions shall be settled in accordance with Swedish law regarding arbitrators in Stockholm whereby Swedish law shall be applicable. The costs for such arbitration proceeding shall be borne by the Company with the exception of arbitration proceedings that, according to the arbitral award, have been called for by the director without reasonable cause.

Information on proposed Board members – Telefonaktiebolaget LM Ericsson

Leif Johansson (first elected 2011)



Chairman of the Board of Directors, Chairman of the Remuneration Committee and of the Finance Committee
Born 1951. Master of Science in Engineering, Chalmers University of Technology, Gothenburg, Sweden.
Board Chairman: Astra Zeneca PLC, European Round Table of Industrialists and the International Advisory Board of the Nobel Foundation.
Board Member: Svenska Cellulosa Aktiebolaget SCA and Ecolean AB.
Holdings in Ericsson*: 17,933 Class B shares.
Principal work experience and other information: President of the Royal Swedish Academy of Engineering Sciences. President and CEO of AB Volvo 1997-2011. Executive Vice President of AB Electrolux 1988-1991, President 1991-1994 and President and CEO of AB Electrolux 1994-1997. Holds honorary Doctorates at Blekinge Institute of Technology, the University of Gothenburg and Chalmers University of Technology. Awarded the Large Gold Medal of the Royal Swedish Academy of Engineering Sciences in 2011.

Sverker Martin-Löf (first elected 1993)



Deputy Chairman of the Board of Directors and member of the Audit Committee
Born 1943. Doctor of Technology and Master of Engineering, KTH Royal Institute of Technology, Stockholm, Sweden.
Board Chairman: Svenska Cellulosa Aktiebolaget SCA, SSAB and AB Industrivärden.
Board Member: Skanska AB and Svenska Handelsbanken AB.
Holdings in Ericsson*: 10,400 Class B shares.
Principal work experience and other information: President and CEO of Svenska Cellulosa Aktiebolaget SCA 1990–2002, where he was employed 1977–1983 and 1986–2002. Previous positions at Sunds Defibrator and Mo och Domsjö AB.

Jacob Wallenberg (first elected 2011)



Deputy Chairman of the Board of Directors, Member of the Finance Committee
Born 1956. Bachelor of Science in Economics and Master of Business Administration, Wharton School, University of Pennsylvania, USA. Officer of the Reserve, Swedish Navy.
Board Chairman: Investor AB.
Deputy Board Chairman: SAS AB and SEB Skandinaviska Enskilda Banken AB (SEB).
Board member: ABB Ltd, The Coca-Cola Company, The Knut and Alice Wallenberg Foundation and Stockholm School of Economics.
Holdings in Ericsson*: 2,413 Class B shares.
Principal work experience and other information: Chairman of the Board of Investor AB since 2005. Extensive experience in banking and finance, including experience from the commercial banks JP Morgan, New York and SEB. Appointed President and CEO of SEB in 1997 and appointed Chairman of SEB's Board of Directors in 1998. Executive Vice President and CFO of Investor AB 1990-1993. Honorary Chairman of IBLAC (Mayor of Shanghai's International Business Leaders Advisory Council) and member of The European Round Table of Industrialists.

**The number of shares reflects ownership as of March 1, 2013 and includes holdings by related natural or legal persons, as well as holdings of any ADS, if applicable.*

Roxanne S. Austin (first elected 2008)



Born 1961. Bachelor of Business Administration in Accounting, University of Texas, San Antonio, USA.
Board Member: Abbott Laboratories, Abbvie, Teledyne Technologies Inc. and Target Corporation.
Holdings in Ericsson*: 3,000 Class B shares.
Principal work experience and other information: President of Austin Investment Advisors since 2004. President and CEO of Move Networks Inc. 2009–2010. President and COO of DirecTV 2001–2003. Corporate Senior Vice President and CFO of Hughes Electronics Corporation 1997–2000, which she joined in 1993. Previously a partner at Deloitte & Touche. Member of the California State Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

Sir Peter L. Bonfield (first elected 2002)



Member of the Audit Committee
Born 1944. Honors degree in Engineering, Loughborough University, Leicestershire, UK.
Board Chairman: NXP Semiconductors N.V.
Board Member: Mentor Graphics Inc., Sony Corporation and Taiwan Semiconductor Manufacturing Company, Ltd.
Holdings in Ericsson*: 4,400 Class B shares.
Principal work experience and other information: CEO and Chairman of the Executive Committee of British Telecommunications plc 1996–2002. Chairman and CEO of ICL plc 1985–1996. Positions with STC plc and Texas Instruments Inc. Member of the Advisory Boards of New Venture Partners LLP, the Longreach Group and Apax Partners LLP. Board Mentor of CMI. Senior Advisor, Rothschild, London. Chair of Council and Senior Pro-Chancellor, Loughborough University, UK. Fellow of the Royal Academy of Engineering.

Nora Denzel (proposed for election 2013)



Born 1962. Master of Science in Business Administration, Santa Clara University, USA. Bachelor of Science in Computer Science, State University of New York, USA.
Board Member: Coinstar, Inc., FirstRain Software, Saba Software, the Anita Borg Institute and YWCA of Santa Clara County.
Holdings in Ericsson*: None.
Principal work experience and other information: Senior Vice President for Big Data, Social Design and Marketing at Intuit 2011–2012 and Senior Vice President, Small Business Payroll Division at Intuit 2008–2011. Previous positions include Senior Vice President and General Manager of Hewlett-Packard's (HP) global software business and other positions within HP, Senior Vice President of product operations at Legato Systems Inc. (now a part of EMC) and a number of positions within IBM.

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Börje Ekholm (first elected 2006)



Member of the Remuneration Committee

Born 1963. Master of Science in Electrical Engineering, KTH Royal Institute of Technology, Stockholm, Sweden. Master of Business Administration, INSEAD, France.

Board Chairman: KTH Royal Institute of Technology, Stockholm and Nasdaq OMX Group Inc.

Board Member: Investor AB, AB Chalmersinvest, EQT Partners AB and Husqvarna AB.

Holdings in Ericsson*: 30,760 Class B shares.

Principal work experience and other information: President and CEO of Investor AB since 2005. Formerly Head of Investor Growth Capital Inc. and New Investments. Previous positions at Novare Kapital AB and McKinsey & Co Inc.

Alexander Izosimov (first elected 2012)



Born 1964. Master of Business Administration, INSEAD, France and Master of Science in Production Management Systems and Computer Science, Moscow Aviation Institute, Russian Federation.

Board Member: East Capital AB, Modern Times Group MTG AB, EVRAZ Group S.A, Dynasty Foundation, Transcom WorldWide SA and International Chamber of Commerce (ICC).

Holdings in Ericsson*: 1,600 Class B shares.

Principal work experience and other information: CEO and President of VimpelCom 2003–2011. Previous positions with Mars Inc., including Member of the Global Executive Board and Regional President for CIS, Central Europe and Nordics. Earlier positions with McKinsey & Co as consultant in the Stockholm and London offices. Served as GSMA Board member 2005–2008 and Chairman of GSMA 2008–2010.

Ulf J. Johansson (first elected 2005)



Chairman of the Audit Committee

Born 1945. Doctor of Technology and Master of Science in Electrical Engineering, KTH Royal Institute of Technology, Stockholm, Sweden.

Board Chairman: Acando AB, Eurostep Group AB and Trimble Navigation Ltd.

Board Member: European Institute of Innovation and Technology.

Holdings in Ericsson*: 6,435 Class B shares.

Principal work experience and other information: Founder of Europolitan Vodafone AB, where he was the Chairman of the Board 1990–2005. Previous positions at Spectra-Physics AB as President and CEO and at Ericsson Radio Systems AB. Member of the Royal Academy of Engineering Sciences.

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Kristin Skogen Lund (proposed for election 2013)



Born 1966. Master of Business Administration, INSEAD, France. Bachelor in International Studies and Business Administration, University of Oregon, USA.

Board Member: None.

Holdings in Ericsson:* None.

Principal work experience and other information: Director General of the Confederation of Norwegian Enterprise (NHO) since 2012. Executive Vice President and Head of Digital Services and Broadcast and Executive Vice President and Head of Nordic Region, Group Executive Management at Telenor 2010-2012. Previous positions include Chief Executive Officer and Commercial Director at Aftenposten, Chief Executive Officer at Scanpix, Managing Director and Editor in Chief at Scandinavia Online, and several positions at the Coca-Cola Company, Unilever and Norges Eksportråd.

Hans Vestberg (first elected 2010)



Born 1965. Bachelor of Business Administration and Economics, University of Uppsala, Sweden.

Board Chairman: ST-Ericsson and Svenska Handbollförbundet.

Board Member: Thernlunds AB.

Holdings in Ericsson:* 158,814 Class B shares.

Principal work experience and other information: President and CEO of Telefonaktiebolaget LM Ericsson since January 1, 2010. Previously, First Executive Vice President, CFO and Head of Group Function Finance and Executive Vice President and Head of Business Unit Global Services. Various positions in the Group since 1988, including Vice President and Head of Market Unit Mexico and Head of Finance and Control in USA, Brazil and Chile. International advisor to the Governor of Guangdong, China and co-chairman of the Russian-Swedish Business Council. Founding member of the Broadband Commission for Digital Development, and heading the Commission's climate change working group. Member of the European Cloud Partnership Steering Board and the Leadership Council of the United Nations Sustainable Development Solutions Network.

Pär Östberg (proposed for election 2013)



Born 1962. Master of Business Administration, Gothenburg School of Economics, Gothenburg, Sweden.

Board Member: None.

Holdings in Ericsson:* None.

Principal work experience and other information: Executive Vice President of AB Industrivärden since 2012. Executive Vice President at Volvo Group Truck Joint Ventures between January 2012 and October 2012. Several senior managerial positions within the Volvo group including Senior Vice President and President Trucks Asia at AB Volvo, Chairman of the Board of VE Commercial Vehicles Ltd, Senior Vice President and CFO at AB Volvo, CFO at Volvo Trucks France and senior positions at Volvo Treasury Asia Ltd, Singapore and Volvo Treasury Europe AB. Previous positions also include Senior Vice President, CFO at Renault Trucks and positions within Renault Crédit International (RCI) and Renault SA.

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