

**ERICSSON AGM Date: 2013-04-09**

<b>1 Election of the Chairman of the Annual General Meeting.</b>	<b>Non-Voting</b>
<b>2 Preparation and approval of the voting list.</b>	<b>Non-Voting</b>
<b>3 Approve Agenda of Meeting</b>	<b>Non-Voting</b>
<b>4 Acknowledge Proper Convening of Meeting</b>	<b>Non-Voting</b>
<b>5 Designate Inspector(s) of Minutes of Meeting</b>	<b>Non-Voting</b>
<b>6 Receive Financial Statements and Statutory Reports</b>	<b>Non-Voting</b>
<b>7 Receive President's Report</b>	<b>Non-Voting</b>
<b>8.1 Approve the financial statements</b>	<b>For</b>
<b>8.2 Discharge the Board</b>	<b>For</b>
<b>8.3 Approve the dividend</b>	<b>For</b>
<b>9.1 Approve the number of board directors</b>	<b>For</b>
<b>9.2 Approve fees payable to the Board of Directors</b>	<b>Oppose</b>
<p>The Nomination Committee proposes the following fees for the non-executive directors: 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 Committee states that the increase of fees has been proposed following review of the fees paid in similar companies. While there are concerns that this kind of comparison may unnecessarily increase the level of fees paid, the proposed increases the fees are moderate, the fees to the Chairman by 2.5% and to the rest of the Board by 2.8%. The nomination committee further proposes that it be possible to pay part of the fees to the Directors, in respect of their Board assignment (however, not in respect of committee work), in the form of synthetic shares. A nominated Director shall have the possibility of choosing to receive the fee in respect of his or her Board assignment, according to the following four alternatives: (i) 25% in cash – 75% in synthetic shares (ii) 50% in cash – 50% in synthetic shares (iii) 75% in cash – 25% in synthetic shares (iv) 100% in cash. The synthetic shares entail a right to receive payment, following the publication of Ericsson's year-end financial statement in 2018, 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. The proposed scheme contains an element of performance-based pay for directors which we consider may impact on their independence. There are also reservations over rewarding individuals differently for the same legal responsibility. Furthermore, the facility for departing directors to cash in synthetic shares before the 2018 expiry date damages the scheme's potential to align the board's interests with longer term shareholders.</p>	
<b>9.3 Election of the Chairman of the Board of Directors, other Board members and deputies of the Board of Directors.</b>	<b>Oppose</b>

It is common practice for board members in Sweden to be elected using a slate system. Concerns over independent representation on the board are registered by recommending shareholders oppose slates where an insufficient number of independent directors are included. The Nomination Committee proposes that the following persons be re-elected as Board members: Leif Johansson (Chairman), Roxanne S. Austin, Sir Peter L. Bonfield, Börje Ekholm, Alexander zosimov, Ulf J. Johansson, Sverker Martin-Löf, Hans Vestberg and Jacob Wallenberg. It is further proposed that Nora Denzel, Kristin Skogen Lund and Pär Östberg be elected to the Board. Since this resolution addresses the board election using a slate system and the post-AGM independence level would be insufficient (although we note that the balance is slightly better than last year), Triodos opposes.

#### **9.4 Approve the Auditor's Fees**

**Abstain**

The Nomination Committee proposes that the Auditor fees be paid against approved account. Triodos has no objection to the fees as such but to the proportion of fees related to non-audit fees in comparison with audit fees (see resolution 9.5). Therefore, Triodos abstains.

#### **9.5 Appoint the auditors**

**Oppose**

PricewaterhouseCoopers AB proposed. Non-audit fees represented 31.7% of audit fees during the year under review and 36.5% on a three-year aggregate basis. This level of non-audit fees raises concerns about the independence of the auditors.

#### **10 Approve Pay Structure**

**Oppose**

Shareholders are asked to approve the principles for remuneration to the executives. A summary of remuneration is included in the body of this report. The main concerns over remuneration at the company are the lack of a second performance criterion for the LTIP which is measured against a comparator group, potentially excessive variable remuneration, potentially excessive severance payments, inclusion of the annual bonus in the pensionable salary and the payment of variable remuneration to non-executives.

#### **11.1 Resolution on implementation of the Stock Purchase Plan.**

**For**

#### **11.2 Resolution on transfer of treasury stock for the Stock Purchase Plan.**

**For**

#### **11.3 Resolution on Equity Swap Agreement with third party in relation to the Stock Purchase Plan.**

**Oppose**

In the event that the required majority is not reached under item 11.2 above, the financial exposure of the Stock Purchase Plan shall be hedged by the Company entering into an equity swap agreement with a third party, under which the third party shall, in its own name, acquire and transfer shares in the Company to employees covered by the Stock Purchase Plan. A negative vote on the use of Treasury shares to finance the stock purchase plan can be regarded as indicative of shareholder concern over the plan itself and as such it is not considered that the alternative should be used as this ignores shareholder sentiment.

#### **11.4 Resolution on implementation of the Key Contributor Retention Plan. Oppose**

Approximately 10% of the employees (ca. 10,000 employees), considered as 'key contributors' will be offered, in addition to shares offered under the Stock Purchase Plan, an additional matching of shares. As the plan does not extend to a majority of employees, it is considered that performance conditions should be applied in order to merit the award of additional shares. Also, the plan is intended to retain those employees with potential rather than rewarding performance from which shareholders may directly benefit.

#### **11.5 Resolution on transfer of treasury stock for the Key Contributor Retention Plan.**

**Oppose**

There are concerns over the use of shareholder funds to repurchase stock to be held in treasury for the purposes of funding a plan for which no performance conditions apply and in which less

than a majority of employees participate. Opposition is recommended.

**11.6 Resolution on Equity Swap Agreement with third party in relation to the Key Contributor Retention Plan. Oppose**

There are concerns over the higher costs of an equity swap arrangement and over the use of a mechanism that allows a third party to reward employees where shareholders do not approve of the proposal to use treasury stock for this purpose.

**11.7 Resolution on implementation of the Executive Performance Stock Plan. For**

**11.8 Resolution on transfer of treasury stock for the Executive Performance Stock Plan. For**

**11.9 Resolution on Equity Swap Agreement with third party in relation to the Executive Performance Stock Plan. Oppose**

There are concerns over the higher costs of an equity swap arrangement and over the use of a mechanism that allows a third party to reward employees where shareholders do not approve of the proposal to use treasury stock for this purpose.

**12 Resolution on transfer of treasury stock in relation to the resolutions on the Long-Term Variable Remuneration Programs 2009, 2010, 2011 and 2012. For**

**13 Shareholder Proposal to Amend the Articles to Stipulate Quotas for Male and Female Representation For**

Gender balance on a company's Board of Directors is considered best practice. This proposal does not require gender balance so much as a minimum representation of each gender on the Board, which is still a step toward achieving balance in the future. Though the effects of government introduced quotas has been widely debated and no consensus reached, the introduction of this requirement as an initiative by shareholders is welcomed.

**14 Shareholder Proposal to give Equitable voting rights For**

Proposed by: Einar Hellbom. The shareholder proposes that the Board review how shares can be given equal voting rights and to present a proposal to that effect at the Annual General Meeting 2014. The Company has not made a statement on the proposal. As differential voting rights create a disproportionate relationship between control rights and economic interest, we support this resolution.

**15.1 Shareholder Proposal to create a shareholders' association in the company Abstain**

Proposed by: Thorwald Arvidsson. Unfortunately, the Company has not provided a translation of the proposal in English. We cannot make an informed decision and therefore Triodos abstains.

**15.2 Shareholder Proposal for Equitable voting rights Abstain**

Proposed by: Thorwald Arvidsson. It is proposed that the Company write to the Government of Sweden, requesting a prompt appointment of a commission instructed to propose legislation on the abolishment of voting power differences in Swedish limited liability companies. Unfortunately, the Company has not provided a translation of the proposal in English. We cannot make an informed decision and therefore Triodos abstains.

**15.3 Diversity of the board/director qualifications Abstain**

Proposed by: Thorwald Arvidsson. It is proposed to prepare a proposal regarding board representation for the small and midsize shareholders. Unfortunately, the Company has not provided a translation of the proposal in English. We cannot make an informed decision and therefore Triodos abstains.