

Item 10

The Board of Director's proposal for principles for remuneration and other employment terms for the top executives

The Board of Directors proposes the General Meeting of Shareholders to resolve on the following for principles for remuneration and other employment terms for the top executives.

Remuneration Policy for Top Executives

This policy covers the remuneration and other terms of employment for the Group Management Team, including the President and CEO, in the following referred to as the "Top Executives".

The Top Executives' total remuneration consists of fixed salary, variable components in the form of annual incentive and long term incentive, pension and other benefits.

The Remuneration Committee monitors pay trends within and outside Sweden to find competitive and performance driven remuneration packages for the Top Executives. The remuneration and other terms of employment for the President and CEO are set by the Board of Directors based on recommendations of the Remuneration Committee. The remuneration and other terms of employment for other Top Executives are approved by the Remuneration Committee.

Deviations from this Remuneration Policy may only be decided by the Board of Directors in individual cases if special reasons exist. Any deviation and the reasons thereto, shall be disclosed at the Annual General Meeting of shareholders.

1. Relative importance of and variable components of the remuneration of top executives and the linkage between performance and remuneration

Ericsson takes account of global remuneration practice together with the practice of the home country of each Top Executive.

Fixed salary is set to be competitive. Its absolute level is determined by the size and complexity of the job and year to year performance of the individual jobholder.

Performance is specifically reflected in the variable components - both in an annual incentive and in a long-term incentive portion. Although this may vary over time to take account of pay trends, currently the target level of the annual component for Swedish top executives is about 20 percent of the total compensation (fixed salary, annual incentive and long-term incentive). The long-term component is also set to achieve a target of around 20 percent of total compensation. In both cases the incentive pay is measured against the achievement of specific business objectives.

Together, the incentive component is set to a target of around 40 percent of total compensation and the remaining part of 60 percent for the fixed salary, reflecting the judgement of the Board of Directors as to the right balance between fixed and variable pay and the market practice for compensation of executives.

2. The principal terms of incentive schemes

The annual short term incentive is a cash program based on specific business targets derived from the annual business plan approved by the Board of Directors. The exact nature of the targets will vary depending on the specific job but may include financial targets at either corporate level or at a specific business unit level, operational targets, employee motivation targets and customer satisfaction targets.

Share based long term incentive plans are submitted each year for approval by the shareholders at the Annual General Meeting. The payout is determined by three specific variables, the individuals' own investment in shares, a long-term financial target at corporate level, and the share price development.

3. Notice of termination and severance pay

For Top Executives in Sweden the mutual notice period is six months. Upon termination of employment by the company, severance pay amounting to a maximum of 18 months fixed salary is paid. The severance pay is reduced by 50 percent of the salary or corresponding compensation which the executive is entitled to during the period severance is paid from Ericsson. Notice of termination given by the employee due to significant structural changes or other events occurred that, in a determining manner, affect the content of work or the condition for the position, and is equated with notice of termination served by the company.

For Top Executives outside Sweden the notice period and the severance may vary with regard to the local competitive practice.

4. Pension

Pension benefits shall follow the competitive level in the home country. For Top Executives in Sweden, the company applies a defined contribution scheme for old age pension in addition to the basic pension plans on the Swedish labour market.

The retirement age is normally 60 years but can be different in individual cases.

5. Other benefits

The basic principle is that other benefits like company car and medical schemes shall be competitive in the local market.

Stockholm, March, 2006
The Board of Directors