

To the Board of Directors of Telefonaktiebolaget LM Ericsson

The Nomination Committee's proposals to the Annual General Meeting 2012

The Nomination Committee 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 2012.

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 3,750,000 to the Chairman of the Board of Directors (*unchanged*);
- SEK 875,000 each to the other Board members (*previously SEK 825,000*);
- 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 be increased. Further the Nomination Committee proposes that the fees to the Chairman of the Board of Directors and 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 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 180 countries and that sales amount to more than SEK 200 billion.

Against this background, the Nomination Committee considers well-justified the proposed increase in respect of the individual Board fee from SEK 825,000 to SEK 875,000.

The Nomination Committee considers the fee to the Chairman of the Board and the fees for Committee work to be reasonable, and therefore proposes that these fees remain unchanged.

The proposal of the Nomination Committee implies all in all an increase of the Board and Committee fees of approximately 3.5 percent compared with the total fees to the Board members for Board and Committee work resolved by the AGM 2011.

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 2012 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 Annual General Meeting 2012. 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 2017, 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

Carl-Henric Svanberg has declined re-election.

Chairman of the Board:
re-election of Leif Johansson.

Other Board members:
re-election of Roxanne S. Austin, Sir Peter L. Bonfield, Börje Ekholm, Ulf J.

Johansson, Sverker Martin-Löf, Nancy McKinstry, Anders Nyrén, Hans Vestberg, Michelangelo Volpi and Jacob Wallenberg; and

election of Alexander Izosimov as new Board member.

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 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 has 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. Carl-Henric Svanberg has however notified his intention to leave the Board after many years of duty for Ericsson.

The Nomination Committee proposes that Alexander Izosimov be elected new Board member. It is the opinion of the Nomination Committee that Alexander Izosimov, with his many years' experience within among other things the telecom business and with his international experience, will add valuable expertise to the Board and that he is therefore well suited as a Board member in Ericsson.

The Nomination Committee recommends that also future Nomination Committees perform a thorough assessment of the size and composition of the Board of Directors and of the expertise that should be represented in the Board, and continue with the process of recruiting suitable candidates to the Board.

Information regarding proposed Board members

Information regarding 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 rules on independence:

- (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. Börje Ekholm
 - d. Leif Johansson
 - e. Ulf J. Johansson
 - f. Nancy McKinstry
 - g. Michelangelo Volpi
 - h. Alexander Izosimov

- (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. Leif Johansson
 - d. Ulf J. Johansson
 - e. Nancy McKinstry
 - f. Michelangelo Volpi
 - g. Alexander Izosimov

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. Leif Johansson
- d. Ulf J. Johansson
- e. Nancy McKinstry
- f. Michelangelo Volpi
- g. Alexander Izosimov

Instruction for the Nomination Committee

The Nomination Committee proposes the instruction for the Nomination Committee set forth in **Exhibit 3** to apply until the General Meeting of Shareholders resolve otherwise.

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 PricewaterhouseCoopers AB be appointed Auditor for the period as of the end of the Annual General Meeting 2012 until the end of the Annual General Meeting 2013.

Stockholm in March 2012

The Nomination Committee