

**TELEFONAKTIEBOLAGET LM ERICSSON**  
**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

The Annual General Meeting of Shareholders will be held at the Annex to the Globe Arena, Globentorget, Stockholm, Sweden at 3.00 p.m. on Wednesday, April 9, 2008. Registration to the Meeting starts at 1.30 p.m.

**Right to attend and notice of attendance**

Shareholders who wish to attend the Meeting shall

- be entered into the transcription of the share register as of Thursday, April 3, 2008, kept by the Swedish central securities depository ("VPC AB"); and
- give notice of attendance to the Company not later than on Thursday, April 3, 2008 at Ericsson's web site [www.ericsson.com](http://www.ericsson.com), by phone no. +46 (0)8 775 0199 between 10 a.m. and 4 p.m. weekdays, or by facsimile no. +46 (0)8 775 8018. Notice may also be given by mail to Telefonaktiebolaget LM Ericsson, Group Function Legal Affairs, Box 47021, SE-100 74 Stockholm, Sweden. When giving notice of attendance, please state name, date of birth, address, telephone no., and number of attending assistants, if any.

*The meeting will be simultaneously translated into English.*

**Shareholding in the name of a nominee**

Shareholders, whose shares are registered in the name of a nominee, must request to be temporarily entered into the share register as of Thursday, April 3, 2008, in order to be entitled to participate in the Meeting. Such shareholder is requested to inform the nominee to that effect well before that day.

**Power of Attorney**

Shareholders who are represented by proxy shall issue a power of attorney for the representative. Power of attorney issued by a legal entity shall be accompanied by a copy of the certificate of registration. Should such certificate not exist, a corresponding document of authority of the legal entity shall be provided. The documents must not be older than one year. In order to facilitate the registration at the Meeting, powers of attorney in original, certificates of registration and other documents of authority should be sent to the Company at the address above so as to be available by Tuesday, April 8, 2008. Forms of Power of Attorney in Swedish and English are available at the Company's website [www.ericsson.com](http://www.ericsson.com).

**Agenda**

- 1 Election of the Chairman of the Meeting.
- 2 Preparation and approval of the voting list.
- 3 Approval of the agenda of the Meeting.
- 4 Determination whether the Meeting has been properly convened.
- 5 Election of two persons approving the minutes.
- 6 Presentation of the annual report, the auditors' report, the consolidated accounts, the auditors' report on the consolidated accounts and the auditors' presentation of the audit work during 2007.
- 7 Presentation of the work performed by the Board of Directors and its Committees during the past year.
- 8 The President's speech and questions by the shareholders to the Board of Directors and the management.
- 9 Resolutions with respect to
  - a) adoption of the profit and loss statement and the balance sheet, the consolidated profit and loss statement and the consolidated balance sheet;
  - b) discharge of liability for the members of the Board of Directors and the President; and
  - c) the appropriation of the profit in accordance with the approved balance sheet and determination of the record date for dividend.

- 10 Presentation of the work and proposals of the Nomination Committee, election of the Board of Directors etc.
  - a) Determination of the number of Board members and Deputies of the Board of Directors to be elected by the Meeting.
  - b) Determination of the fees payable to non-employed members of the Board of Directors elected by the Meeting and non-employed members of the Committees of the Board of Directors elected by the Meeting.
  - c) Election of the Chairman of the Board of Directors and other Board members.
  - d) Resolution on the procedure for appointing the members of the Nomination Committee and determination of the assignment of the Committee.
  - e) Determination of the fees payable to the members of the Nomination Committee.
  - f) Determination of the fees payable to the Auditor.
- 11 Resolution on reverse split of shares 1:5 and changes in the articles of association.
- 12 Resolution on the principles for remuneration to the top executives.
- 13 Resolution on transfer of treasury stock for the completion of the Long-Term Variable Compensation Program 2007.
- 14 Resolution on implementation of an all employee Stock Purchase Plan, a Key Contributor Retention Plan and an Executive Performance Stock Plan and, under each plan respectively, transfer of treasury stock, directed share issue and authorization for the Board of Directors to decide on a directed acquisition offer.
- 15 Resolution on transfer of treasury stock in relation to the resolutions on the Global Stock Incentive Program 2001, the Stock Purchase Plan 2003, and the Long-Term Incentive Plans 2004, 2005, 2006 and the Long-Term Variable Compensation Program 2007.
- 16 Resolution on Einar Hellbom's proposal that each share shall carry one vote.
- 17 Close of the Meeting.

**Item 1 Chairman of the Meeting**

The Nomination Committee proposes the Chairman of the Board of Directors, Michael Treschow, be elected Chairman of the Meeting.

**Item 9 c) Dividend and record date**

The Board of Directors proposes a dividend of SEK 0.50 per share and Monday, April 14, 2008, as record date for dividend. Assuming this date will be the record day, VPC AB is expected to disburse dividends on Thursday, April 17, 2008.

**Item 10 a)-c) Number of Board members and Deputies, Directors' fees, election of the Chairman and other members of the Board of Directors**

The Nomination Committee, appointed in accordance with the procedure that was resolved by the Annual General Meeting of Shareholders 2007, is composed of Jacob Wallenberg, Investor, Carl Olof By, Industrivärden, Chairman of the Committee, Caroline af Ugglas, Livförsäkringsaktiefbolaget Skandia, Mats Lagerqvist, Swedbank Robur Fonder, and Michael Treschow, Chairman of the Board of Directors. The Nomination Committee proposes

- a) the number of Board members to be elected by the Meeting remains ten and no Deputy Directors be elected;

- b) the fees to the non-employed Board members and to the non-employed members of the Committees to the Board of Directors elected by the Meeting be paid as follows (all unchanged):
- 3 750 000 SEK to the Chairman of the Board of Directors;
  - 7 50 000 SEK each to the other Board members;
  - 350 000 SEK to the Chairman of the Audit Committee;
  - 250 000 SEK each to other members of the Audit Committee; and
  - 125 000 SEK each to the Chairmen and other members of the Finance and Remuneration Committee, respectively.

#### **Fees in the form of synthetic shares**

The nomination committee 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 synthetic share signifies a right to receive future payment of an amount corresponding to the market price of a share of series B in the Company on the OMX Nordic Exchange Stockholm at the time of payment. The following principal terms and conditions shall apply.

- 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 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 the OMX Nordic Exchange Stockholm during a period of five trading days immediately following the publication of Ericsson's interim report for the first quarter of 2008. The synthetic shares are vested during the term of office, with 25 percent per quarter of the year.
- The synthetic shares entail a right to receive payment, following the publication of Ericsson's year-end financial statement in 2013, 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.
- Dividend in respect of shares of series B, which the General Meeting has resolved on during the holding period, shall be disbursed at the same time as the cash amount.
- Should the Director's assignment to the Board come to an end not later than during the third calendar year after the year that the 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 of the synthetic shares.

The Company's commitment to pay with regard to the synthetic shares, as set out above, shall be hedged by the company, either through repurchased own shares or a hedging agreement with a bank.

### **Item 10 c) Directors of the Board elected by the Meeting**

#### **The Nomination Committee proposes**

Michael Treschow be re-elected Chairman of the Board of Directors;

Sir Peter L. Bonfield, Börje Ekholm, Ulf J. Johansson, Sverker Martin-Löf, Nancy McKinstry, Anders Nyrén, Carl-Henric Svanberg and Marcus Wallenberg be re-elected and Roxanne S. Austin be elected member of the Board of Directors.

Katherine Hudson has declined re-election.

Roxanne S. Austin (born 1961) is since 2004 president of Austin Investment Advisors, a private investment firm providing investment consulting to technology and media companies and investors. Prior to that position, Ms. Austin was executive vice president of Hughes Electronics Corporation and president and chief operating officer of DIRECTV (2001-2003), a US leading provider of digital television entertainment services. From 1997 to 2000 Ms. Austin was the corporate senior vice president and chief financial officer of Hughes. Prior to assuming her role as CFO she served as senior vice president and treasurer, chief accounting officer and controller. Ms. Austin joined Hughes in 1993. Before joining Hughes, Ms. Austin was a partner at Deloitte & Touche, an international accounting and consulting firm. She earned her B.B.A. in accounting from the University of Texas at San Antonio. Ms. Austin is a Non-Executive Director of the board of directors of Target Corporation, Abbott Laboratories and Teledyne Technologies Inc. She also serves on the board of trustees of the California Science Center and is a member of the California State Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

### **Item 10 d) Procedure on appointment of the Nomination Committee and determination of the assignment of the Committee**

The Nomination Committee proposes an unchanged nomination committee process in relation to the previous year on the following principal terms:

- The Company shall have a Nomination Committee of no less than five members. Based on the shareholding statistics the Company receives from the Swedish central securities depository, VPC AB, as per the last bank day of the month in which the Annual General Meeting of Shareholders is held, the Nomination Committee shall, without unnecessary delay, identify the four largest shareholders by voting power of the Company. The Nomination Committee shall contact the identified four largest shareholders and request them, within reasonable time considering the circumstances, however not exceeding 30 days, to provide in writing to the Nomination Committee the name of the person the shareholder wishes to appoint member of the Nomination Committee. Should the shareholder abstain from its right to appoint a member, or should the shareholder not appoint a member within the prescribed time, the right to appoint a member of the Nomination Committee shall transfer to the subsequent largest shareholder by voting power that has not already appointed or has the right to appoint a member of the Nomination Committee.
- Should a member of the Nomination Committee, appointed by a shareholder, resign from the Nomination Committee during the mandate period or become prevented from fulfilling his/her assignment, the Nomination Committee shall request without delay, the shareholder that has appointed the member, to appoint another member to the Nomination Committee. Should the shareholder not appoint another member, the right to appoint another member of the Nomination Committee shall transfer to the subsequent largest shareholder by voting power, provided such shareholder has not already appointed a member of the Nomination Committee or previously abstained from such right.
- In case a shareholder considers its shareholding in the Company is of such significance that it justifies a participation in the Nomination Committee, the shareholder may inform in writing the Nomination Committee thereof by stating its shareholding and in connection hereto adequately verifying its shareholding. Upon receipt of such a request no later than December 31, and provided the Nomination Committee considers the reported shareholding to be adequately verified, the Nomination Committee shall confirm this to the shareholder, who

will then be entitled to appoint a supplemental member of the Nomination Committee. In case the Nomination Committee receives a notification from a shareholder past the date of December 31, no action is required to be taken.

- The assignment for the Nomination Committee covers to provide proposals for
  - chairman at the Annual General Meeting of Shareholders;
  - chairman of the Board of Directors and other members of the Board of Directors appointed by the Annual General Meeting of Shareholders;
  - fees payable to non-employed members of the Board of Directors;
  - fees payable to the auditors and, when applicable, election of auditors; and
  - possible fees payable to the members of the Nomination Committee.

**Item 10 e) Fees payable to the members of the Nomination Committee**

The Nomination Committee proposes no remuneration be paid to the Committee members. However, the Company shall bear the expenses related to the work of the Nomination committee.

**Item 10 f) Fees payable to the Auditor**

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

**Item 11 Reverse split of shares 1:5 and changes in the articles of association**

The Board of Directors proposes the Meeting resolve on a reverse split of shares 1:5, meaning that five shares of series A and five shares of series B respectively are consolidated into one share of series A and one share of series B respectively. The resolution shall be registered by the Companies Registration Office on May 28, 2008 and the record date for the reverse split is proposed to be June 4, 2008.

The Board further proposes the wording of the articles of association (§§ 5 and 6) as regards the number of shares be changed, pursuant to the following.

- The limits for the number of shares in the Company shall be changed from no less than 6 000 000 000 and no more than 24 000 000 000 to no less than 3 000 000 000 and no more than 12 000 000 000 (§ 5).
- The maximum number of shares of series A and B respectively that may be issued shall be changed from 24 000 000 000 to 12 000 000 000 and the maximum number of shares of series C that may be issued shall be changed from 158 000 000 to 30 000 000 (§ 6).

**Special authorization for the President**

The Board of Directors proposes the President be authorized to make such minor adjustments to the resolutions above as may prove necessary in connection with the registration with the Companies Registration Office and VPC AB.

**Majority rules**

The resolution by the Meeting on reverse split of shares and changes in the articles of association shall be taken jointly as one resolution. In order for the resolution to be valid, shareholders holding at least two-thirds of the votes cast and shares represented at the Meeting must vote in favor of the proposal.

**Item 12 Principles for remuneration to the top executives**

The Board of Directors proposes the Meeting resolve on the principles for remuneration and other employment terms for the top executives for the period up to the 2009 Annual General Meeting of Shareholders in accordance with mainly the following. The principles proposed do not include any material changes compared to the principles resolved by the 2007 Annual General Meeting of Shareholders.

Remuneration of Group Management in Ericsson is based on the principles of performance, competitiveness and fairness. Different remuneration elements are designed to reflect these principles. Therefore a mix of several remuneration elements is applied in order to reflect the remuneration principles in a balanced way. The Group Management's total remuneration consists of fixed salary, variable components in the form of annual short-term variable remuneration and long-term variable remuneration, pension and other benefits. Together these elements constitute an integral remuneration package. If the size of any of the elements should be increased or decreased, at least one other element has to be decreased or increased if the competitive position of the total package should remain unchanged.

The annual report 2007 sets out details of the total remuneration and benefits awarded to the Group Management during 2007 including previously decided long-term variable remuneration that has not yet become due for payment.

### **Relative importance of fixed and variable components of the remuneration of Group Management and the linkage between performance and remuneration**

Ericsson takes account of global remuneration practices together with the practice of the home country of each member of the Group Management.

Fixed salary is set to be competitive. Its absolute level is determined by the size and complexity of the job and the year to year performance of the individual jobholder. Performance is specifically reflected in the variable remuneration - both in an annual variable component and in a long-term variable part. Although this may vary over time to take account of pay trends, currently the target level of the short-term variable remuneration for Group Management is 30 to 40 percent of the fixed salary. The long-term variable remuneration is set to achieve a target of around 30 percent of the fixed salary. In both cases the variable pay is measured against the achievement of specific business objectives, reflecting the judgment of the Board of Directors as to the right balance between fixed and variable pay and the market practice for remuneration of executives. All variable remuneration plans have maximum award and vesting limits.

With the current composition of Group Management, the Company's cost during 2008 for the short-term variable and the long-term variable remuneration of Group Management can, at a constant share price, amount to between 0 and 125 percent of the aggregate fixed salary cost, all excluding social security costs.

### **The principal terms of variable remuneration**

The annual variable remuneration is through a cash-based program with 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.

### **Pension**

Pension benefits follow the competitive practice in the home country. For Group Management in Sweden, the Company applies a defined contribution scheme for old age pension in addition to the basic pension plans on the Swedish labor market. The retirement age is normally 60 years of age but can vary in individual cases.

### **Additional remuneration arrangements**

By way of exception, additional arrangements can be made when deemed required in order to attract or retain key competences or skills, or to encourage individuals to move to new locations or positions. 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.

## **Item 13 Transfer of treasury stock for the completion of the Long-Term Variable Compensation Program 2007**

### **Background**

The Extraordinary General Meeting of Shareholders held on June 28, 2007 resolved on a transfer from the Company's treasury stock of 35.1 million shares of series B to employees and 7.3 million shares of series B on a stock exchange in relation to the Long-Term Variable Compensation Program 2007 (LTV 2007).

The number of shares calculated for the LTV 2007 was based on an average share price at the participants' investment in own shares of SEK 26. Due to the decline in share price, the number of shares allocated for matching and to cover, inter alia, social security costs under the plan will not be sufficient to complete the twelve-month investment period. At the present share price level, another 17 million shares of series B are required to complete the plan.

### **Proposals**

The Board of Directors proposes, due to what is mentioned above, the Meeting resolve in accordance with the proposals set out below.

#### **1. Transfer of treasury stock**

##### **1.1 Transfer of treasury stock to employees**

Transfer of no more than 13 600 000 shares of series B in the Company may occur under the following terms and conditions.

- i. The right to acquire shares shall be granted to such persons within the Ericsson Group covered by the terms and conditions of the LTV 2007. Furthermore, subsidiaries within the Ericsson Group shall have the right to acquire shares, free of consideration, and such subsidiaries shall be obligated to immediately transfer, free of consideration, shares to their employees covered by the terms and conditions of the LTV 2007.
- ii. The employee shall have the right to receive shares during the period when the employee is entitled to receive shares pursuant to the terms and conditions of the LTV 2007, i.e. during the period from May 2008 up to and including November 2011.
- iii. Employees covered by the terms and conditions of the LTV 2007 shall receive shares of series B in the Company, free of consideration.

##### **1.2 Transfer of treasury stock on an exchange**

The Company shall have the right to, prior to the Annual General Meeting of Shareholders in 2009, transfer no more than 3 400 000 shares of series B in the Company, in order to cover certain expenses, mainly social security payments. Transfer of the shares shall be effected on the OMX Nordic Exchange Stockholm at a price within the, at each time, prevailing price interval for the share.

#### **2. Equity Swap Agreement with third party**

In the event that the required majority is not reached under 1. above, the financial exposure of the LTV 2007 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 LTV 2007.

### **Majority rules**

The resolution of the Meeting on the transfer of treasury stock to employees and on an exchange according to 1. above shall be adopted as one resolution, whereby it is required that shareholders representing at least nine-tenths of the votes cast as well as the shares represented at the Meeting approve the proposal. A valid resolution in accordance with the proposal for an equity swap agreement under 2. above requires that more than half of the votes cast at the Meeting approve the proposal.

**Item 14 Implementation of an all employee Stock Purchase Plan, a Key Contributor Retention Plan and an Executive Performance Stock Plan and, under each plan respectively, transfer of treasury stock, directed share issue and authorization for the Board of Directors to decide on a directed acquisition offer**

**Overview of the Long-Term Variable Remuneration Program 2008 – Three plans**

The Long-Term Variable Remuneration Program 2008 (LTV 2008) builds on a common platform, but consists of three separate plans.

**The Stock Purchase Plan** is an all employee plan and is designed to create an incentive for all employees to become shareholders. The aim is to secure commitment to long-term value creation throughout Ericsson. **The Key Contributor Retention Plan** is part of Ericsson's talent strategy and is designed to ensure long-term retention of top-talent individuals with critical skills vital to Ericsson's future performance. Up to ten percent of the Company's employees are defined as "key contributors", based on a rigorous selection process incorporating elements such as individual performance, possession of critical skills and future potential. **The Executive Performance Stock Plan** is designed to encourage long-term value creation and profit growth, in alignment with shareholders' interests. The plan is offered to an exclusive group of senior managers, up to 0.5 percent of the total employee population. The aim is to attract, retain and motivate executives in a competitive market through performance based share related incentives.

**Financing**

The Board of Directors has considered different financing methods for transfer of the shares to employees under the LTV 2008, such as transfer of treasury stock and an equity swap agreement with a third party. The Board of Directors considers the transfer of treasury stock as the most cost efficient and flexible method to transfer shares under the LTV 2008.

The Company's current holding of treasury stock is not sufficient for the carrying out of the LTV 2008. Therefore, the Board of Directors proposes an issue of new shares as further set out below. Under the proposed transactions, shares are issued at the ratio value to subscribers who have agreed to sell the new shares to the Company as soon as the shares have been issued and registered. The purchase price paid by the Company to the subscribers equals the subscription price and an additional market interest for a two weeks period between the payment of the subscription price and the buy-back of shares. The Company's cost for acquiring the shares is estimated to amount to less than SEK 0.002 per share.

Since the costs for the Company in connection with an equity swap agreement will be significantly higher than the costs in connection with transfer of new issued shares, the main alternative is that the financial exposure is secured by transfer of new issued shares.

**Proposals**

The Board of Directors proposes the implementation of (1) a Stock Purchase Plan, (2) a Key Contributor Retention Plan, and (3) an Executive Performance Stock Plan.

In order to implement the LTV 2008, the Board of Directors proposes that no more than in total 82 300 000 shares of series B in Ericsson may be transferred to employees in the Ericsson Group and, moreover, that shares may be sold on the OMX Nordic Exchange Stockholm in order to cover, inter alia, social security payments.

The Board of Directors further proposes a directed share issue of in total 99 500 000 shares of series C and that the Board be authorized to decide on a directed offer to acquire all shares of series C. Following the acquisition of all shares of series C, these shares will be converted into shares of series B, thereafter to be transferred according to the proposals.



The Board of Directors proposes that the Meeting resolve in accordance with the proposals set out below.

### **1.1 Implementation of the Stock Purchase Plan**

- i. All employees within the Ericsson Group, except for what is mentioned in iii. below, will be offered to participate in the Stock Purchase Plan.
- ii. Employees who participate in the Stock Purchase Plan shall, during a 12 month period from the implementation of the plan, be able to invest up to 7.5 percent of gross salary in shares of series B in the Company at the OMX Nordic Exchange Stockholm or ADSs at NASDAQ. The CEO shall have the right to save up to 9 percent of gross salary for purchase of shares. If the purchased shares are retained by the employee for three years from the investment date and the employment with the Ericsson Group continues during that time, the employee will be given a corresponding number of shares of series B or ADSs, free of consideration.
- iii. Participation in the Stock Purchase Plan presupposes that such participation is legally possible in the various jurisdictions concerned and that the administrative costs and financial efforts are reasonable in the opinion of the Company.

### **1.2 Transfer of treasury stock, directed share issue and acquisition offer**

#### *1.2.1 Transfer of treasury stock to employees*

Transfer of no more than 39 700 000 shares of series B in the Company may occur on the following terms and conditions.

- i. The right to acquire shares shall be granted to such persons within the Ericsson Group covered by the terms and conditions of the Stock Purchase Plan. Furthermore, subsidiaries within the Ericsson Group shall have the right to acquire shares, free of consideration, and such subsidiaries shall be obligated to immediately transfer, free of consideration, shares to their employees covered by the terms and conditions of the Stock Purchase Plan.
- ii. The employee shall have the right to receive shares during the period when the employee is entitled to receive shares pursuant to the terms and conditions of the Stock Purchase Plan, i.e. during the period from November 2008 up to and including November 2012.
- iii. Employees covered by the terms and conditions of the Stock Purchase Plan shall receive shares of series B in the Company, free of consideration.

#### *1.2.2 Transfer of treasury stock on an exchange*

The Company shall have the right to, prior to the Annual General Meeting of Shareholders in 2009, transfer no more than 8 000 000 shares of series B in the Company, in order to cover certain expenses, mainly social security payments. Transfer of the shares shall be effected on the OMX Nordic Exchange Stockholm at a price within the, at each time, prevailing price interval for the share.

#### *1.2.3 Directed issue of shares of series C*

Increase of the share capital in Ericsson with SEK 47 700 000 by an issue of 47 700 000 shares of series C, each share with a ratio value of SEK 1, on principally the following terms and conditions.

- The new shares shall – with deviation from the shareholders' preferential right – be subscribed for only by AB Industrivärden and / or Investor AB or subsidiaries of these companies.
- The new shares shall be subscribed and paid for, with SEK 1 per share, during the period July 28, 2008 - August 4 2008.
- The new shares shall entitle the holders to dividend payment of an amount that shall equal STIBOR 360 days effective from April 30, 2008 up to and including April 30, 2009, and be calculated on the ratio value of the Company's share.

#### *1.2.4 Authorization for the Board of Directors to decide on a directed acquisition offer*

Authorization for the Board of Directors to decide that 47 700 000 shares of series C in Ericsson be acquired according to the following.

- i. Acquisition may occur by an offer to acquire shares directed to all holders of shares of series C in Ericsson.
- ii. The authorization may be exercised until the Annual General Meeting of Shareholders in 2009.
- iii. The acquisition shall be made at a price of minimum SEK 1 and maximum SEK 1.05 per share.
- iv. Payment for acquired shares shall be made in cash.

### **1.3 Equity Swap Agreement with third party**

In the event that the required majority is not reached under 1.2 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 such employees covered by the Stock Purchase Plan.

### **2.1 Implementation of the Key Contributor Retention Plan**

- i. In addition to the regular matching of one share pursuant to the Stock Purchase Plan described above, up to ten percent of the employees (presently approximately 7 400) are selected as key contributors and will be offered an additional matching of shares, free of consideration, within the Key Contributor Retention Plan.
- ii. If the shares purchased in accordance with the terms and conditions of the Stock Purchase Plan are retained by an employee for three years from the investment date and the employment with the Ericsson Group continues during that time, the employee will be entitled to an additional matching share, free of consideration, for every share held, in addition to the regular matching of one share.
- iii. Participation in the Key Contributor Retention Plan presupposes that such participation is legally possible in the various jurisdictions concerned and that the administrative costs and financial efforts are reasonable in the opinion of the Company. The Board of Directors shall however be entitled, but not obligated, to arrange for an alternative cash plan for key contributors in specific jurisdictions, should any of the aforementioned presuppositions prove not to be at hand. Such alternative cash plan shall, as far as practicably possible, correspond to the terms and conditions of the Key Contributor Retention Plan.

### **2.2 Transfer of treasury stock, directed share issue and acquisition offer**

#### *2.2.1 Transfer of treasury stock to employees*

Transfer of no more than 28 000 000 shares of series B in the Company to employees may take place on the same terms and conditions as those set out under 1.2.1 above.

#### *2.2.2 Transfer of treasury stock on an exchange*

Transfer of no more than 5 600 000 shares of series B in the Company on an exchange may take place on the same terms and conditions as those set out under 1.2.2 above.

#### *2.2.3 Directed issue of shares of series C*

Increase of the share capital in Ericsson with SEK 33 600 000 by an issue of 33 600 000 shares of series C, each share with a ratio value of SEK 1, on the same terms and conditions as those set out under 1.2.3 above.

#### *2.2.4 Authorization for the Board of Directors to decide on a directed acquisition offer*

Authorization for the Board of Directors to decide that 33 600 000 shares of series C in Ericsson be acquired on the same terms and conditions as those set out under 1.2.4 above.

### **2.3 Equity Swap Agreement with third party**

In the event that the required majority is not reached under item 2.2 above, the financial exposure of the Key Contributor Retention 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 such employees covered by the Key Contributor Retention Plan.

### **3.1 Implementation of the Executive Performance Stock Plan**

- i. In addition to the regular matching of shares pursuant to the Stock Purchase Plan described above, senior managers, up to 0.5 percent of employees (presently approximately 350, although it is anticipated that the number of participants will be significantly lower) will be offered an additional matching of shares, free of consideration, within the Executive Performance Stock Plan.
- ii. If the shares purchased in accordance with the terms and conditions of the Stock Purchase Plan are retained by an employee for three years from the investment date and the employment with the Ericsson Group continues during that time, the employee will be entitled to the following matching of shares, free of consideration, in addition to the regular matching of one share:
  - a. The CEO may be entitled to an additional performance match of up to eight shares for each one purchased.
  - b. Other senior managers may be entitled to an additional performance match of up to either four or six shares for each one purchased.
- iii. The nomination of senior managers will be on the basis of position, seniority and performance at the discretion of the Remuneration Committee that will approve participation and matching share opportunity.
- iv. The terms and conditions of the additional performance match under the Executive Performance Stock Plan are based on an average annual percentage growth rate in earnings per share ("EPS") between 1 July 2008 and 30 June 2011, with reported EPS for the third quarter and the fourth quarter 2007 and the first quarter and the second quarter 2008 as the starting point. Matching of shares between average annual EPS growth 3 and 15 percent is linear with a threshold at 5 percent. There will be no allocation of shares if the average annual EPS growth is below 5 percent. The minimum matching at 5 percent annual average EPS growth will be 0.6667 share, 1.0 share and 1.3333 shares, depending on whether eligible for 4, 6 or 8 performance matching shares. The maximum number of performance matching shares - 4 shares, 6 shares and 8 shares respectively - will be allocated if the average annual EPS growth is at or above 15 percent.
- v. Before the number of performance shares to be matched are finally determined, the Board of Directors shall examine whether the performance matching is reasonable considering the Company's financial results and position, conditions on the stock market and other circumstances, and if not, as determined by the Board of Directors, reduce the number of performance shares to be matched to the lower number of shares deemed appropriate by the Board of Directors.

### **3.2 Transfer of treasury stock, directed share issue and acquisition offer**

#### *3.2.1 Transfer of treasury stock to employees*

Transfer of no more than 14 600 000 shares of series B in the Company to employees may take place on the same terms and conditions as those set out under 1.2.1 above.

#### *3.2.2 Transfer of treasury stock on an exchange*

Transfer of no more than 3 600 000 shares of series B in the Company on an exchange may take place on the same terms and conditions as those set out under 1.2.2 above.

#### *3.2.3 Directed issue of shares of series C*

Increase of the share capital in Ericsson with SEK 18 200 000 by an issue of 18 200 000 shares of series C, each share with a ratio value of SEK 1, on the same terms and conditions as those set out under 1.2.3 above.

#### *3.2.4 Authorization for the Board of Directors to decide on a directed acquisition offer*

Authorization for the Board of Directors to decide that 18 200 000 shares of series C in Ericsson be acquired on the same terms and conditions as those set out under 1.2.4 above.

### **3.3 Equity Swap Agreement with third party**

In the event that the required majority is not reached under 3.2 above, the financial exposure of the Executive Performance Stock 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 such employees covered by the Executive Performance Stock Plan.

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### **Special authorization for the President**

The Board of Directors proposes that the President be authorized to make such minor adjustments to the resolutions above as may prove necessary in connection with the registration with the Companies Registration Office.

### **Majority rules**

The resolutions of the Meeting on implementation of the three plans according to 1.1, 2.1 and 3.1 in item 14 above requires that more than half of the votes cast at the Meeting approve the proposals. The Meeting's resolutions on transfers of treasury stock, directed share issues and authorizations for the Board of Directors to decide on a directed offer to acquire treasury stock according to 1.2, 2.2 and 3.2 above, shall be adopted as one resolution for each of the three items, whereby it is required that shareholders representing at least nine-tenths of the votes cast as well as the shares represented at the Meeting approve the proposal. A valid resolution in accordance with the proposals for an equity swap agreement under 1.3, 2.3 and 3.3 above requires that more than half of the votes cast at the Meeting approve the proposal.

### **Item 15 Transfer of treasury stock in relation to the resolutions on the Global Stock Incentive Program 2001, the Stock Purchase Plan 2003, the Long-Term Incentive Plans 2004, 2005, 2006 and the Long-Term Variable Compensation Program 2007**

#### **Background**

The Annual General Meetings of Shareholders 2001 and 2003 – 2006 as well as the Extraordinary General Meeting of Shareholders 2007 resolved on a right for the Company to transfer in total no more than 83 600 000 shares of series B in the Company on an exchange to cover certain payments, mainly social security charges, that may occur in relation to the Global Stock Incentive Program 2001, the Stock Purchase Plan 2003, the Long-Term Incentive Plans 2004, 2005, 2006 and the Long-Term Variable Compensation Program 2007.

Each resolution has been valid for one year only. Resolutions on transfer of treasury stock for the purpose of the above mentioned plans and programs have therefore been repeated at the subsequent Annual General Meetings of Shareholders.

#### **Proposal**

The Board of Directors proposes that the Meeting resolve that the Company shall have the right to transfer, prior to the Annual General Meeting of Shareholders 2009, no more than 72 209 466 shares of series B in the Company, for the purpose of covering certain payments, primarily social security charges that may occur in relation to the plans and programs set out above. Transfer of shares shall be effected on the OMX Nordic Exchange Stockholm at a price within the, at each time, prevailing price interval for the share.

**Majority rules**

The resolution of the Meeting on a transfer of treasury stock requires that shareholders holding at least two-thirds of the votes cast as well as the shares represented at the Meeting vote in favor of the proposal.

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**Recalculation following reverse split of shares**

The number of shares set out in the proposals above will be recalculated in connection with the execution of the reverse split under item 11. Further, the subscription price and acquisition price mentioned in the proposals under item 14 will be recalculated and become five times higher.

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**Shares and votes**

The Company has issued in total 16 132 258 678 shares, whereof 1 308 779 918 shares of series A and 14 823 478 760 shares of series B, corresponding to in total 2 791 128 794 votes and per February 25, 2008, the Company held 22 613 1428 treasury stock of series B corresponding to 22613142 votes.

The Annual Report 2007 and the complete proposals for resolutions under items 10-15 above will be sent to the shareholders upon request. The complete proposals are also available on the Company's website, [www.ericsson.com](http://www.ericsson.com). The Annual Report will be posted on the web site on March 6, 2008.

**Stockholm, March 2008**  
**The Board of Directors**

POWER OF ATTORNEY

for.....

Name of the proxy holder

to represent me and vote for my shares at the annual general meeting of shareholders of Telefonaktiebolaget LM Ericsson on April 9, 2008.

.....  
Place, date

.....  
Shareholder's signature

.....  
Printed namn

..... (mandatory)  
Shareholder's date of birth

.....  
Telephone number in daytime

The admission card is sent to the shareholder's address unless otherwise specified.

.....  
.....  
Address of the proxy holder

See notice page 1 under "Shares registered in the name of a nominee" and "Power of Attorney".

Please send the power of attorney to:  
Telefonaktiebolaget LM Ericsson  
Group Function Legal Affairs  
Box 47021  
SE-100 74 Stockholm  
Sweden