

The Code of Business Ethics can be found on Ericsson's website.

REGULATION AND COMPLIANCE

External rules

As a Swedish public limited liability company with securities quoted on NASDAQ OMX Stockholm as well as on NASDAQ New York, Ericsson is subject to a variety of rules that affect its governance. Major external rules include:

- > The Swedish Companies Act
- > The Rule Book for issuers of NASDAQ OMX Stockholm
- > The Swedish Corporate Governance Code (the "Code")
- > NASDAQ Stock Market Rules, including applicable NASDAQ New York corporate governance requirements (subject to certain exemptions principally reflecting mandatory Swedish legal requirements)
- > Applicable requirements of the US Securities and Exchange Commission (the "SEC").

Internal rules

In addition, to ensure compliance with legal and regulatory requirements and the high ethical standards that we set for ourselves, Ericsson has adopted internal rules that include:

- > A Code of Business Ethics
- > Group Steering Documents, including Group policies and directives, instructions and business processes for approval, control and risk management
- > A Code of Conduct, to be applied in the product development, production, supply and support of Ericsson products and services worldwide.

The work procedure for the Board of Directors also includes internal corporate governance rules.

Compliance with the Swedish Corporate Governance Code

The Code has been applied by Ericsson since 2005. Ericsson is committed to complying with best-practice corporate governance on a global level wherever possible. This includes continued compliance with the Code. Ericsson has not

deviated from any of the rules of the Code. The Code can be found on the website of the Swedish Corporate Governance Board which administrates the Code: www.corporategovernanceboard.se.

Compliance with applicable stock exchange rules

There has been no infringement of applicable stock exchange rules and no breach of good practice on the securities market reported by the stock exchange's disciplinary committee or the Swedish Securities Council.

Code of Business Ethics

Ericsson's Code of Business Ethics sets out how the Group works to achieve and maintain high ethical standards. It summarizes the Group's basic policies and directives and underpins the importance of ethical conduct in all business activities.

The Code of Business Ethics has been translated into 30 languages. This ensures that it is accessible to all employees. During recruitment, employees acknowledge that they are aware of the principles of the Code of Business Ethics. This procedure is repeated at regular intervals throughout the term of employment. Through this process, Ericsson strives to raise awareness and to ensure that the business is run with integrity so that Ericsson can maintain credibility with customers, partners, employees, shareholders and other stakeholders. During 2012, the Code of Business Ethics was reviewed and updated and acknowledged by employees throughout the global organization. In addition, Ericsson's whistleblower procedure was extended to a greater scope.

All employees have an individual responsibility to ensure that business practices adhere to the Code of Business Ethics.

KEY EVENTS IN 2012

- > Alexander Izosimov was elected new member of the Board
- > Strong focus on Sustainability and Corporate Responsibility
- > Code of Business Ethics review, update and acknowledgement project accomplished

CORPORATE GOVERNANCE REPORT 2012 CONTINUED

GOVERNANCE STRUCTURE

Shareholders may exercise their decision-making rights in the Company at General Meetings of shareholders.

A Nomination Committee is appointed by the major shareholders in accordance with the Instruction for the Nomination Committee adopted by the Annual General Meeting of shareholders. The tasks of the Nomination Committee include the proposal of an external auditor and the proposal of Board members for election by the Annual General Meeting of shareholders.

In addition to the Directors elected by shareholders, the Board of Directors consists of employee representatives appointed by the unions. The Board of Directors is ultimately responsible for the organization of Ericsson and the management of its operations.

The President and CEO, appointed by the Board of Directors, is responsible for handling the day-to-day management of Ericsson in accordance with instructions from the Board. The President and CEO is supported by the Executive Leadership Team (ELT).

The external auditor of Ericsson is elected by the General Meeting of shareholders.

SUSTAINABILITY, CORPORATE RESPONSIBILITY AND CORPORATE GOVERNANCE

Sustainability and Corporate Responsibility (CR) are important parts of Ericsson's corporate governance framework. For Ericsson, sustainability is about long-term social equity, economic prosperity and environmental performance. CR is about maintaining the necessary controls to minimize risks, while creating positive business impacts for Ericsson's stakeholders and brand, by linking products, services and solutions to an overall business goal of sustainable growth, ensuring that Ericsson is a trusted partner to its stakeholders. Ericsson's Sustainability and CR strategy is integrated in the Group's yearly strategy process and implemented in the business units and the regions. The strategy process is further described on pages 148 and 149. CR risks are also included in Ericsson's risk management framework.

During 2012, Ericsson's continued focus on sustainability and CR matters was reflected through a number of corporate governance activities within the organization:

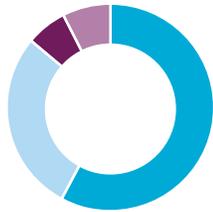
- > Effective October 2012, Ericsson's Head of Sustainability and Corporate Responsibility reports directly to the President and CEO. This repositioning of the Sustainability and CR unit within the organization was made to better integrate the sustainability and CR work with the company's business operations, decision-making, culture and ways of working and to help build sustainable value creation for Ericsson.
- > Ericsson's Code of Business Ethics was reviewed and updated and now includes a commitment to the new UN Guiding Principles on Business and Human Rights. Also, Ericsson's whistleblower procedure was extended to a wider scope in terms of incidents covered by the procedure and with respect to who can report violations. The updated Code was confirmed by employees throughout the global organization.
- > The Sales Compliance Board was further strengthened and formalized to assess and manage human rights and CR risks.

Governance structure



Shareholders

Ownership percentage (voting rights)



| | |
|--|---------------|
| Swedish institutions: | 57.95% |
| Of which: | |
| – Investor AB: | 21.37% |
| – AB Industrivärden: | 19.81% |
| (together with SHB Pensionsstiftelse and Pensionskassan SHB Försäkringsförening) | |
| Foreign investors | 28.38% |
| Swedish retail investors | 6.44% |
| Other | 7.23% |

SHAREHOLDERS

Ownership structure

As of December 31, 2012, Telefonaktiebolaget LM Ericsson (the “Parent Company”) had 551,719 shareholders (according to the share register kept by Euroclear Sweden AB). Swedish institutions hold approximately 58% of the votes. The largest shareholders are Investor AB, holding 21.37% of the votes, and AB Industrivärden, holding 19.81% of the votes (together with Svenska Handelsbankens Pensionsstiftelse and Pensionskassan SHB Försäkringsförening).

A significant number of the shares held by foreign investors are nominee-registered, i.e. held off-record by banks, brokers and/or nominees. This means that the actual shareholder is not displayed in the share register or included in the shareholding statistics.

More information on Ericsson’s shareholders can be found in the chapter “Share Information” in the Annual Report.

Shares and voting rights

The share capital of the Parent Company consists of two classes of listed shares: A and B shares. Each Class A share carries one vote and each Class B share carries one tenth of one vote. Class A and B shares entitle the holder to the same proportion of assets and earnings and carry equal rights to dividends.

The Parent Company may also issue Class C shares in order to create treasury stock to finance and hedge long-term variable remuneration programs resolved by the General Meeting of shareholders. Class C shares are converted into Class B shares before they are used for long-term variable remuneration programs.

The members of the Board of Directors and the Executive Leadership Team have the same voting rights on shares as other shareholders.

GENERAL MEETINGS OF SHAREHOLDERS

Decision-making at General Meetings

The decision-making rights of Ericsson’s shareholders are exercised at General Meetings of shareholders. Most resolutions at General Meetings are passed by a simple majority. However, the Swedish Companies Act requires qualified majorities in certain cases, for example in case of:

- > Amendment of the Articles of Association
- > Resolution to transfer own shares to employees participating in long-term variable remuneration programs.

The Annual General Meeting of shareholders

The Annual General Meeting of shareholders (AGM) is held in Stockholm. The date and venue for the meeting is announced on the Ericsson website no later than at the time of release of the third-quarter interim financial report.

Shareholders who cannot participate in person may be represented by proxy. Only shareholders registered in the share register have voting rights. Nominee-registered shareholders who wish to vote may request to be entered into the share register by the record date for the AGM.

The AGM is held in Swedish and is simultaneously interpreted into English. All documentation provided by the Company is available in both Swedish and English.

The AGM gives shareholders the opportunity to raise questions relating to the operations of the Group. Ericsson always strives to ensure that the members of the Board of Directors and the Executive Leadership Team are present to answer such questions. Shareholders and other interested parties may also correspond in writing with the Company at any time.

The external auditor is always present at the AGM.

Ericsson’s Annual General Meeting 2012

Including shareholders represented by proxy, 3,224 shareholders were represented at the AGM held on May 3, 2012, representing approximately 70% of the votes.

The meeting was also attended by members of the Board of Directors, members of the Executive Leadership Team (ELT) and the external auditor.

- Decisions of the AGM 2012 included:
- > Payment of a dividend of SEK 2.50 per share
 - > Re-election of Leif Johansson as Chairman of the Board of Directors
 - > Re-election of members of the Board of Directors: 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
 - > Election of Alexander Izosimov as a new member of the Board of Directors



CONTACT THE BOARD OF DIRECTORS

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The Board of Directors Secretariat
SE-164 83 Stockholm
Sweden
boardsecretariat@ericsson.com

ANNUAL GENERAL MEETING 2013

Ericsson’s AGM 2013 will take place on April 9, 2013 at Kistamässan in Kista, Stockholm. Shareholders who wish to have a matter addressed at the AGM should submit their written request to the Board in due time before the AGM. Further information is available on Ericsson’s website.

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CORPORATE GOVERNANCE REPORT 2012 CONTINUED

- > Board of Directors' fees:
 - Chairman: SEK 3,750,000 (unchanged)
 - Other non-employed Board members: SEK 875,000 each (previously SEK 825,000)
 - Chairman of the Audit Committee: SEK 350,000 (unchanged)
 - Other non-employed members of the Audit Committee: SEK 250,000 each (unchanged)
 - Chairmen of the Finance and Remuneration Committees: SEK 200,000 each (unchanged)
 - Other non-employed members of the Finance and Remuneration Committees: SEK 175,000 each (unchanged)
- > Approval for part of the Directors' fees to be paid in the form of synthetic shares
- > Approval of Guidelines for remuneration to Group Management
- > Implementation of a Long-Term Variable Remuneration Program 2012, including a share issue of and authorization to the Board to buy back 31,700,000 shares for the program
- > Approval of the Instruction for the Nomination Committee, including among other things, a procedure on how to appoint the members of the Nomination Committee, to apply until the General Meeting of shareholders resolves otherwise.

The minutes of the AGM 2012 are available at Ericsson's website.



CONTACT THE NOMINATION COMMITTEE

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NOMINATION COMMITTEE

A Nomination Committee was elected by the AGM for the first time in 2001. Since then, each AGM has appointed a Nomination Committee, or resolved on the procedure for appointing the Nomination Committee.

The AGM 2012 resolved on an Instruction for the Nomination Committee, including the tasks of the Nomination Committee and the procedure for appointing the members of the Nomination Committee. The Instruction for the Nomination Committee shall apply until the General Meeting of shareholders resolves otherwise. Under the instruction, the Nomination Committee shall consist of:

- > Representatives of the four largest shareholders by voting power by the end of the month in which the AGM was held
- > The Chairman of the Board of Directors.

As described in the Instruction for the Nomination Committee, the Committee may include additional members following a request by a shareholder. The request must be justified by changes in the shareholder's ownership of shares and be received by the Nomination Committee no later than December 31. No fees are paid to the members of the Nomination Committee.

Members of the Nomination Committee

In addition to the Chairman of the Board of Directors, Leif Johansson, the current Nomination Committee consists of four representatives appointed by the four shareholders with the largest voting power as of May 31, 2012:

- > Petra Hedengran (Investor AB), Chairman of the Nomination Committee
- > Carl-Olof By (AB Industrivärden, Svenska Handelsbankens Pensionsstiftelse)
- > Johan Held (AFA Försäkring)
- > Marianne Nilsson (Swedbank Robur Fonder).

The tasks of the Nomination Committee

Over the years, the tasks of the Nomination Committee have evolved to comply with the requirements of the Code. The main task of the Committee remains to propose Board members for election by the AGM. In doing this, the Committee must not only orientate itself on the Company's strategy and future challenges to be able to assess the competence and experience that is required by the Board; it must also consider all applicable rules on

PROPOSALS TO THE NOMINATION COMMITTEE

Shareholders may submit proposals to the Nomination Committee at any time, but should do so in due time before the AGM to ensure that the proposals can be considered by the Committee. Further information is available on Ericsson's website.

BOARD OF DIRECTORS



The Board of Directors is ultimately responsible for the organization of Ericsson and the management of Ericsson's operations. The Board of Directors develops guidelines and instructions for day-to-day operations, managed by the President and CEO. The President and CEO ensures that the Board is updated regularly on events of importance to the Group. This includes updates on business development, results, financial position and the liquidity of the Group.

According to the Articles of Association, the Board of Directors shall consist of no less than five and no more than 12 directors, with no more than six deputies. In addition, under Swedish law, trade unions have the right to appoint three directors and their deputies to the Board.

Directors serve from the close of one AGM to the close of the next, but can serve any number of consecutive terms.

The President and CEO may be elected director of the Board, but, under the Swedish Companies Act, the President of a public company may not be elected Chairman of the Board.

Conflicts of interest

Ericsson maintains rules and regulations regarding conflicts of interest. Directors are disqualified from participating in any decision regarding agreements between themselves and Ericsson. The same applies to agreements between Ericsson and any third party or legal entity in which the Board member has an interest.

The Audit Committee has implemented a procedure on related-party transactions and a pre-approval process for non-audit services carried out by the external auditor.

Composition of the Board of Directors

The Board of Directors consists of 12 Directors, including the Chairman of the Board, elected by the shareholders at the AGM 2012 for the period until the close of the AGM 2013. It also consists of three employee representatives, each with a deputy, appointed by the trade unions for the same period of time. The President and CEO, Hans Vestberg, is the only Board member who was also a member of Ericsson's management during 2012.

Work procedure

Pursuant to the Swedish Companies Act, the Board of Directors has adopted a work procedure that outlines rules for the distribution of tasks between the Board and its Committees as well as between the Board, its Committees and the President and CEO. This complements the regulations in the Swedish Companies Act and in the Articles of Association of the



independence of the Board of Directors and its committees.

In addition, the Committee prepares remuneration proposals, for resolution by the AGM, to non-employed Directors elected by the AGM and to the auditor.

The assignment of the Nomination Committee further includes proposing auditors, whereby candidates are selected in cooperation with the Audit Committee of the Board. The Committee also proposes a candidate for election of the Chairman at the AGM.

Work of the Nomination Committee for the AGM 2013

The Nomination Committee started its work by going through a checklist of all its duties according to the Code and the Instruction for the Nomination Committee, resolved by the AGM. The Committee also set a time plan for its work ahead. A thorough understanding of Ericsson's business is paramount to the role of the members of the Committee. Therefore, the President and CEO was invited to, together with the Chairman of the Board, present their views on the Company's position and strategy.

The Committee was thoroughly informed of the results of the evaluation of the Board's work and procedures, including the performance of the Chairman of the Board. On this basis, the Committee was able to assess the competence and experience required by Board members. When proposing Board members, the Nomination Committee considered a number of things, including necessary experience and competence as well as the value of diversity and renewal and the improvement of gender balance.

The Committee also acquainted itself with the assessments made by the Company and the Audit Committee on the quality and efficiency of external auditor work, and received recommendations on external auditor and audit fees. As of March 5, 2013 the Nomination Committee has held six meetings.



CORPORATE GOVERNANCE REPORT 2012 CONTINUED

Company. The work procedure is reviewed, evaluated and adopted by the Board as required and at least once a year.

Independence

The Board of Directors and its Committees are subject to a variety of independence rules under applicable Swedish law, the Code and applicable US securities laws, SEC rules and the NASDAQ Stock Market Rules. However, Ericsson can rely on exemptions from certain US requirements.

The composition of the Board of Directors meets all applicable independence criteria. The Nomination Committee concluded before the AGM 2012 that, for purposes of the Code, at least seven of the nominated Directors were independent of Ericsson, its senior management and its major shareholders. These were Roxanne S. Austin, Sir Peter L. Bonfield, Alexander Izosimov, Leif Johansson, Ulf J. Johansson, Nancy McKinstry and Michelangelo Volpi.

Structure of the work of the Board of Directors

The work of the Board follows a yearly cycle. This enables the Board to appropriately address each of its duties and to keep strategy, risk assessment and value creation high on the agenda.

> Statutory meeting

The yearly cycle starts with the statutory Board meeting which is held in connection

with the AGM. At this meeting, members of each of the three Board Committees are appointed and the Board resolves on signatory power.

> First interim report meeting

At the next ordinary meeting (depending on the date of the AGM), the Board handles the interim financial report for the first quarter of the year.

> Main strategy meeting

Various strategic issues are addressed at most of the Board meetings. In accordance with the annual cycle for the strategy process, a main strategy Board meeting is also held, which is in essence dedicated to short- and long-term strategies of the Group. Following the Board's input on and approval of the overall strategy, the strategy is cascaded throughout the entire organization, starting at the Global Leadership Summit with Ericsson's top 250 leaders.

> Second interim report meeting

At the second interim report meeting, the Board handles the interim financial report for the second quarter of the year.

> Follow-up strategy and risk management meeting

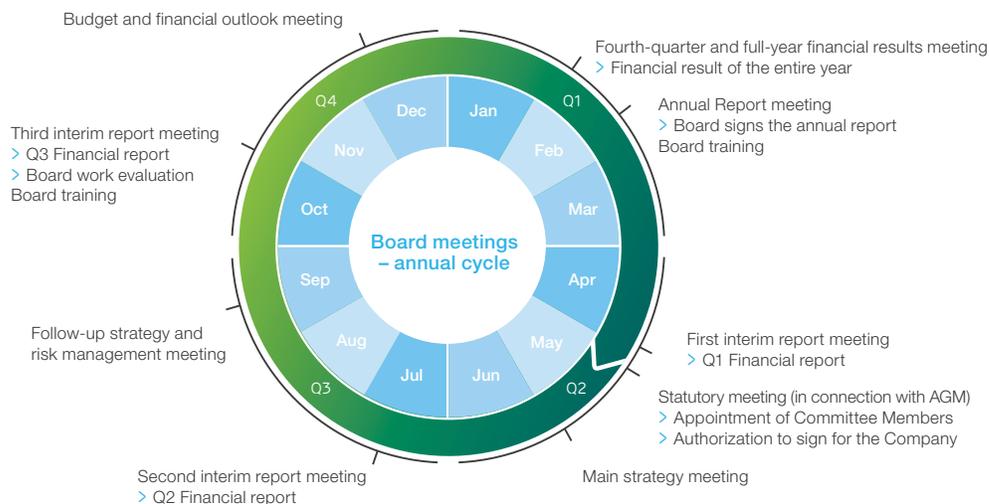
Following the summer, a meeting is held to address particular strategy matters in further detail and to finally confirm the Group strategy. The meeting also addresses the overall risk management of the Group.

> Third interim report meeting

A Board meeting is held to handle the interim

The Board's annual work cycle

The annual cycle applied to the Board's work allows the Board to appropriately address its duties during the year. It also facilitates for the organization to align its global processes to allow appropriate Board involvement. This is particularly relevant for the Group's strategy process and risk management.



financial report for the third quarter of the year. At this meeting, the results of the Board evaluation are presented to and discussed by the Board.

> **Budget and financial outlook meeting**

A meeting is held for the Board to address the budget and financial outlook as well as further analysis of internal and external risks.

> **Fourth-quarter and full-year financial results meeting**

Following the end of the calendar year, the Board holds a meeting which focuses on the financial results of the entire year and handles the fourth-quarter financial report.

> **Annual Report meeting**

The Annual Report meeting closes the yearly cycle of work of the Board of Directors. At this meeting the Board approves the Annual Report.

As the Board is responsible for financial oversight, financial information is presented and evaluated at each Board meeting. Furthermore, each Board meeting generally includes reports on Committee work by the Chairman of each Committee. In addition, minutes from Committee meetings are distributed to all Directors prior to the Board meeting.

At every Board meeting, the President and CEO reports on business and market developments as well as on the financial performance of the Company. Strategic issues and risks are also addressed at most Board meetings. The Board is regularly informed of developments in legal and regulatory matters of importance.

Auditor involvement

The Board meets with Ericsson's external auditor in closed sessions at least once a year to receive and consider the auditor's observations. The auditor reports to management on the accounting and financial reporting practices of the Group.

The Audit Committee also meets with the auditor to receive and consider observations on the interim reports and the Annual Report. The auditor has been instructed to report on whether the accounts, the management of funds and the general financial position of the Group are under control in all material respects.

In addition, the Board reviews and assesses the process for financial reporting, as described later in "Internal control over financial reporting 2012". Combined with internal controls, the Board's and the auditor's review of interim and annual reports are deemed to give reasonable assurance on the quality of financial reporting.

Training of the Board of Directors

All new Directors receive comprehensive training tailored to their individual needs. Introductory training typically includes meetings with the heads of the business units and Group functions, as well as training arranged by

NASDAQ OMX Stockholm on listing issues and insider rules. In addition, full-day training sessions are held twice a year for all Directors. These sessions enhance the Directors' knowledge of specific operations and issues as appropriate to ensure that the Board has knowledge and understanding of the forefront of technical development and of the business activities of the Group.

As a rule, the Board receives Sustainability and Corporate Responsibility training at least once a year.

Key focus areas in Board training in 2012 were:

- > Technology leadership, including market development, competitor overview, Ericsson Research long-term view and ways of working.
- > Ericsson's strategic forecast, including purpose, process, roles and methodology forecast.

Work of the Board of Directors in 2012

In 2012, 12 Board meetings were held. For attendance at Board meetings, see the table on page 141. Among the matters addressed by the Board this year (apart from regular matters in the annual Board work cycle) were:

- > A number of acquisitions, including BelAir Networks, Technicolor's broadcast services division, ConceptWave and increased ownership in Ericsson-LG.
- > Entry to the US bond market through issuing a ten-year US bond.
- > Loan agreements with the European Investment Bank (EIB) and the Nordic Investment Bank (NIB).
- > Strong focus on risk management, strategy and the competitive market development, as well as on sustainability and corporate responsibility matters.
- > A number of divestments, including the divestment of the Multimedia brokering platform (IPX) and EDA 1500 GPON assets.
- > Continued focus on the effects of general financial uncertainty on the market, including the effects of political unrest in the Middle East and Africa and financial uncertainty in Europe.
- > Continuous work relating to strategic plans for the joint venture ST-Ericsson.

Board work evaluation

A key objective of the Board evaluation is to ensure that the Board is functioning well. This includes gaining an understanding of the issues that the Board thinks warrant greater focus, as well as determining areas where additional competence is needed within the Board. The evaluation also serves as guidance for the work of the Nomination Committee.

Each year, the Chairman of the Board initiates and leads the evaluation of the Board and Committee work and procedures.

CORPORATE GOVERNANCE REPORT 2012 CONTINUED

Evaluation tools include detailed questionnaires and discussions.

In 2012, all the Directors responded to written questionnaires, covering the Director's individual performance, Board work in general, Committee work and the Chairman's performance. The Chairman was not involved in the development or compilation of the questionnaire which related to his performance, nor was he present when his performance was evaluated. The evaluations were thoroughly discussed and an action plan was developed in order to further improve the work of the Board.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has established three Committees: the Audit Committee, the Finance Committee and the Remuneration Committee. Members of each Committee are appointed for one year amongst the Board members.

The task of the Committees is mainly to prepare matters for final resolution by the Board. However, the Board has authorized each Committee to determine certain issues in limited areas. It may also on occasion provide extended authorization for the Committees to determine specific matters.

If deemed appropriate, the Board of Directors and each Committee have the right to engage external expertise, either in general or with respect to specific matters.

Prior to the Board meetings, each Committee submits to the Board minutes from Committee meetings. The Chairman of the Committee also reports on the Committee work at each Board meeting.

Audit Committee

On behalf of the Board, the Audit Committee monitors the following:

- > The scope and correctness of the financial statements
- > Compliance with legal and regulatory requirements
- > Internal control over financial reporting
- > Risk management
- > The effectiveness and appropriateness of the Group's anti-corruption program.

The Audit Committee also reviews the annual and interim financial reports and oversees the external audit process, including audit fees.

This involves:

- > Reviewing, with management and the external auditor, the financial statements (including their conformity with generally accepted accounting principles)
- > Reviewing, with management, the reasonableness of significant estimates and judgments made in preparing the financial statements, as well as the quality of the disclosures in the financial statements
- > Reviewing matters arising from reviews and audits performed.

The Audit Committee itself does not perform audit work. Ericsson has an internal audit function which reports directly to the Audit Committee.

The Committee is also involved in the preparatory work of proposing auditor for election by the AGM. It also monitors Group transactions and the ongoing performance and independence of the auditor with the aim to avoid conflicts of interest.

In order to ensure the auditor's independence, the Audit Committee has established pre-approval policies and

Organization of the Board work



procedures for non-audit related services to be performed by the external auditor. Pre-approval authority may not be delegated to management. The Audit Committee also oversees:

- > The process for reviewing transactions with related parties
- > The whistleblower procedure for the reporting of alleged violations of the Code of Business Ethics that (i) are conducted by Group or local management, and (ii) relate to corruption, questionable accounting or auditing matters or otherwise seriously affect vital interests of the Group or personal health and safety. The whistleblower procedure was updated and extended during 2012 in connection with the review and update of the Code of Business Ethics.

Violations reported through the whistleblower procedure are investigated by Ericsson's internal audit function together with the relevant Group function. Information regarding any incident is reported to the Audit Committee. Reports include measures taken, details of the responsible Group function and the status of any investigation.

Members of the Audit Committee

The Audit Committee consists of five Board members appointed by the Board. In 2012, the Audit Committee comprised Ulf J. Johansson (Chairman of the Committee), Roxanne S. Austin, Sir Peter L. Bonfield, Kristina Davidsson and Sverker Martin-Löf.

The composition of the Audit Committee meets all applicable independence requirements. The Board of Directors has determined that each of Ulf J. Johansson, Roxanne S. Austin, Sir Peter L. Bonfield and Sverker Martin-Löf is an audit committee financial expert, as defined under the SEC rules. Each of them is independent under applicable US securities laws, SEC rules and NASDAQ Stock Market Rules and each of them is financially literate and familiar with the accounting practices of an international company, such as Ericsson.

Former authorized public accountant Peter Markborn was previously appointed as an

external expert advisor to assist and advise the Audit Committee. He left this assignment during 2012.

Work of the Audit Committee in 2012

The Audit Committee held six meetings in 2012. Directors' attendance is reflected in the table on page 141. During the year, the Audit Committee reviewed the scope and results of external financial audits and the independence of the external auditor. It also monitored the external audit fees and approved non-audit services performed by the external auditor in accordance with the Committee's pre-approval policies and procedures.

The Committee approved the annual audit plan for the internal audit function and reviewed its reports. Prior to publishing it, the Committee also reviewed and discussed each interim report with the external auditor.

The Committee monitored the continued compliance with the Sarbanes-Oxley Act as well as the internal control and risk management process. It also reviewed certain related-party transactions in accordance with its established process.

The Committee reviewed and evaluated the effectiveness and appropriateness of the Group's anti-corruption program.

Finance Committee

The Finance Committee is primarily responsible for:

- > Handling matters related to acquisitions and divestments
- > Handling capital contributions to companies inside and outside the Ericsson Group
- > Raising loans, issuing guarantees and similar undertakings, and approving financial support to customers and suppliers
- > Continuously monitoring the Group's financial risk exposure.

The Finance Committee is authorized to determine matters such as:

- > Direct or indirect financing
- > Provision of credits
- > Granting of securities and guarantees
- > Certain investments, divestments and financial commitments.

Members of the Finance Committee

The Finance Committee consists of four Board members appointed by the Board. In 2012, the Finance Committee comprised: Leif Johansson (Chairman of the Committee), Pehr Claesson, Anders Nyrén and Jacob Wallenberg.

Members of the Committees

Members of the Committees of the Board of Directors 2012

| Audit Committee | Finance Committee | Remuneration Committee |
|---|--|---|
| <ul style="list-style-type: none"> > Ulf J Johansson (Chairman) > Roxanne S. Austin > Sir Peter L. Bonfield > Kristina Davidsson > Sverker Martin-Löf | <ul style="list-style-type: none"> > Leif Johansson (Chairman) > Pehr Claesson > Anders Nyrén > Jacob Wallenberg | <ul style="list-style-type: none"> > Leif Johansson (Chairman) > Börje Ekholm > Nancy McKinstry > Karin Åberg |

CORPORATE GOVERNANCE REPORT 2012 CONTINUED

Work of the Finance Committee in 2012

The Finance Committee held seven meetings in 2012. Directors' attendance is reflected in the table on page 141. During the year, the Finance Committee approved numerous customer finance credit arrangements and reviewed a number of potential mergers and acquisitions and real estate investments from a financial perspective. As a result of the uncertainty on the financial markets and the macroeconomic development, the Finance Committee has focused particularly on discussing and securing an adequate capital structure, cash flow and cash-generating ability. It has also continuously monitored Ericsson's financial position and credit exposure.

Remuneration Committee

The Remuneration Committee's main responsibility is to prepare for resolution by the Board of Directors matters regarding salary and other remuneration, including pension benefits of the President and CEO, the Executive Vice Presidents and other officers who report directly to the President and CEO. Responsibilities include:

- > Reviewing and preparing for resolution by the Board, proposals on salary and other remuneration, including retirement compensation, for the President and CEO
- > Reviewing and preparing for resolution by the Board, proposals to the AGM on guidelines for remuneration to the ELT
- > Approving proposals on salary and other remuneration, including retirement compensation, for the Executive Vice Presidents and other CEO direct reports
- > Reviewing and preparing for resolution by the Board, proposals to the AGM on LTV and similar equity arrangements.

Consideration is given to trends in remuneration, legislative changes, disclosure rules and the general global environment surrounding executive remuneration. The Committee reviews salary survey data before approving any salary adjustment for CEO direct reports. In addition, the Committee prepares salary adjustments for the President and CEO for resolution by the Board.

Members of the Remuneration Committee

The Remuneration Committee consists of four Board members appointed by the Board. In 2012, the Remuneration Committee comprised: Leif Johansson (Chairman of the Committee), Börje Ekholm, Nancy McKinstry and Karin Åberg.

Piia Pylv has been appointed by the Remuneration Committee as an independent expert advisor to assist the Committee, particularly regarding international trends and developments.

Work of the Remuneration Committee in 2012

The Remuneration Committee held six meetings in 2012. Directors' attendance is reflected in the table on page 141.

The Committee reviewed and prepared a proposal for the LTV 2012 for resolution by the Board. This was approved by the AGM 2012. The Committee further resolved on salaries and Short-Term Variable remuneration (STV) for 2012 for CEO direct reports. It prepared remuneration to the President and CEO, for resolution by the Board. The Committee also prepared guidelines for remuneration to the ELT, which were subsequently referred by the Board to the AGM for approval.

Towards the end of the year, the Committee concluded its analysis of the current LTV structure and executive remuneration. The resulting proposals on LTV and guidelines for remuneration to the ELT will be referred to the AGM 2013 for resolution.

For further information on fixed and variable remuneration, please see Notes to the consolidated financial statements – Note C28 "Information regarding members of the Board of Directors, the Group management and employees" and the "Remuneration Report" included in the Annual Report.

Directors' attendance and fees 2012

| Board member | Fees resolved by the AGM 2012 | | Number of Board/Committee meetings attended | | | |
|------------------------------------|-------------------------------|----------------|---|-----------------|-------------------|------------------------|
| | Board fees ¹⁾ | Committee fees | Board | Audit Committee | Finance Committee | Remuneration Committee |
| Leif Johansson | 3,750,000 | 400,000 | 12 | | 7 | 6 |
| Sverker Martin-Löf | 875,000 | 250,000 | 12 | 6 | | |
| Jacob Wallenberg | 875,000 | 175,000 | 12 | | 5 | |
| Roxanne S. Austin | 875,000 | 250,000 | 11 | 6 | | |
| Sir Peter L. Bonfield | 875,000 | 250,000 | 12 | 6 | | |
| Börje Ekholm | 875,000 | 175,000 | 12 | | | 6 |
| Alexander Izosimov ²⁾ | 875,000 | | 8 | | | |
| Ulf J. Johansson | 875,000 | 350,000 | 12 | 6 | | |
| Nancy McKinstry | 875,000 | 175,000 | 11 | | | 6 |
| Anders Nyrén | 875,000 | 175,000 | 12 | | 7 | |
| Carl-Henric Svanberg ³⁾ | – | | 4 | | | |
| Hans Vestberg | – | | 12 | | | |
| Michelangelo Volpi | 875,000 | | 10 | | | |
| Pehr Claesson | 18,000 ⁷⁾ | | 12 | | 7 | |
| Jan Hedlund ⁴⁾ | 6,000 ⁷⁾ | | 4 | 3 | | |
| Karin Åberg | 18,000 ⁷⁾ | | 12 | | | 6 |
| Kristina Davidsson ⁵⁾ | 18,000 ⁷⁾ | | 12 | 3 | | |
| Rickard Fredriksson ⁶⁾ | 10,500 ⁷⁾ | | 7 | | | |
| Karin Lennartsson | 18,000 ⁷⁾ | | 12 | | | |
| Roger Svensson | 18,000 ⁷⁾ | | 12 | | | |
| Total number of meetings | | | 12 | 6 | 7 | 6 |

¹⁾ Non-employed Directors can choose to receive part of their Board fee (exclusive of Committee fees) in the form of synthetic shares.

²⁾ Elected Board member as of May 3, 2012.

³⁾ Resigned as Board member as of May 3, 2012.

⁴⁾ Resigned as employee representative and from the Audit Committee as of May 3, 2012.

⁵⁾ Member of the Audit Committee since May 3, 2012.

⁶⁾ Appointed deputy employee representative as of May 3, 2012.

⁷⁾ Employee representative Board members and their deputies are not entitled to a Board fee but compensation in the amount of SEK 1,500 per attended Board meeting.

REMUNERATION TO BOARD MEMBERS

Remuneration to Board members not employed by the Company is proposed by the Nomination Committee for resolution by the AGM.

The AGM 2012 approved the Nomination Committee's proposal for fees to the non-employed Board members for Board and Committee work. For information on Board of Directors' fees 2012, please refer to Notes to the consolidated financial statements – Note C28 "Information regarding members of the Board of Directors, the Group management and employees" in the Annual Report. The AGM 2012 also approved the Nomination Committee's proposal that Board members may be paid part of their Board fee in the form of synthetic shares.

A synthetic share gives the right to receive a future cash payment of an amount which

corresponds to the market value of a Class B share in Ericsson at the time of payment. The director's right to receive payment with regard to allocated synthetic shares occurs, as a main rule, 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 purpose of paying part of the Board of Directors' fee in the form of synthetic shares is to further align the Directors' interest with shareholder interest. For more information on the terms and conditions of the synthetic shares, please refer to the notice convening the AGM 2012 and to the minutes from the AGM 2012, which are available at Ericsson's website.

MEMBERS OF THE BOARD OF DIRECTORS

Board members elected by the AGM 2012



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 Ecolan AB.
Holdings in Ericsson ¹⁾: 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, 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 ¹⁾: 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 ¹⁾: 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.



Roxanne S. Austin
(first elected 2008)

Member of the Audit Committee

Born 1961. Bachelor of Business Administration in Accounting, University of Texas, San Antonio, USA.

Board Member: Abbott Laboratories, Teledyne Technologies Inc. and Target Corporation.
Holdings in Ericsson ¹⁾: 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.

¹⁾ The number of shares reflects ownership as of December 31, 2012 and includes holdings by related natural and legal persons, as well as holdings of any ADS, if applicable.



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 ¹⁾: 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.



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 ¹⁾: 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⁾: 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, Novo A/S, Novo Nordisk Foundation and Trimble Navigation Ltd.
Board Member: European Institute of Innovation and Technology.
Holdings in Ericsson ¹⁾: 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.

¹⁾ The number of shares reflects ownership as of December 31, 2012 and includes holdings by related natural and legal persons, as well as holdings of any ADS, if applicable.

MEMBERS OF THE BOARD OF DIRECTORS CONTINUED



Nancy McKinstry
(first elected 2004)

*Member of the Remuneration
Committee*

Born 1959. Master of Business Administration in Finance and Marketing, Columbia University, USA. Bachelor of Arts in Economics, University of Rhode Island, USA.

Board Chairman: CEO and Chairman of the Executive Board of Wolters Kluwer n.v.

Board Member: Abbott Laboratories and Sanoma Corporation.

Holdings in Ericsson ¹⁾: 4,000 Class B shares.

Principal work experience and other information: CEO and Chairman of the Executive Board of Wolters Kluwer n.v. President and CEO of CCH Legal Information Services 1996–1999. Previous positions at Booz, Allen & Hamilton and New England Telephone Company. Member of the Advisory Board of the University of Rhode Island, the Advisory Council of the Amsterdam Institute of Finance, the Board of Overseers of Columbia Business School and the Advisory Board of the Harrington School of Communication and Media.



Anders Nyrén
(first elected 2006)

Member of the Finance Committee

Born 1954. Graduate of Stockholm School of Economics, Sweden, Master of Business Administration from Anderson School of Management, UCLA, USA.

Board Chairman: Sandvik AB.

Deputy Board Chairman: Svenska Handelsbanken AB.

Board Member: Svenska Cellulosa Aktiebolaget SCA, AB Industrivärden, SSAB, AB Volvo, Ernströmgruppen and Stockholm School of Economics.

Holdings in Ericsson ¹⁾: 6,686 Class B shares.

Principal work experience and other information: President and CEO of Industrivärden since 2001. CFO and Executive Vice President of Skanska AB 1997–2001. Director Capital Markets of Nordbanken 1996–1997. CFO and EVP of Securum AB 1992–1996. Managing Director of OM International AB 1987–1992. Earlier positions at STC Scandinavian Trading Co AB and AB Wilhelm Becker.



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 ¹⁾: 149,382 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.



Michelangelo Volpi
(first elected 2010)

Born 1966. Bachelor of Science in Mechanical Engineering and Masters in Manufacturing Systems Engineering from Stanford University, USA. MBA from the Stanford Graduate School of Business, USA.

Board Member: EXOR S.p.A.

Holdings in Ericsson ¹⁾: None.

Principal work experience and other information: Partner at Index Ventures since July 2009. Previously CEO of Joost Inc. Various positions in Cisco from 1994–2007, including Senior Vice President and General Manager of the Routing and Service Provider Technology Group and Chief Strategy Officer. Has also worked for Hewlett Packard in the optoelectronics division.

¹⁾ The number of shares reflects ownership as of December 31, 2012 and includes holdings by related natural and legal persons, as well as holdings of any ADS, if applicable.

Board members and deputies appointed by the unions



Pehr Claesson
(first appointed 2008)

Employee representative, Member of the Finance Committee

Born 1966. Appointed by the union The Swedish Association of Graduate Engineers.
Holdings in Ericsson¹⁾: 999 Class B shares.
Employed since 1997. Working with marketing and communication for Consulting and Systems Integration within Business Unit Global Services.



Kristina Davidsson
(first appointed 2006)

Employee representative, Member of the Audit Committee

Born 1955. Appointed by the union IF Metall.
Holdings in Ericsson¹⁾: 1,629 Class B shares.
Employed since 1995. Previously working as repairer within Business Unit Networks and currently working full time as union representative.



Karin Åberg
(first appointed 2007)

Employee representative, Member of the Remuneration Committee

Born 1959. Appointed by the union Unionen.
Holdings in Ericsson¹⁾: 2,751 Class B shares.
Employed since 1995. Working as a Service Engineer within the IT organization.



Rickard Fredriksson
(first appointed 2012)

Deputy employee representative

Born 1969. Appointed by the union IF Metall.
Holdings in Ericsson¹⁾: 799 Class B shares.
Employed since 2000. Previously working as machine operator within Business Unit Networks and currently working full time as union representative.



Karin Lennartsson
(first appointed 2010)

Deputy employee representative

Born 1957. Appointed by the union Unionen.
Holdings in Ericsson¹⁾: 493 Class B shares.
Employed since 1976. Working as Process Expert within Group Function Finance – Process Management.



Roger Svensson
(first appointed 2011)

Deputy employee representative

Born 1971. Appointed by the union The Swedish Association of Graduate Engineers.
Holdings in Ericsson¹⁾: 7,710 Class B shares.
Employed since 1999. Working as Senior Specialist Test Strategy Power Amplifier within Business Unit Networks.

Hans Vestberg was the only Director who held an operational management position at Ericsson in 2012. No Director has been elected pursuant to an arrangement or understanding with any major shareholder, customer, supplier or other person. At the Annual General Meeting 2012, Alexander

Izosimov was elected new member of the Board of Directors, replacing Carl-Henric Svanberg. Jan Hedlund resigned as employee representative of the Board of Directors as of the date of the Annual General Meeting 2012 and Kristina Davidsson (previously deputy employee representative) was

appointed employee representative as of the same date. Rickard Fredriksson was appointed new deputy employee representative as of the date of the Annual General Meeting 2012.

¹⁾The number of shares reflects ownership as of December 31, 2012 and includes holdings by related natural and legal persons, as well as holdings of any ADS, if applicable.

CORPORATE GOVERNANCE REPORT 2012 CONTINUED

MANAGEMENT

The President/CEO and the Executive Leadership Team

The Board of Directors appoints the President and CEO and the Executive Vice Presidents. The President and CEO is responsible for the management of day-to-day operations and is supported by the Executive Leadership Team (the "ELT"). During 2012, the ELT consisted of the President and CEO, the heads of Group functions, the heads of business units and the heads of two of Ericsson's regions.

The role of the ELT is to:

- > Establish a strong corporate culture, a long-term vision and Group strategies and policies, all based on objectives stated by the Board
- > Determine targets for operational units, allocate resources and monitor unit performance
- > Secure operational excellence and realize global synergies through efficient organization of the Group.

Remuneration to the Executive Leadership Team

Guidelines for remuneration to the ELT were approved by the AGM 2012. For further information on fixed and variable remuneration, see the Remuneration report and Notes to the consolidated financial statements – Note C28,

"Information regarding members of the Board of Directors, the Group management and employees" in the Annual Report.

The Ericsson Group Management System

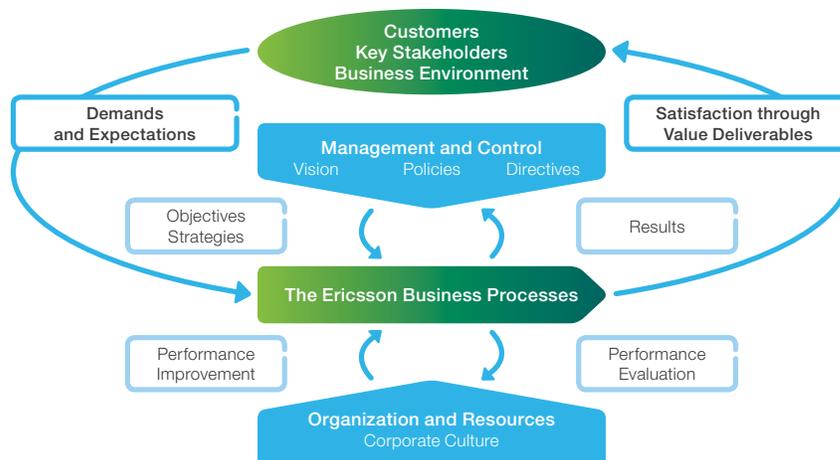
Ericsson has a global management system, the Ericsson Group Management System (EGMS) to drive corporate culture and to ensure that the business is managed:

- > To fulfill the objectives of Ericsson's major stakeholders (customers, shareholders, employees)
- > Within established risk limits and with reliable internal control
- > In compliance with relevant applicable laws, listing requirements, governance codes and corporate social responsibilities.

The EGMS is founded on ISO 9001 (International Standard for Quality management system) but is designed as a dynamic governance system, enabling Ericsson to adapt the system to evolving demands and expectations, including new legislation as well as customers' and other stakeholders' requirements. The management system is an important foundation and is continuously evaluated and improved.

Certificates are evidence from an independent body verifying that the operations fulfill defined requirements. As the EGMS is a global system, group-wide certificates can be

Ericsson Group Management System



CORPORATE GOVERNANCE REPORT 2012 CONTINUED

market fundamentals and the development of the economy are key components in the evaluation of risks related to Ericsson's long-term objectives.

The outcome from the strategy process forms the basis for the annual target process, which involves regions, business units and Group functions. Risks and opportunities linked to the targets are identified as part of this process together with actions to mitigate the identified risks. Follow-up of targets, risks and mitigating actions are reported and discussed continuously in business unit and region steering groups and are reviewed by the Board of Directors.

Ericsson continuously strives to improve its risk management and believes that it is important that the entire global organization takes part in the risk management and strategy work. Therefore, risk management was given a stronger focus in 2012. During the year, an enhanced risk management framework was implemented and aligned with the Strategy and Target setting process. Risks were identified and analyzed in four categories: industry & market risks, commercial risks, operational risks and compliance risks. For more information on risks related to Ericsson's business, see the chapter "Risk factors" in the Annual Report.

Operational and financial risks

Operational risks are owned and managed by operational units. Risk management is

embedded in various process controls, such as decision tollgates and approvals. Certain cross-process risks are centrally coordinated, such as information security, IT security, corporate responsibility and business continuity and insurable risks. Financial risk management is governed by a Group policy and carried out by the Treasury and Customer Finance functions, both supervised by the Finance Committee. The policy governs risk exposures related to foreign exchange, liquidity/financing, interest rates, credit risk and market price risk in equity instruments. For further information on financial risk management, see Notes to the consolidated financial statements – Note C14, "Trade receivables and customer finance", Note C19, "Interest-bearing liabilities" and Note C20, "Financial risk management and financial instruments" in the Annual Report.

Compliance risks

Ericsson has implemented Group policies and directives in order to comply with applicable laws and regulations, including a Code of Business Ethics and a Code of Conduct. Risk management is integrated in the Company's business processes. Policies and controls are implemented to comply with financial reporting standards and stock market regulations, such as the US Sarbanes-Oxley Act.

Strategic, target setting and risk management cycle

The annual strategic, target setting and risk management cycle is part of Ericsson's strategy process, which is well established within the Group and involves regions, business units and Group functions.



Compliance officer

Ericsson has a Chief Compliance Officer (CCO) whose responsibilities include providing support for compliance with laws, regulations, internal policies and directives, coordinating the different strands of expertise within Ericsson. Attention from senior-management level on compliance matters is crucial, as is ensuring that this is addressed from a cross-functional perspective. Initially, the CCO's primary focus has been to further develop Ericsson's Anti-corruption Compliance Program. This is reviewed and evaluated by the Audit Committee at least annually.

Monitoring and audits

Company management monitors compliance with policies, directives and processes through internal self-assessment within all units. This is complemented by internal and external audits. External financial audits are performed by PricewaterhouseCoopers, and ISO/management system audits by Intertek. Internal audits are performed by the company's internal audit function which reports to the Audit

Committee. Audits of suppliers are also conducted in order to secure compliance with Ericsson's Code of Conduct, which is mandatory for suppliers to the Ericsson Group.

Risk mitigation

Significant ongoing activities in order to mitigate risks include:

- > Establishing flexibility to cost-effectively accommodate to fluctuations in customer demand
- > Conducting regular Supplier Code of Conduct audits
- > Continuous assessment and management of CR risks
- > Conducting business continuity management in an efficient way
- > Conducting corporate governance training as needed
- > Continuous monitoring of information systems to guard against data breaches
- > Reviewing top risks and mitigating actions at various internal governance meetings.

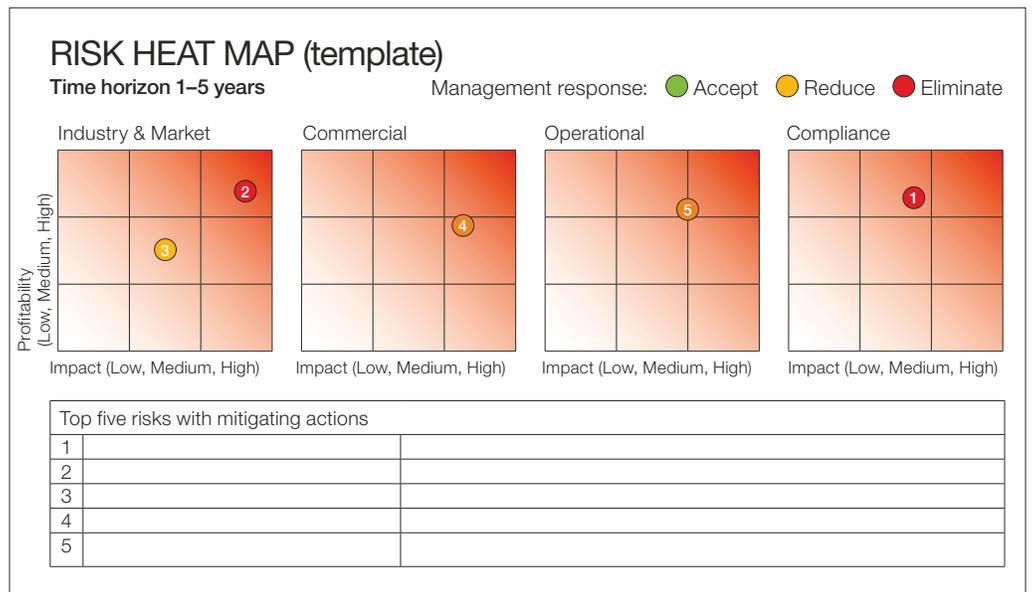
Process to identify and manage strategic and tactical risks for regions, business units and Group functions



Example of risk heat map document

Risk heat maps are generated by business units, regions and Group functions in four risk categories:

- > Industry and market
- > Commercial
- > Operational
- > Compliance

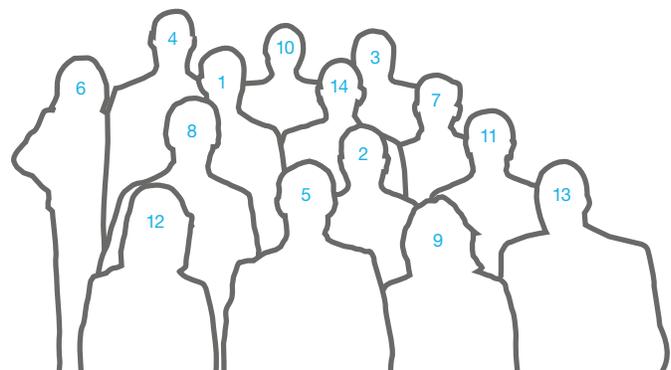


MEMBERS OF THE EXECUTIVE LEADERSHIP TEAM



1. Hans Vestberg
2. Jan Frykhammar
3. Magnus Mandersson
4. Johan Wibergh
5. Per Borgklint
6. Bina Chaurasia
7. Ulf Ewaldsson

8. Douglas L. Gilstrap
9. Nina Macpherson
10. Helena Norrman
11. Mats H. Olsson
12. Rima Qureshi
13. Angel Ruiz
14. Jan Wäreby



Hans Vestberg

President and CEO (since 2010)

Born 1965.

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

Board Chairman: ST-Ericsson and Svenska Handbollförbundet.

Board member: Telefonaktiebolaget LM Ericsson and Thernlunds AB.

Holdings in Ericsson ¹⁾: 149,382 Class B shares.

Background: 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 broadband and climate change working group. Member of the European Cloud Partnership Steering Board and the Leadership Council of the United Nations Sustainable Development Solutions Network.

Jan Frykhammar

Executive Vice President and Chief Financial Officer and Head of Group Function Finance (since 2009)

Born 1965.

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

Board member: ST-Ericsson and the Swedish International Chamber of Commerce.

Holdings in Ericsson ¹⁾: 14,844 Class B shares.

Background: Previously Senior Vice President and Head of Business Unit Global Services. Various positions within Ericsson including Sales and Business Control in Business Unit Global Services, CFO in North America and Vice President, Finance and Commercial within the Global Customer Account Vodafone.

Magnus Mandersson

Executive Vice President (since 2011) and Head of Business Unit Global Services (since 2010)

Born 1959.

Bachelor of Business Administration, University of Lund, Sweden.

Board member: None.

Holdings in Ericsson ¹⁾: 22,602 Class B shares.

Background: Previously Head of Business Unit CDMA, Market Unit Northern Europe, Global Customer Account Deutsche Telekom AG and Product Area Managed Services. Has also been President and CEO of SEC/Tele2 Europe and COO of Millicom International Cellular S.A.

Johan Wibergh

Executive Vice President (since 2010) and Head of Business Unit Networks (since 2008)

Born 1963.

Master of Computer Science, Linköping Institute of Technology, Sweden.

Board member: ST-Ericsson, Confederation of Swedish Enterprise, KTH Royal Institute of Technology and Teknikföretagen.

Holdings in Ericsson ¹⁾: 40,448 Class B shares.

Background: President of Ericsson Brazil, President of Market Unit Nordic and Baltics and Vice President and Head of Sales at Business Unit Global Services.

Per Borgklint

Senior Vice President and Head of Business Unit Support Solutions (since 2011)

Born 1972.

Master of Science in Business Administration, Jönköping International Business School, Sweden.

Board member: None.

Holdings in Ericsson ¹⁾: None.

Background: Previously CEO of Net1 (Ice.net), Canal Plus Nordic and Versatel. Has also held several leading positions at Tele2.

Bina Chaurasia

Senior Vice President, Chief Human Resources Officer and Head of Group Function Human Resources and Organization (since 2010)

Born 1962.

Master of Science in Management and Human Resources, Ohio State University, USA, and Master of Arts in Philosophy, University of Wisconsin, USA.

Holdings in Ericsson ¹⁾: 19,144 Class B shares.

Background: Joined Ericsson from Hewlett Packard, where she was Vice President of Global Talent Management. Has held senior HR leadership roles at Gap, Sun Microsystems and PepsiCo/Yum.

Ulf Ewaldsson

Senior Vice President, Chief Technology Officer and Head of Group Function Technology (since February 1, 2012)

Born 1965.

Master of Science in Engineering and Business Management, Linköping Institute of Technology, Sweden.

Board member: None.

Holdings in Ericsson ¹⁾: 14,985 Class B shares.

Background: Previously Head of Product Area Radio within Business Unit Networks. Has held various managerial positions within Ericsson since 1990.

Douglas L. Gilstrap

Senior Vice President and Head of Group Function Strategy (since 2009)

Born 1963.

Bachelor of Science in Accounting, University of Richmond, USA, and Master of Business Administration, Emory University, Atlanta, USA. Executive program at INSEAD, France.

Board member: Telecom Management Forum (TMF).

Deputy board member: ST-Ericsson.

Holdings in Ericsson ¹⁾: 8,643 Class B shares.

Background: Has held various global managerial positions within the telecommunications sector for more than 15 years.

¹⁾ The number of shares reflects ownership as of December 31, 2012 and includes holdings by related natural and legal persons, as well as holdings of any ADS, if applicable.

MEMBERS OF THE EXECUTIVE LEADERSHIP TEAM CONTINUED

Nina Macpherson

Senior Vice President, General Counsel, Head of Group Function Legal Affairs and secretary to the Board of Directors (since 2011)

Born 1958.

Master of Laws, LL M, University of Stockholm, Sweden.

Board member: The Association for Swedish Listed Companies.

Holdings in Ericsson ¹⁾: 7,857 Class B shares.

Background: Previously Vice President and Deputy Head of Group Function Legal Affairs at Ericsson. Previous positions also include private practice and in-house attorney. Member of the Swedish Securities Council.

Helena Norrman

Senior Vice President and Head of Group Function Communications (since 2011)

Born 1970.

Master of International Business Administration, Linköping University, Sweden.

Board member: None.

Holdings in Ericsson ¹⁾: 8,312 Class B shares.

Background: Previously Vice President, Communications Operations at Group Function Communications at Ericsson. Has held various positions within Ericsson's global communications organization since 1998. Previous positions as communications consultant.

Mats H. Olsson

Head of Region North East Asia (since 2010)

Born 1954.

Master of Business Administration, Stockholm School of Economics, Sweden.

Board member: None.

Holdings in Ericsson ¹⁾: 61,252 Class B shares.

Background: International economic advisor to a number of Chinese provincial and municipal governments. Previously Head of Market Unit Greater China. Appointed President of Ericsson Greater China in 2004, with overall responsibility for mainland China, Hong Kong, Macao and Taiwan. Also assumed overall responsibility for Japan and South Korea in 2010. Has held various executive positions across Asia-Pacific over the last 25 years.

Rima Qureshi

Senior Vice President and Head of Business Unit CDMA Mobile Systems (since 2010)

Born 1965.

Bachelor of Information Systems and Master of Business Administration, McGill University, Montreal, Canada.

Board member: MasterCard Incorporated.

Holdings in Ericsson ¹⁾: 4,932 Class B shares.

Background: Also serves as Head of Ericsson Response. Previously Vice President of Strategic Improvement Program and Vice President Product Area Customer Support. Has held various positions within Ericsson since 1993.

Angel Ruiz

Head of Region North America (since 2010)

Born 1956.

Bachelor of Electrical Engineering, University of Central Florida, USA, and Master of Management Science and Information Systems, Johns Hopkins University, USA.

Board member: CTIA.

Holdings in Ericsson ¹⁾: 38,546 Class B shares.

Background: Joined Ericsson in 1990 and has held a variety of technical, sales and managerial positions within the Company, including heading up the global account teams for Cingular/SBC/BellSouth (now AT&T). Was appointed President of Ericsson North America in 2001.

Jan Wäreby

Senior Vice President and Head of Sales and Marketing (since 2011)

Born 1956.

Master of Science, Chalmers University, Gothenburg, Sweden.

Board member: ST-Ericsson.

Holdings in Ericsson ¹⁾: 66,495 Class B shares.

Background: Senior Vice President and Head of Business Unit Multimedia and Executive Vice President and Head of Sales and Marketing for Sony Ericsson Mobile Communications.

Up until January 31, 2012, Håkan Eriksson, former Senior Vice President, Chief Technology Officer and Head of Group Function Technology & Portfolio Management, was a member of the Executive Leadership Team.

¹⁾ The number of shares reflects ownership as of December 31, 2012 and includes holdings by related natural and legal persons, as well as holdings of any ADS, if applicable.

AUDITOR

According to the Articles of Association, the Parent Company shall have no less than one and no more than three registered public accounting firms as external independent auditor. Pursuant to the Swedish Companies Act, the mandate period of an auditor shall be one year, unless the Articles of Association provide for a longer mandate period up to four years. The auditor reports to the shareholders at General Meetings.

The duties of the auditor include the following:

- > Updating the Board of Directors regarding the planning, scope and content of the annual audit
- > Examining the interim and year-end financial statements to assess accuracy and completeness of the accounts and adherence to accounting standards and policies
- > Advising the Board of Directors of non-audit services performed, the consideration paid and other issues that determine the auditor's independence.

For further information on the contacts between the Board and the auditor, please see "Work of the Board of Directors" earlier in this Corporate Governance Report.

All Ericsson's quarterly financial reports are reviewed by the auditor.

Current auditor

PricewaterhouseCoopers AB was elected auditor at the AGM 2012 for a period of one year, i.e. until the close of the AGM 2013.

PricewaterhouseCoopers AB has appointed Peter Nyllinge, Authorized Public Accountant, to serve as auditor in charge.

Fees to the auditor

Ericsson paid the fees (including expenses) for audit-related and other services listed in the table in Notes to the consolidated financial statements – Note C30, "Fees to auditors" in the Annual Report.

INTERNAL CONTROL OVER FINANCIAL REPORTING 2012

This section has been prepared in accordance with the Annual Accounts Act and the Swedish Corporate Governance Code and is limited to internal control over financial reporting.

Since Ericsson is listed in the United States, the requirements outlined in the Sarbanes-Oxley Act (SOX) apply. These regulate the establishment and maintenance of internal controls over financial reporting as well as management's assessment of the effectiveness of the controls.

In order to support high quality reporting and

to meet the requirement of SOX, the Company has implemented detailed documented controls and testing and reporting procedures based on the internationally established COSO framework for internal control. The COSO framework is issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Management's internal control report according to SOX will be included in Ericsson's Annual Report on Form 20-F and filed with the SEC in the United States.

During 2012, the Company has included operations of acquired entities as well as continued to improve the design and execution of its financial reporting controls.

Disclosure policies

Ericsson's financial disclosure policies aim to ensure transparent, relevant and consistent communication with equity and debt investors on a fair and equal basis. This will support a fair market value for Ericsson securities. Ericsson wants current and potential investors to have a good understanding of how the Company works, including operational performance, prospects and potential risks.

To achieve these objectives, financial reporting and disclosure must be:

- > Transparent – enhancing understanding of the economic drivers and operational performance of the business, building trust and credibility
- > Consistent – comparable in scope and level of detail to facilitate comparison between reporting periods
- > Simple – to support understanding of business operations and performance and to avoid misinterpretations
- > Relevant – with focus on what is relevant to Ericsson's stakeholders or required by regulation or listing agreements, to avoid information overload
- > Timely – with regular scheduled disclosures as well as ad-hoc information, such as press releases on important events, performed in a timely manner
- > Fair and equal – where all material information is published via press releases to ensure that the whole investor community receives the information at the same time
- > Complete, free from material errors and a reflection of best practice – disclosure is compliant with applicable financial reporting standards and listing requirements and in line with industry norms.

Ericsson's website comprises comprehensive information on the Group, including:

- > An archive of annual and interim reports
- > On-demand access to recent news
- > Copies of presentations given by senior management at industry conferences.

CORPORATE GOVERNANCE REPORT 2012 CONTINUED

Disclosure controls and procedures

Ericsson has controls and procedures in place to allow for timely information disclosure under applicable laws and regulations, including the US Securities Exchange Act of 1934, and under agreements with NASDAQ OMX Stockholm and NASDAQ New York. These procedures also require that such information is provided to management, including the CEO and CFO, so timely decisions can be made regarding required disclosure.

The Disclosure Committee comprises members with various expertise. It assists managers in fulfilling their responsibility regarding disclosures made to the shareholders and the investment community. One of the main tasks of the committee is to monitor the integrity and effectiveness of the disclosure controls and procedures.

Ericsson has investments in certain entities that the Company does not control or manage. With respect to such entities, disclosure controls and procedures are substantially more limited than those maintained with respect to subsidiaries.

During the year, Ericsson's President and CEO and the CFO evaluated the disclosure controls and procedures and concluded that they were effective at a reasonable assurance level as at December 31, 2012.

Internal control over financial reporting

Ericsson has integrated risk management and internal control into its business processes. As defined in the COSO framework, internal control is an aggregation of components such as a control environment, risk assessment, control activities, information and communication and monitoring.

During the period covered by the Annual Report 2012, there were no changes to the internal control over financial reporting that have materially affected, or are likely to materially affect, the internal control over financial reporting.

Control environment

The Company's internal control structure is based on the division of tasks between the Board of Directors and its Committees and the President and CEO. The Company has implemented a management system that is based on:

- > Steering documents, such as policies,

directives and a Code of Business Ethics

- > A strong corporate culture
- > The Company's organization and mode of operations, with well-defined roles and responsibilities and delegations of authority
- > Several well-defined Group-wide processes for planning, operations and support.

The most essential parts of the control environment relative to financial reporting are included in steering documents and processes for accounting and financial reporting. These steering documents are updated regularly to include, among other things:

- > Changes to laws
- > Financial reporting standards and listing requirements, such as IFRS and SOX.

The processes include specific controls to be performed to ensure high quality financial reports. The management of each reporting legal entity, region and business unit is supported by a financial controller function with execution of controls related to transactions and reporting. The financial controller functions are organized in a number of Company Control Hubs, each supporting a number of legal entities within a geographical area. A financial controller function is also established on Group level, reporting to the CFO.

Risk assessment

Risks of material misstatements in financial reporting may exist in relation to recognition and measurement of assets, liabilities, revenue and cost or insufficient disclosure. Other risks related to financial reporting include fraud, loss or embezzlement of assets and undue favorable treatment of counterparties at the expense of the Company.

Policies and directives regarding accounting and financial reporting cover areas of particular significance to support correct, complete and timely accounting, reporting and disclosure.

Identified types of risks are mitigated through well-defined business processes with integrated risk management activities, segregation of duties and appropriate delegation of authority. This requires specific approval of material transactions and ensures adequate asset management.

Control activities

The Company's business processes include financial controls regarding the approval and accounting of business transactions. The

financial closing and reporting process has controls regarding recognition, measurement and disclosure. These include the application of critical accounting policies and estimates, in individual subsidiaries as well as in the consolidated accounts.

Regular analyses of the financial results for each subsidiary, region and business unit cover the significant elements of assets, liabilities, revenues, costs and cash flow. Together with further analysis of the consolidated financial statements performed at Group level, these procedures are designed to produce financial reports without material errors.

For external financial reporting purposes, the Disclosure Committee performs additional control procedures to review whether the disclosure requirements are fulfilled.

The Company has implemented controls to ensure that financial reports are prepared in accordance with its internal accounting and reporting policies and IFRS as well as with relevant listing regulations. It maintains detailed documentation on internal controls related to accounting and financial reporting. It also keeps records on the monitoring of the execution and results of such controls. This allows the President and CEO and the CFO to assess the effectiveness of the controls in a way that is compliant with SOX.

Entity-wide controls, focusing on the control environment and compliance with financial reporting policies and directives, are implemented in all subsidiaries. Detailed process controls and documentation of controls performed are also implemented in almost all subsidiaries, covering the items with significant materiality and risk.

In order to secure compliance, governance and risk management in the areas of legal entity accounting and taxation, as well as securing funding and equity levels, the Company operates through a Company Control hub structure, covering subsidiaries in each respective geographical area.

Based on a common IT platform, a common chart of account and common master data, the hubs and shared services centers perform accounting and financial reporting services for most subsidiaries.

Information and communication

The Company's information and communication channels support complete, correct and timely financial reporting by making all relevant internal process instructions and policies accessible to all the employees concerned. Regular updates and briefing documents regarding changes in accounting policies, reporting and disclosure requirements are also supplied.

Subsidiaries and operating units prepare regular financial and management reports for internal steering groups and Company management. These include analysis and

comments on financial performance and risks. The Board of Directors receives financial reports monthly. Ericsson has established a whistleblower procedure for the reporting of alleged violations that (i) are conducted by Group or local management, and (ii) relate to corruption, questionable accounting or auditing matters or otherwise seriously affect vital interests of the Group or personal health and safety.

Monitoring

The Company's process for financial reporting is reviewed annually by the management. This forms a basis for evaluating the internal management system and internal steering documents to ensure that they cover all significant areas related to financial reporting. The shared service center and company control hub management continuously monitors accounting quality through a set of performance indicators. Compliance with policies and directives is monitored through annual self-assessments and representation letters from heads and company controllers in all subsidiaries as well as in business units and regions.

The Company's financial performance is also reviewed at each Board meeting. The Committees of the Board fulfill important monitoring functions regarding remuneration, borrowing, investments, customer finance, cash management, financial reporting and internal control. The Audit Committee and the Board of Directors review all interim and annual financial reports before they are released to the market. The Company's internal audit function reports directly to the Audit Committee. The Audit Committee also receives regular reports from the external auditor. The Audit Committee follows up on any actions taken to improve or modify controls.

BOARD OF DIRECTORS

Stockholm, March 5, 2013
Telefonaktiebolaget LM Ericsson (publ)
Org. no. 556016-0680

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE REPORT

To the Annual General Meeting of the shareholders in Telefonaktiebolaget
LM Ericsson (publ), corporate identity number 556016-0680.

It is the Board of Directors who is responsible for the corporate governance report for the year 2012 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the corporate governance report and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance report

is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the corporate governance report has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm March 5, 2013

Peter Nyllinge

*Authorized Public Accountant
PricewaterhouseCoopers AB
Auditor in Charge*

Johan Engstam

*Authorized Public Accountant
PricewaterhouseCoopers AB*

MOBILE BROADBAND IS TRANSFORMING VIEWING HABITS

Mobile broadband connectivity is encouraging new habits in video consumption, as people now view on smartphones and tablets, increasingly outside the home.

25%

Approximately 25% of total smartphone traffic*

40%

Approximately 40% of total tablet traffic*

* Numbers from measurements in a selected number of commercial HSPA and LTE broadband networks in Asia, Europe and the Americas.

REMUNERATION REPORT

INTRODUCTION

This report outlines how the remuneration policy is implemented throughout Ericsson in line with corporate governance best practice, with specific references to Group management. The work of the Remuneration Committee in 2012 and the remuneration policy are explained, at the beginning of the report, followed by descriptions of plans and approaches.

More details of the remuneration of Group management and Board members' fees can be found in the Notes to the Consolidated financial statements – Note C28, "Information regarding members of the Board of Directors, the Group management and employees".

THE REMUNERATION COMMITTEE

The Remuneration Committee advises the Board of Directors on an ongoing basis on the remuneration to the Executive Leadership Team (ELT). This includes fixed salaries, pensions, other benefits and short-term and long-term variable remuneration, all in the context of pay and employment conditions throughout Ericsson. The Remuneration Committee reviews and prepares for resolution by the Board:

- > Proposals on salary and other remuneration, including retirement compensation, for the President and CEO
- > Proposals on targets for the short-term variable remuneration for the President and CEO
- > Proposals to the Annual General Meeting on guidelines for remuneration to the ELT
- > Proposals to the Annual General Meeting on long-term variable remuneration and similar equity arrangements

REMUNERATION POLICY

Remuneration at Ericsson is based on the principles of performance, competitiveness and fairness. The remuneration policy, together with the mix of remuneration elements, is designed to reflect these principles by creating a balanced remuneration package. The Guidelines for remuneration to Group Management 2012 approved by AGM can be found in note C28. The auditor's report regarding whether we have complied with the guidelines for compensation to the ELT during 2012 is posted on the Ericsson website.

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The responsibility for the Remuneration Committee is also to:

- > Approve proposals on salary and other remuneration, including retirement compensation, for the Executive Vice Presidents and other ELT.
- > Approve proposals on targets for the short-term variable remuneration for the Executive Vice Presidents and other ELT.
- > Approve pay out of the short-term variable remuneration for the ELT, based on achievements and performance.

The Remuneration Committee's work is the foundation for the governance of Ericsson's remuneration processes together with Ericsson's internal systems and audit controls. The Committee is chaired by Leif Johansson and its other members are Börje Ekholm, Nancy McKinstry, and Karin Åberg. All the members are non-executive directors, independent (except for the employee representative) as required by the Swedish Corporate Governance Code and have relevant knowledge and experience of remuneration matters.

The Company's General Counsel acts as secretary to the Committee. The Chief Executive Officer, the Senior Vice President, Head of Human Resources and Organization and the Vice President, Head of Total Rewards attend the Remuneration Committee meetings by invitation and assist the Committee in its considerations, except when issues relating to their own remuneration are being discussed.

The Remuneration Committee has appointed an independent expert advisor, Piia Pilv, to assist and advise the Committee. The independent advisor provided no other services to the Company during 2012. The Remuneration Committee is also provided with national and international pay data collected from external survey providers and can call on other independent expertise, should it so require. The Chairman continues to ensure that contact is maintained, as necessary and appropriate, with principal shareholders regarding remuneration.

The purpose and function of the Remuneration Committee and its responsibilities can be found on the Ericsson website. These responsibilities, together with the Guidelines for remuneration to Group Management (ELT) and the Long-Term Variable remuneration plan, are reviewed and evaluated annually in light of matters such as changes to corporate governance best practice or changes to accounting, legislation, political opinion or business practices among peers. This helps to ensure that the

Summaries of 2012 short- and long-term variable remuneration

| What we call it | What is it? | What is the objective? | Who participates? | How is it earned? |
|--|--|---|---|--|
| Short-term: Remuneration delivered over 12 months or less | | | | |
| Fixed salary | Fixed remuneration paid at set times | Attract and retain employees, delivering part of annual remuneration in a predictable format | All employees | Market appropriate levels set according to position and evaluated according to individual performance |
| Short-Term Variable remuneration (STV) | A variable plan that is measured and paid over a single year | Align employees with clear and relevant targets, providing an earnings opportunity in return for performance, and flexible cost | Enrolled employees, including Executive Leadership Team. Approx. 73,900 in 2012 | Achievements against set targets. Reward can increase to up to twice the target level and decrease to zero, depending on performance |
| Local and Sales Incentive Plans | Tailored versions of the STV | As for STV, tailored for local or business requirements, such as sales | Employees in sales. Approx. 2,300 in 2012 | Similar to STV. All plans have maximum award and vesting limits |
| Long-term: Remuneration delivered over 3 years or more | | | | |
| Stock Purchase Plan (SPP) | All-employee stock-based plan | Reinforce a "One Ericsson" mentality and align employees' interests with those of shareholders | All employees are eligible | Buy one share and it will be matched by one share after 3 years if still employed |
| Key Contributor Retention Plan (KC) | Share-based plan for selected individuals | Recognize, retain and motivate key contributors for performance, critical skills and potential | Up to 10% of employees | If selected, get one more matching share in addition to the SPP one |
| Executive Performance Stock Plan (EPSP) | Share-based plan for senior executives | Remuneration for long-term commitment and value creation | Senior executives, including Executive Leadership Team | Get up to 4, 6 or, for CEO, 9 further matching shares to the SPP one for long-term performance |

policy continues to provide Ericsson with a competitive remuneration strategy.

The Guidelines for remuneration to Group Management are, in accordance with Swedish law, brought to shareholders annually for approval.

The Remuneration Committee met six times during the year 2012.

The winter meetings focused on following up on results from the 2011 variable remuneration programs and preparing proposals to shareholders for the 2012 Annual General Meeting (AGM). During the spring the committee determined remuneration to a new member of the ELT and revised the remuneration to others. In the fall, the committee reviewed the Guidelines for remuneration to Group Management and decided to continue the Long-Term Variable remuneration plans without any material changes and the Short-Term Variable remuneration plans with an increased weighting on capital and margins for 2013. The committee based its considerations on the business needs, analyses and reviews of the global market trends and feedback from shareholders and institutions. Supported by the independent advisor, the Committee also reviewed the competitiveness of the ELT remuneration in the global market. The Remuneration Committee is of the opinion that the Long-Term Variable remuneration plans fulfill the defined objectives to promote "One Ericsson" and to align the interests of employees with those of shareholders. The number of participants as of December 1, 2012 was 27,000 employees, compared to 24,000 employees as of December 1, 2011. The evaluation also confirms that the Key Contributor Retention Plan meets the purpose of retaining our key employees. The voluntary attrition rate among Key Contributors is about two-thirds compared to the attrition rate in the total number of employees.

REMUNERATION 2012

To enhance the understanding of how Ericsson translates remuneration principles and policy into practice, an internal remuneration website was launched in January 2011. The site contains e-learning and training programs targeted at line managers. It supports more informed decisions and better communication to the wider employee population. The next step in this development is the planned implementation of an Integrated HR IT tool. The first phase was launched to all managers in Ericsson in November 2012 and include performance management, talent planning, variable pay and annual salary review.

TOTAL REMUNERATION

When considering the remuneration of an individual, it is the total remuneration that matters. First, the total annual cash compensation is defined, consisting of the target level of short-term variable remuneration plus fixed salary. Thereafter, target long-term variable remuneration may be added to get to the total target remuneration and, finally, pension and other benefits may be added to arrive at the total remuneration.

For the ELT, remuneration consists of fixed salary, short-term and long-term variable remuneration, pension and other benefits. If the size of any one of these elements is increased or decreased when setting the remuneration, at least one other element has to change if the competitive position is to remain unchanged.

The remuneration costs for the CEO and the ELT are reported in Note C28.

Fixed salary

When setting fixed salaries, the Remuneration Committee considers the impact on total remuneration, including pension and associated costs. The absolute levels are determined by the size and complexity of the position and the year-to-year performance of the individual. Together with other elements of remuneration, ELT salaries are subject to an annual review by the

REMUNERATION REPORT

CONTINUED

Remuneration Committee, which considers external pay data to ensure that levels of pay remain competitive and appropriate to the remuneration policy.

Variable remuneration

Ericsson strongly believes that, where possible, variable compensation should be encouraged as an integral part of total remuneration. First and foremost, this aligns employees with clear and relevant targets, but it also enables more flexible payroll costs and emphasizes the link between performance and pay. All variable remuneration plans have maximum award and vesting limits. Short-term variable remuneration is to a greater extent dependent on the specific unit or function, while long-term variable remuneration is dependent on the achievements of the Ericsson Group.

Short-term variable remuneration

Annual variable remuneration is delivered through cash-based programs. Specific business targets are derived from the annual business plan approved by the Board of Directors and, in turn, defined by the Company's long-term strategy. Ericsson strives to grow faster than the market with best-in-class margins and strong cash conversion and therefore the starting point is to have three core targets:

- > Net sales growth
- > Operating income
- > Cash flow.

For the ELT, targets are thus predominantly financial at either Group level (for Heads of Group functions) or at the individual unit level (for Heads of regions or business units) and may also include operational targets like customer satisfaction and employee engagement.

The chart below illustrates how payouts to the ELT have varied with performance over the past five years.

The Board of Directors and the Remuneration Committee decide on all Ericsson Group targets, which are cascaded to unit-related targets throughout the Company, always subject to a two-level management approval process. The Remuneration Committee monitors the appropriateness and fairness of Group

target levels throughout the performance year and has the authority to revise them should they cease to be relevant or stretching or to enhance shareholder value.

During 2012, approximately 76,200 employees participated in short-term variable remuneration plans.

Long-term variable remuneration

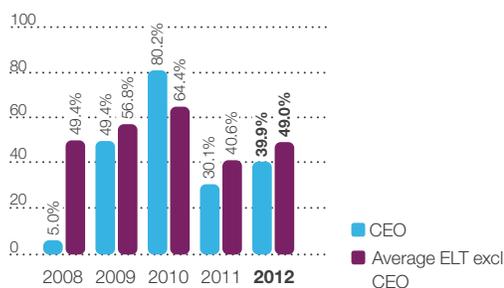
Share-based long-term variable remuneration plans are submitted each year for approval by shareholders at the AGM. All long-term variable remuneration plans are designed to form part of a well-balanced total remuneration package and to span over a minimum of three years. As these are variable plans, outcomes are unknown and rewards depend on long-term personal investment, corporate performance and resulting share price performance. During 2012, share-based remuneration was made up of three different but linked plans: the all-employee Stock Purchase Plan, the Key Contributor Retention Plan and the Executive Performance Stock Plan.

The Stock Purchase Plan

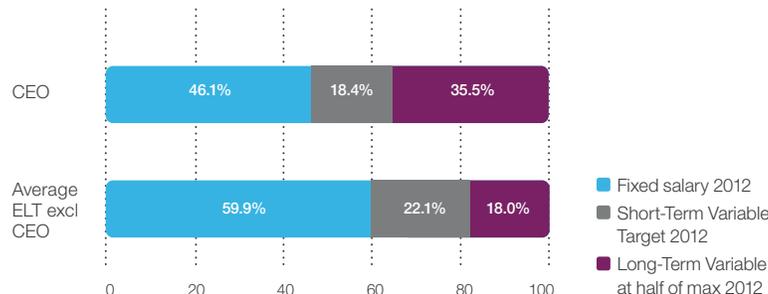
The all-employee Stock Purchase Plan is designed to offer, where practicable, an incentive for all employees to participate. This reinforces "One Ericsson" aligned with shareholder interests. Employees can save up to 7.5% of gross fixed salary (the President and CEO can save up to 10% of gross fixed salary and short-term variable remuneration) for purchase of Class B shares at market price on NASDAQ OMX Stockholm or ADSs on NASDAQ New York (contribution shares) over a twelve-month period. If the contribution shares are retained by the employee for three years after the investment and employment with the Ericsson Group continues during that time, the employee's shares will be matched with a corresponding number of Class B shares or ADSs, as applicable. The plan was introduced in 2002 and employees in 71 countries participated during its first year. In December 2012, the number of participants was over 27,000, or approximately 28% of eligible employees in 100 countries.

Participants save each month, beginning with the August payroll, towards quarterly investments. These investments (in November, February, May and August) are matched on the third

Short-term variable remuneration payouts as percentage of opportunity



Fixed salary, short-term and long-term variable remuneration as percentage of total target remuneration



Short-term variable remuneration structure

| | Short-term variable remuneration as percentage of fixed salary | | | Percentage of short-term variable remuneration maximal opportunity | | |
|--------------------------------|--|---------------|----------------------|--|-----------------------------------|-----------------------|
| | Target level | Maximum level | Actual paid for 2012 | Group financial targets | Unit/functional financial targets | Non-financial targets |
| CEO 2012 | 40% | 80% | 32% | 90% | 0% | 10% |
| CEO 2013 | 40% | 80% | – | 100% | 0% | 0% |
| Average ELT 2012 ¹⁾ | 36% | 72% | 37% | 49% | 27% | 24% |
| Average ELT 2013 ¹⁾ | 38% | 76% | – | 50% | 24% | 26% |

¹⁾ Excludes CEO – differences in target and maximum levels from year to year are due to changes in the composition of the ELT.

anniversary of each such investment and hence the matching spans over two financial years and two tax years.

The Key Contributor Retention Plan

The Key Contributor Retention Plan is part of Ericsson’s talent management strategy. It is designed to recognize individuals for performance, critical skills and potential as well as to encourage retention of key employees.

Under the program, operating units around the world can nominate up to 10% of employees worldwide. Each unit nominates individuals that have been identified according to performance, critical skills and potential. The nominations are calibrated in management teams locally and are reviewed by both local and corporate Human Resources to ensure that there is a minimum of bias and a strong belief in the system.

Participants selected obtain one extra matching share in addition to the one matching share for each contribution share purchased under the Stock Purchase Plan during a twelve-month investment period. The plan was introduced in 2004.

The Executive Performance Stock Plan

The Executive Performance Stock Plan was first introduced in 2004. The plan is designed to focus management on driving long-term financial performance and to provide market competitive remuneration. Senior executives, including the ELT, are selected to obtain up to four or six extra shares (performance matching shares). This is in addition to the one matching share for each contribution share purchased under the all-employee Stock Purchase Plan. Performance matching is subject to the fulfillment of performance targets. Since 2010, the President and CEO may obtain up to nine performance matching shares in addition to the Stock Purchase Plan matching share for each contribution share.

In the 2004 to 2010 plans, the performance targets were Earnings Per Share (EPS) targets.

To support the long-term strategy and value creation of the Company, new targets were defined for the 2011 plan. At the AGM 2012, the following targets for the 2012 Executive Performance Stock Plan were resolved on proposal by the Board:

- > Up to one-third of the award shall vest provided the compound annual growth rate (CAGR) of consolidated net sales between year 0 (2011 financial year) and year 3 (2014 financial year) is between 2% and 8%.
- > Up to one-third of the award shall vest provided the compound annual growth rate (CAGR) of consolidated operating income between year 0 (2011 financial year) and year 3 (2014 financial year) is between 5% and 15%.
- > Up to one-third of the award will be based on the cash conversion during each of the years during the performance

period, calculated as cash flow from operating activities divided by net income reconciled to cash. One-ninth of the total award will vest for any year, i.e. financial years 2012, 2013 and 2014, if cash conversion is at or above 70%.

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. When undertaking its evaluation of performance outcomes the Board of Directors will consider, in particular, the impact of larger acquisitions, divestitures, the creation of joint ventures and any other significant capital event on the three targets on a case by case basis.

Benefits and terms of employment

Pension benefits follow the competitive practice in the employee’s home country and may contain various supplementary plans, in addition to any national system for social security. Where possible, pension plans are operated on a defined contribution basis. Under these plans, Ericsson pays contributions into a plan but does not guarantee the ultimate benefit, unless local regulations or legislation prescribe that defined benefit plans that do give such guarantees have to be offered.

For the President and CEO and other members of the ELT employed in Sweden before 2011, a supplementary pension plan is applied in addition to the occupational pension plan for salaried staff on the Swedish labor market (ITP). The pension age for these ELT members is normally 60 years.

The ELT members employed in Sweden from 2011 are normally covered by the defined contribution plan under the ITP1 scheme, with a pensionable age of 65 years.

For members of the ELT who are not employed in Sweden, local market competitive pension arrangements apply.

Other benefits, such as company car and medical insurance, are also set to be competitive in the local market. The ELT members may not receive loans from the Company.

The ELT members locally employed in Sweden have a mutual notice period of up to six months. Upon termination of employment by the Company, severance pay can amount to up to 18 months’ fixed salary. For other ELT members, different notice period and severance pay agreements apply; however, no agreement exceeds the notice period of six months or the severance pay period of 18 months.

SHARE INFORMATION

STOCK EXCHANGE TRADING

The Ericsson Class A and Class B shares are listed on NASDAQ OMX Stockholm. In the United States, the Class B shares are listed on NASDAQ New York in the form of American Depositary Shares (ADS) evidenced by American Depositary Receipts (ADR) under the symbol ERIC. Each ADS represents one Class B share.

In 2012, approximately 2.4 (3.4) billion shares were traded on NASDAQ OMX Stockholm and about 1.1 (1.6) billion shares were traded on NASDAQ New York. A total of 3.5 (5) billion Ericsson shares were thus traded on the exchanges where we are listed. Trading volume in Ericsson shares decreased by approximately 27% on NASDAQ OMX Stockholm and by approximately 30% on NASDAQ New York compared to 2011.

The Ericsson share is also traded on other venues such as BATS Europe, Burgundy, Chi-X Europe.

The Ericsson share

Share listings

NASDAQ OMX Stockholm

NASDAQ New York

Share data

| | |
|--|--------------------|
| Total number of shares in issue | 3,305,051,735 |
| of which Class A shares, each carrying one vote ¹⁾ | 261,755,983 |
| of which Class B shares, each carrying one tenth of one vote ¹⁾ | 3,043,295,752 |
| Ericsson treasury shares, Class B | 84,798,095 |
| Quotient value | SEK 5.00 |
| Market capitalization, December 31, 2012 | approx. SEK 215 b. |
| ICB (Industry Classification Benchmark) | 9500 |

Ticker codes

| | |
|--------------------------------|-------------------|
| NASDAQ OMX Stockholm | ERIC A/ERIC B |
| NASDAQ New York | ERIC |
| Bloomberg NASDAQ OMX Stockholm | ERICA SS/ERICB SS |
| Bloomberg NASDAQ | ERIC US |
| Reuters NASDAQ OMX Stockholm | ERICa.ST/ERICb.ST |
| Reuters NASDAQ | ERIC.O |

¹⁾ Both classes of shares have the same rights of participation in the net assets and earnings.

Changes in number of shares and capital stock 2008–2012

| | Number of shares | Share capital |
|--|------------------|----------------|
| 2008 June 2, reverse split 1:5 | 3,226,451,735 | 16,132,258,678 |
| 2008 July 23, new issue (Class C shares, later converted to Class B) | 19,900,000 | 99,500,000 |
| 2008 December 31 | 3,246,351,735 | 16,231,758,678 |
| 2009 June 8, new issue (Class C shares, later converted to Class B) | 27,000,000 | 135,000,000 |
| 2009 December 31 | 3,273,351,735 | 16,366,758,678 |
| 2010 December 31 | 3,273,351,735 | 16,366,758,678 |
| 2011 December 31 | 3,273,351,735 | 16,366,758,678 |
| 2012 June 29, new issue (Class C shares, later converted to Class B) ¹⁾ | 31,700,000 | 158,500,000 |
| 2012 December 31 | 3,305,051,735 | 16,525,258,678 |

¹⁾ The Annual General Meeting (AGM) 2012 resolved to issue 31.7 million Class C shares for the Long-Term Variable Remuneration Program (LTV). In accordance with an authorization from the AGM, in the second quarter 2012, the Board of Directors resolved to repurchase the new issued shares, which were subsequently converted into Class B shares. The quotient value of the repurchased shares was SEK 5.00, totaling SEK 158.5 million, representing less than one percent of capital stock, and the acquisition cost was approximately SEK 158.7 million.

Share performance indicators

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|-------|-------|-------|-------|-------|
| Earnings per share, diluted (SEK) ¹⁾ | 1.78 | 3.77 | 3.46 | 1.14 | 3.52 |
| Earnings per share, diluted non-IFRS (SEK) ²⁾ | 2.74 | 4.72 | 4.80 | 2.87 | 4.24 |
| Operating income per share (SEK) ^{3) 4)} | 3.25 | 5.58 | 7.42 | 5.80 | 7.50 |
| Cash flow from operating activities per share (SEK) ³⁾ | 6.85 | 3.11 | 8.31 | 7.67 | 7.54 |
| Stockholders' equity per share, basic, end of period (SEK) ⁵⁾ | 42.51 | 44.57 | 45.34 | 43.79 | 44.21 |
| P/E ratio | 36 | 19 | 22 | 57 | 17 |
| Total shareholder return (%) | -3 | -7 | 22 | 15 | -20 |
| Dividend per share (SEK) ⁶⁾ | 2.75 | 2.50 | 2.25 | 2.00 | 1.85 |

¹⁾ Calculated on average number of shares outstanding, diluted.

²⁾ EPS, diluted, excluding amortizations and write-downs of acquired intangible assets, SEK.

³⁾ Calculated on average number of shares outstanding, basic.

⁴⁾ For 2010, 2009 and 2008 excluding restructuring charges.

⁵⁾ Calculated on number of shares, end of period.

⁶⁾ For 2012 as proposed by the Board of Directors.

For definitions of the financial terms used, see Glossary, Financial Terminology and Exchange Rates.

SHARE TREND

In 2012, Ericsson's total market capitalization decreased by about 7% to SEK 215 billion, compared to a decrease by 10% reaching SEK 230 billion in 2011. The OMX Stockholm Index on NASDAQ OMX Stockholm increased by 12% and the NASDAQ composite index increased by 16%. The S&P 500 Index increased by 13%.

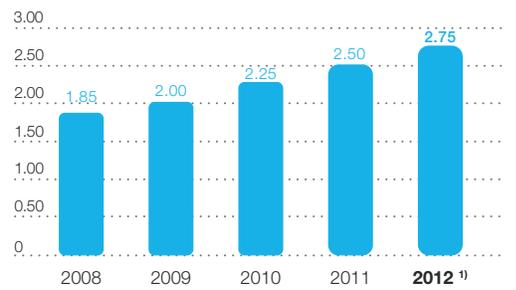
Share turnover and price trend, NASDAQ OMX Stockholm

Class A shares, SEK m



Dividend per share

SEK



¹⁾ For 2012 as proposed by the Board of Directors.

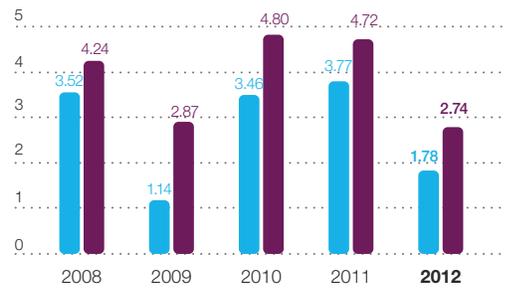
Class B shares, SEK m



■ Turnover, SEK million — Price, SEK — OMX Stockholm (indexed to share price)
 Volumes reflect trading on NASDAQ OMX Stockholm only. Source: Nasdaq OMX Stockholm

Earnings per share, diluted

SEK



■ Earnings per share, diluted
 ■ Earnings per share, diluted (non-IFRS)¹⁾
¹⁾ EPS, diluted, excl. amortizations and write-downs of acquired intangible assets, SEK.

Share turnover and price trend, US market

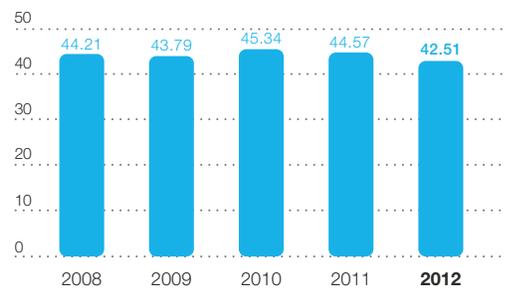
ADS, USD m



■ Turnover, USD million — Price, USD — S&P 500 (indexed to share price)
 Volumes reflect trading on NASDAQ OMX Stockholm only. Source: Nasdaq New York

Stockholders' equity per share, basic

SEK



SHARE INFORMATION

CONTINUED

OFFER AND LISTING DETAILS

Principal trading market – NASDAQ OMX Stockholm – share prices

The table below states the high and low share prices for our Class A and Class B shares as reported by NASDAQ OMX Stockholm for the last five years. Trading on the exchange generally continues until 5:30 p.m. (CET) each business day. In addition to trading on the exchange, there is also trading off the exchange and on alternative venues during trading hours and also after 5:30 p.m. (CET).

NASDAQ OMX Stockholm publishes a daily Official Price List of Shares which includes the volume of recorded transactions in each listed stock, together with the prices of the highest and lowest recorded trades of the day. The Official Price List of Shares reflects price and volume information for trades completed by the members. The equity securities listed on the NASDAQ OMX Stockholm Official Price List of Shares currently comprise the shares of 258 companies.

Host market NASDAQ New York – ADS prices

The table below states the high and low share prices quoted for our ADSs on NASDAQ New York for the last five years. The NASDAQ New York quotations represent prices between dealers, not including retail mark-ups, markdowns or commissions, and do not necessarily represent actual transactions.

Share prices on NASDAQ OMX Stockholm

| (SEK) | 2012 | 2011 | 2010 | 2009 | 2008 |
|---------------------------------|-------|-------|-------|-------|-------|
| Class A at last day of trading | 63.90 | 69.55 | 74.00 | 65.00 | 59.30 |
| Class A high (January 3, 2012) | 72.00 | 93.60 | 88.40 | 78.80 | 83.60 |
| Class A low (November 16, 2012) | 55.55 | 59.05 | 65.20 | 55.40 | 40.60 |
| Class B at last day of trading | 65.10 | 70.40 | 78.15 | 65.90 | 58.80 |
| Class B high (January 3, 2012) | 71.90 | 96.65 | 90.45 | 79.60 | 83.70 |
| Class B low (July 18, 2012) | 55.90 | 61.70 | 65.90 | 55.50 | 40.60 |

Source: Nasdaq OMX Stockholm

Share prices on NASDAQ New York

| (USD) | 2012 | 2011 | 2010 | 2009 | 2008 |
|----------------------------|-------|-------|-------|-------|-------|
| ADS at last day of trading | 10.10 | 10.13 | 11.53 | 9.19 | 7.81 |
| ADS high (April 3, 2012) | 10.60 | 15.44 | 12.39 | 10.92 | 14.00 |
| ADS low (May 17, 2012) | 8.23 | 8.83 | 9.40 | 6.60 | 5.49 |

Source: Nasdaq New York

Share prices on NASDAQ OMX Stockholm and NASDAQ New York

| Period | NASDAQ OMX Stockholm | | | | NASDAQ New York | |
|-------------------------------|-----------------------|-------|-----------------------|-------|---------------------------|-------|
| | SEK per Class A share | | SEK per Class B share | | USD per ADS ¹⁾ | |
| | High | Low | High | Low | High | Low |
| Annual high and low | | | | | | |
| 2008 | 83.60 | 40.60 | 83.70 | 40.60 | 14.00 | 5.49 |
| 2009 | 78.80 | 55.40 | 79.60 | 55.50 | 10.92 | 6.60 |
| 2010 | 88.40 | 65.20 | 90.45 | 65.90 | 12.39 | 9.40 |
| 2011 | 93.60 | 59.05 | 96.65 | 61.70 | 15.44 | 8.83 |
| 2012 | 72.00 | 55.55 | 71.90 | 55.90 | 10.60 | 8.23 |
| Quarterly high and low | | | | | | |
| 2011 First Quarter | 80.05 | 70.50 | 83.00 | 73.25 | 13.06 | 10.99 |
| 2011 Second Quarter | 93.60 | 73.00 | 96.65 | 75.30 | 15.44 | 12.06 |
| 2011 Third Quarter | 91.80 | 60.50 | 93.80 | 63.15 | 14.82 | 9.33 |
| 2011 Fourth Quarter | 71.50 | 59.05 | 72.55 | 61.70 | 11.25 | 8.83 |
| 2012 First Quarter | 72.00 | 59.25 | 71.90 | 58.15 | 10.53 | 8.58 |
| 2012 Second Quarter | 69.70 | 58.75 | 69.95 | 59.60 | 10.60 | 8.23 |
| 2012 Third Quarter | 67.00 | 55.95 | 67.80 | 55.90 | 10.05 | 8.23 |
| 2012 Fourth Quarter | 64.90 | 55.55 | 66.85 | 56.60 | 10.21 | 8.31 |
| Monthly high and low | | | | | | |
| August 2012 | 67.00 | 60.55 | 67.80 | 61.50 | 10.05 | 9.14 |
| September 2012 | 62.55 | 58.35 | 64.10 | 59.85 | 9.79 | 8.91 |
| October 2012 | 59.85 | 56.10 | 61.00 | 57.40 | 9.27 | 8.57 |
| November 2012 | 60.50 | 55.55 | 62.30 | 56.60 | 9.41 | 8.31 |
| December 2012 | 64.90 | 60.00 | 66.85 | 62.45 | 10.21 | 9.40 |
| January 2013 | 74.30 | 62.90 | 76.95 | 64.50 | 11.82 | 9.78 |

¹⁾ One ADS = 1 Class B share.

Source: Nasdaq OMX Stockholm and Nasdaq New York

SHAREHOLDERS

As of December 31, 2012, the Parent Company had 551 719 shareholders registered at Euroclear Sweden AB (the Central Securities Depository – CSD), of which 1 080 holders had a US address. According to information provided by our depository, Citibank, there were 189,454,944 ADSs outstanding as of December 31, 2012, and 4,500 registered holders of such ADSs. A significant number of Ericsson ADSs are held by banks, brokers and/or nominees for the accounts of their customers. As of January 3, 2013, the total number of bank, broker and/or nominee accounts holding Ericsson ADSs was 169,190.

According to information known at year-end 2012, approximately 78% of our Class A and Class B shares were owned by institutions, Swedish and international.

Our major shareholders do not have different voting rights than other shareholders holding the same classes of shares.

As far as we know, the Company is not directly or indirectly owned or controlled by another corporation, by any foreign government or by any other natural or legal person(s) separately or jointly.

Geographical ownership breakdown of share capital including retail shareholders and treasury shares

Percent of capital



Source: Capital Precision

The table shows the total number of shares in the Parent Company owned by the Executive Leadership Team and Board members (including Deputy employee representatives) as a group as of December 31, 2012.

The Executive Leadership Team and Board members, ownership

| | Number of Class A shares | Number of Class B shares | Voting rights, percent |
|---|--------------------------|--------------------------|------------------------|
| The Executive Leadership Team and Board members as a group (31 persons) | 0 | 559,450 | 0.01 |

For individual holdings, see Corporate Governance Report.

The following table shows share information, as of December 31, 2012, with respect to our 15 largest shareholders, ranked by voting rights, as well as percentage of voting rights as of December 31, 2012, 2011 and 2010.

Largest shareholders, December 31, 2012 and percentage of voting rights, December 31, 2012, 2011 and 2010

| Identity of person or group ¹⁾ | Number of Class A shares | Of total Class A shares, percent | Number of Class B shares | Of total Class B shares, percent | 2012 Voting rights, percent | 2011 Voting rights, percent | 2010 Voting rights, percent |
|---|--------------------------|----------------------------------|--------------------------|----------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Investor AB | 115,018,707 | 43.94 | 59,284,545 | 1.95 | 21.37 | 21.48 | 19.33 |
| AB Industrivärden | 84,708,520 | 32.36 | 0 | 0.00 | 14.96 | 14.34 | 13.80 |
| Handelsbankens Pensionsstiftelse | 21,057,443 | 8.04 | 0 | 0.00 | 3.72 | 4.20 | 3.52 |
| Swedbank Robur Fonder AB | 1,505,751 | 0.58 | 138,107,152 | 4.54 | 2.71 | 2.79 | 2.73 |
| AFA Försäkring AB | 11,423,000 | 4.36 | 9,151,631 | 0.30 | 2.18 | 2.31 | 0.45 |
| Blackrock Fund Advisors | 0 | 0.00 | 77,802,606 | 2.56 | 1.37 | 1.46 | 1.44 |
| Norges Bank Investment Management | 0 | 0.00 | 77,226,311 | 2.54 | 1.36 | 1.24 | 0.89 |
| Skandia Liv | 6,263,167 | 2.39 | 11,414,818 | 0.38 | 1.31 | 1.36 | 2.98 |
| AMF Pensionsförsäkring AB | 0 | 0.00 | 71,108,980 | 2.34 | 1.26 | 1.34 | 1.34 |
| Aberdeen Asset Managers Ltd. | 0 | 0.00 | 65,706,158 | 2.16 | 1.16 | 1.05 | 1.01 |
| Dodge & Cox, Inc. | 0 | 0.00 | 64,443,081 | 2.12 | 1.14 | 0.96 | 1.43 |
| Pensionskassan SHB Försäkringsförening | 6,381,570 | 2.44 | 0 | 0.00 | 1.13 | 1.39 | 2.07 |
| Orbis Investment Management Ltd. | 0 | 0.00 | 62,271,048 | 2.05 | 1.10 | 0.35 | 0.06 |
| OppenheimerFunds, Inc. | 0 | 0.00 | 62,070,708 | 2.04 | 1.10 | 1.20 | 1.29 |
| Handelsbanken Fonder AB | 261,500 | 0.10 | 58,019,980 | 1.91 | 1.07 | 0.96 | 1.05 |
| Others | 15,136,325 | 5.78 | 2,286,688,734 | 75.14 | 43.07 | 43.57 | 46.61 |
| Total | 261,755,983 | 100 | 3,043,295,752 | 100 | 100 | 100 | 100 |

¹⁾ Source: Capital Precision

EMPOWERING BUSINESS

The networked society is changing the whole playing field of business. Digital innovations are created, promoted and distributed from and to anywhere in the connected world. The global market allows niche firms to reach critical mass, while lowering transaction costs. All the while, technologically-enabled workforces can contribute from any location, including on the move. Ericsson is one of the few companies that can offer end-to-end solutions for all major mobile communication standards worldwide. Our networks, telecom services and support solutions make it easier for businesses across the world to operate.

+80

For every 1,000 additional broadband users, approximately 80 new jobs are created*.

* According to a study made by Arthur D. Little, commissioned by Ericsson



GLOSSARY

2G

The first digital generation of mobile systems. Includes GSM, TDMA, PDC and cdmaOne.

3G

3rd generation mobile system. Includes WCDMA/HSPA, CDMA2000 and TD-SCDMA.

4G

See LTE.

All-IP

A single, common IP infrastructure that can handle all network services, including fixed and mobile communications, for voice and data services as well as video services such as TV.

Backhaul

Transmission between radio base stations and the core network.

BSS

Business support systems

CaGR

Compound Annual Growth Rate.

Capex

Capital expenditure.

CDMA

(Code Division Multiple Access)
A radio technology on which the cdmaOne (2G) and CDMA2000 (3G) mobile communication standards are both based.

CLOUD

When data and applications reside in the network.

Edge

A mobile standard, developed as an enhancement of GSM. Enables the transmission of data at speeds up to 250 kbps. (Evolved EDGE up to 1 Mbps)

GDP

(Gross Domestic Product)
The total annual cost of all finished goods and services produced within a country.

GPON

(Gigabit Passive Optical Network) Used for fiber-optic communication to the home (FTTH).

GSM

(Global System for Mobile Communications) A first digital generation mobile system.

HSPA

(High Speed Packet Access)
Enhancement of 3G/WCDMA that enables mobile broadband.

ICT

Information and Communication Technology.

IMS

(IP Multimedia Subsystem)
A standard for offering voice and multimedia services over mobile and fixed networks using internet technology (IP).

IP

(Internet Protocol)
Defines how information travels between network elements across the internet.

IPR

Intellectual Property Rights

IPTV

(IP Television)
A technology that delivers digital television via fixed broadband access.

JV

(Joint Venture)
A business enterprise in which two or more companies enter a partnership.

LTE

(Long-Term Evolution)
The next evolutionary step of mobile technology beyond HSPA, allowing data rates above 100 Mbps.

Managed services

Management of operator networks and/or hosting of their services.

Mobile broadband

Wireless high-speed internet access using the HSPA, LTE and CDMA2000EV-DO technologies.

OSS

Operations support systems

Penetration

The number of subscriptions divided by the population in a geographical area.

PETABYTE

Million gigabytes.

RAN

Radio Access Network.

TD-SCDMA

(Time Division Synchronous Code Division Multiple Access), an alternative to WCDMA used in China.

WCDMA

(Wideband Code Division Multiple Access)
A 3G mobile communication standard. WCDMA builds on the same core network infrastructure as GSM.

xDSL

Digital Subscriber Line technologies for broadband multimedia communications in fixed-line networks. Examples: IP-DSL, ADSL and VDSL.

The terms "Ericsson", "the Company", "the Group", "us", "we", and "our" all refer to Telefonaktiebolaget LM Ericsson and its subsidiaries.

FINANCIAL TERMINOLOGY

Capital employed

Total assets less non-interest-bearing provisions and liabilities. (which includes: provisions, non-current; deferred tax liabilities; other non-current liabilities; provisions, current; trade payables; other current liabilities).

Capital turnover

Net sales divided by average capital employed.

Cash conversion

Cash flow from operating activities divided by the sum of net income and adjustments to reconcile net income to cash, expressed as percent.

Cash dividends per share

Dividends paid divided by average number of shares, basic.

Compound annual growth rate (CAGR)

The year-over-year growth rate over a specified period of time.

Days sales outstanding (DSO)

Trade receivables balance at quarter end divided by net sales in the quarter and multiplied by 90 days. If the amount of trade receivables is larger than last quarter's sales, the excess amount is divided by net sales in the previous quarter and multiplied by 90 days, and total DSO are the 90 days of the most current quarter plus the additional days from the previous quarter.

Earnings per share (EPS)

Basic earnings per share: profit or loss attributable to stockholders of the Parent Company divided by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share: the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

EPS (non-IFRS)

EPS, diluted, excluding amortizations and write-down of acquired intangible assets and including restructuring charges.

EBITA margin

Earnings before interest, taxes, amortization and write-downs of acquired intangibles (intellectual property rights, trademarks and other intangible assets, see Note C10 "Intangible assets") as a percentage of net sales.

Equity ratio

Equity, expressed as a percentage of total assets.

Gross cash

Cash and cash equivalents plus short-term investments.

Inventory turnover days (ITO-days)

365 divided by inventory turnover, calculated as total cost of sales divided by the average inventories for the year (net of advances from customers).

Net cash

Cash and cash equivalents plus short-term investments less interest-bearing liabilities (which include: borrowings, non-current and borrowings, current) and post-employment benefits.

P/E ratio

The P/E ratio is calculated as the price of a Class B share at last day of trading divided by Earnings per share, basic.

Payable days

The average balance of trade payables at the beginning and at the end of the year divided by cost of sales for the year, and multiplied by 365 days.

Payment readiness

Cash and cash equivalents and short-term investments less short-term borrowings plus long-term unused credit commitments. Payment readiness is also shown as a percentage of net sales.

Return on capital employed

The total of Operating income plus Financial income as a percentage of average capital employed (based on the amounts at January 1 and December 31).

Return on equity

Net income attributable to stockholders of the Parent Company as a percentage of average Stockholders' equity (based on the amounts at January 1 and December 31).

Stockholders' equity per share

Stockholders' equity divided by the number of shares outstanding at end of period, basic.

Total shareholder return (TSR)

The increase or decrease in Class B share price during the period, adjusted for dividends paid, expressed as a percentage of the share price at the start of the period.

Trade receivables turnover

Net sales divided by average trade receivables.

Value at risk (VaR)

A statistical method that expresses the maximum potential loss that can arise with a certain degree of probability during a certain period of time.

Working capital

Current assets less current non-interest-bearing provisions and liabilities (which include: provisions, current; trade payables; other current liabilities).

EXCHANGE RATES

Exchange rates used in the consolidation

| | January–December | |
|----------------|------------------|------|
| | 2012 | 2011 |
| SEK/EUR | | |
| Average rate | 8.70 | 9.02 |
| Closing rate | 8.58 | 8.92 |
| SEK/USD | | |
| Average rate | 6.73 | 6.48 |
| Closing rate | 6.51 | 6.90 |

SHAREHOLDER INFORMATION

OUR BUSINESS

RESULTS

CORPORATE GOVERNANCE

SHAREHOLDERS

OTHER INFORMATION



FOR PRINTED PUBLICATIONS

A printed copy of the Annual Report is provided on request.

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Ordering a hard copy

of the Annual Report:

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Telefonaktiebolaget LM Ericsson's shareholders are invited to participate in the Annual General Meeting to be held on Tuesday, April 9, 2013, at 3 p.m. at Kistamässan, Arne Beurlings Torg 5, Kista, Stockholm, Sweden.

Registration and notice of attendance

Shareholders who wish to attend the Annual General Meeting must:

- > Be recorded in the share register kept by Euroclear Sweden AB (the Swedish Securities Registry) on Wednesday, April 3, 2013, and
- > Give notice of attendance to the Company at the latest on Wednesday, April 3, 2013. Notice of attendance can be given by telephone: +46 8 402 90 54 on weekdays between 10 a.m. and 4 p.m., or on Ericsson's website: www.ericsson.com.

Notice of attendance may also be given in writing to:

Telefonaktiebolaget LM Ericsson
General Meeting of Shareholders
Box 7835, SE-103 98 Stockholm, Sweden

When giving notice of attendance, please state name, date of birth, address, telephone number and number of assistants, if any.

The meeting will be conducted in Swedish and simultaneously interpreted into English.

Shares registered in the name of a nominee

In addition to giving notice of attendance, shareholders having their shares registered in the name of a nominee, must request the nominee to temporarily enter the shareholder into the share register as per Wednesday, April 3, 2013, in order to be entitled to attend the meeting. The shareholders should inform the nominee to that effect well before that day.

Proxy

Shareholders represented by proxy shall issue and submit to the Company a power of attorney for the representative. A power of attorney issued by a legal entity must be accompanied by a copy of the entity's certificate of registration, or if no such certificate exist, a corresponding document of authority. Such documents must not be older than one year unless the power of attorney explicitly provides that it is valid for a longer period, up to a maximum of five years. In order to facilitate the registration at the Annual General Meeting, the power of attorney in original, certificates of registration and other documents of authority should be sent to the Company in advance to the address above for receipt by Monday, April 8, 2013. Forms of power of attorney in Swedish and English are available on Ericsson's website: www.ericsson.com/investors.

Dividend

The Board of Directors has decided to propose the Annual General Meeting to resolve on a dividend of SEK 2.75 per share for the year 2012 and that Friday, April 12, 2013 will be the record date for dividend.

Financial information from Ericsson

Interim reports 2013:

- > Q1, April 24, 2013
- > Q2, July 18, 2013
- > Q3, October 24, 2013
- > Q4, January 30, 2014

Annual Report 2013:

March, 2014

2012 Form 20-F for the US market:

March-April 2013

WHERE YOU CAN FIND OUT MORE

Information about Ericsson and its development is available on our website:

www.ericsson.com

Annual and interim reports and other relevant shareholder information can be found at:

www.ericsson.com/investors

Ericsson headquarters

Torshamnsgatan 23
Kista, Stockholm, Sweden

Registered office

Telefonaktiebolaget LM Ericsson
SE-164 83 Stockholm, Sweden

Investor relations

For questions on the Company, please contact Investor Relations:

Telephone: +46 10 719 00 00

Email: investor.relations@ericsson.com

ERICSSON ANNUAL REPORT 2012:

Project Management:

Ericsson Investor Relations

Design and production:

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Group Management, Board of Directors and front cover photography:
Per Myrehed AB

Reprographics and Printing:

Kaigan AB 2013



**CERTIFICATE OF SUNGARD AVAILABILITY SERVICES LP
TO
WILTSHIRE & GRANNIS LLP**

I, Edward C. McKeever, Vice President & Chief Accounting Officer, of SunGard Availability Services LP (“SunGard” or the “Company”), do hereby certify to Wiltshire & Grannis LLP (“WG”) under penalty of perjury that the following is true and correct to the best of my knowledge:

Telcordia has requested that WG render an opinion to the Federal Communications Commission (“FCC”), the North American Portability Management LLC (“NAPM”), the Future of Number Portability Administration Committee (“FoNPAC”), and the North American Numbering Council Local Number Portability Administrator Selection Working Group (“SWG”) in connection with the 2015 Local Number Portability Administrator Request for Proposal (“2015 LNPA RFP”) to serve as the Local Number Portability Administrator in each of the Regional Bell Operating Company (“RBOC”) service areas or regions. I understand and acknowledge that this Certificate will be relied upon by WG in rendering such opinion of counsel.

Capitalized terms used herein and not otherwise defined shall have the same meaning and effect as used and defined in the 2015 LNPA Vendor Qualification Survey (the “VQS”).

1. SunGard Availability Services LP (“SunGard” or “Sub-Contractor”) has agreed to serve as a sub-contractor to Telcordia, providing data center services. Under the contemplated sub-contractor arrangement, SunGard will perform tasks and functions at Telcordia’s direction (“SunGard Services”), but will have no independent discretion to make decisions regarding LNPA services.
2. SunGard is not a Telecommunications Service Provider.
3. SunGard is not owned by, and SunGard does not own, any Telecommunications Service Provider; provided that ownership for this purpose does not include ownership interests (measured by equity interest in stock, partnership interests, whether general or limited, joint venture participation, or member interests in a limited liability company) or voting power (on any one or more matters) of ten percent (10%) or less (of the total ownership or voting power).
4. SunGard’s Affiliate, SunGard NetWork Solutions Inc. (“SNS”), is registered in North Carolina, Oregon, and Minnesota to provide certain telecommunications services as required by the public utility regulations in those states. Consequently, in North Carolina, SNS is authorized to provide intrastate interexchange telephone service, intrastate local exchange service, and exchange access telephone service; in Oregon, SNS is authorized to provide intraexchange and interexchange services and is designated as a competitive telecommunications provider for interexchange service statewide; and in Minnesota, SNS is registered to provide local niche services only, which Minnesota defines as “point-to-point connections between end-user locations within a service area and any telecommunications services under the [Minnesota public utility] commission’s

jurisdiction that do not fall within the definition of local service or the definition of interexchange service.” (Minn. Admin. Rules § 7812.0100 subpart 31.)

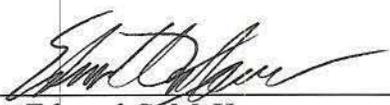
5. SNS does not provide – and has no plans to provide – switched services that utilize number portability, and does not provide voice telecommunications services. Rather, SNS contracts with telecommunications providers for dedicated non-switched data circuits to provide to its affiliates’ customers solely in connection with their use of SunGard data services (i.e. hosting, managed services, recovery services).
6. As a safeguard, SunGard will notify Telcordia if, at any time, SNS or any other SunGard Affiliate intends to or commences providing switched services that utilize number portability.
7. SunGard’s parent company, SunGard Data Systems Inc. (“SDS”), was acquired on August 11, 2005 in a leveraged buy-out by a consortium of private equity investment funds associated with Bain Capital Partners, The Blackstone Group, Goldman Sachs & Co., Kohlberg Kravis Roberts & Co., Providence Equity Partners, Silver Lake and TPG (collectively, the “Sponsors”). Each of the Sponsors has a representative on the Board of SDS. Two of the Sponsors of SDS also have greater than ten percent ownership interests in three entities listed in the FCC Form 499-A database as Telecommunications Service Providers: Avaya, Inc., Intelsat, and IPC Network Services. SDS Sponsors Silver Lake and TPG jointly own Avaya, Inc., which is registered with the FCC as an interconnected VoIP provider. One of the Directors of SDS is also a Director of Avaya, Inc. Silver Lake also has a greater than ten percent ownership interest in IPC Network Services, which is registered with the FCC as a toll reseller, and in Intelsat, which is registered with the FCC as a private service provider.
8. As a safeguard, SunGard confirms that the two Sponsors of SDS that also have ownership interests greater than ten percent in a Telecommunications Service Provider shall recuse themselves from participating in any material discussions or decisions involving the SunGard Services, including any involvement in day-to-day decision making.
9. Neither SunGard, nor any of its Affiliates, has issued a majority of its debt to, or derives a majority of such entity’s revenues (not including the NPAC/SMS) from, any Telecommunications Service Provider.
10. SunGard is not subject to undue influence by parties with a vested interest in the outcome of numbering administration and activities; and it is not involved in a contractual or other arrangement that would impair Telcordia’s ability to administer the NPAC/SMS fairly and impartially as an LNPA or to implement the schedule set forth in the IASTA® SmartSource SRM® Tool, called the FoNPAC Timeline.
11. SunGard operates subject to a Global Business Conduct and Compliance Program (“GBCCP”), applicable to both employees and directors. The GBCCP includes provisions for addressing actual or perceived conflicts of interest, and imposes an obligation to disclose conflict situations. Under the GBCCP, any conflict of interest that becomes known to SDS or its Chief Compliance Officer must be resolved. That resolution can take the form of the person recusing himself from any decision or activity that involves the other party, divestiture of equity interests in the entity or whatever

resolution is most appropriate to the circumstances. While a conflict situation is under review, the GBCCP prohibits affected directors or employees from acting on behalf of SunGard in connection with the conflict situation.

12. In addition, if Telcordia is selected as an LNPA, all SunGard employees dedicated to providing services to Telcordia shall be bound by the Proposed LNPA Code of Conduct.
13. SunGard does not have any contractual or other arrangement that would impair Telcordia's ability to administer the NPAC/SMS fairly and impartially. SunGard transacts at arms' length with its suppliers and provides in its GBCCP that it "will only purchase goods and services" from suppliers "when the combination of price, quality, and service are competitive with those of other suppliers." (GBCCP at 5.)
14. Attached hereto as Annex A is a copy of the SunGard Global Business Conduct and Compliance Program, dated August 2012.
15. Attached hereto as Annex B is a copy of the authorization for SunGard Network Services to provide local niche services in Minnesota.
16. Attached hereto as Annex C is a copy of the authorization for SunGard Network Services to provide intrastate interexchange telephone service, intrastate local exchange service, and exchange access telephone service in North Carolina.
17. Attached hereto as Annex D is a copy of the authorization for SunGard Network Services to provide intraexchange and interexchange services and designation as a competitive telecommunications provider for interexchange service statewide in Oregon.

I certify under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

SunGard Availability Services LP

By: 

Edward C. McKeever

Vice President & Chief Accounting Officer

Executed on April 3, 2013.

CERTIFICATE OF SUNGARD

ANNEX A

SUNGARD®

GLOBAL BUSINESS CONDUCT AND COMPLIANCE PROGRAM FOR THE UNITED STATES

(This document is available internally on the [Compliance and Business Ethics](#) site on KnowHow or on your SunGard business division intranet).

TO ASK QUESTIONS AND REPORT POSSIBLE VIOLATIONS:

Use any of the following resources at any time to notify SunGard of a possible violation of this Policy, ask questions about this Policy, or discuss any business related concern that you may have.

1. Contact your Supervisor, any leader in your company's management chain, Human Resources or any other Company official including the Chief Compliance Officer, the Chief Legal Officer, the Director of Human Resources or the Chief Financial Officer. You may contact any corporate officer by name or title by calling Company headquarters at (484) 582-2000 or by e-mail.* (See EMPLOYEE RESPONSIBILITY below for more detail).
2. Call SunGard's AlertLine toll-free at (800) 381-8372. You may remain anonymous when calling the AlertLine.
3. Contact SunGard's AlertLine on-line at www.sungard.alertline.com. You may remain anonymous when contacting the AlertLine.
4. Contact SunGard's Chief Compliance Officer at any time directly by calling (484) 582-5576 or by e-mail.*
5. Contact the compliance office through a general e-mail box at compliance@sungard.com.
6. Contact the Chair of the Audit Committee by mailing a confidential letter to the Chair of the Audit Committee at Company headquarters (680 East Swedesford Road, Wayne, PA 19087).

**The names and contact information of the Chief Compliance Officer, other members of the Compliance Program Committee, Chief Legal Officer, Chief Financial Officer and Chair of the Audit Committee are available internally on the [Compliance and Business Ethics](#) site on KnowHow or on your SunGard business division intranet.*

SUNGARD®

Honesty–Integrity–Professional Excellence

GLOBAL BUSINESS CONDUCT AND COMPLIANCE PROGRAM

We must guard our hard earned reputation. It is our most valued asset. Our commitment to legal compliance must be unwavering and we should accept nothing less than unrelenting honesty, integrity and professional excellence in everything we do. If we diligently protect our good name, SunGard will always be a company we are proud to support.

The Global Business Conduct and Compliance Program (Compliance Program) is not a contract and is subject to change at any time, without notice, at the sole discretion of the Company.

Except for the promise of protection from retaliation, none of the benefits, policies, programs, procedures or statements in the Compliance Program is intended to confer any rights or privileges upon any Employee or other Company representative or entitle any Employee or Company representative to remain an Employee or representative of the Company.

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INTRODUCTION

The Board of Directors of SunGard Data Systems Inc. has adopted this Global Business Conduct and Compliance Program (“Compliance Program”) to provide you with clear guidelines for your conduct as a representative of the Company. This Compliance Program incorporates a code of ethics for all employees, officers, directors and other representatives of the Company and applies to each of those individuals without exception. The terms “Company” or “SunGard” used in this document mean SunGard Data Systems Inc. and all of its consolidated subsidiaries. These definitions and others can be found in Appendix D to this document.

There is no conflict or inconsistency between good business and good ethics. Our most valuable asset, both as individuals and as a Company, is our reputation. We best serve our customers, our investors and ourselves by adhering to the highest standards of ethical behavior and by maintaining an environment that is fair, open and honest.

In our complex global business environment, we recognize that Employees will encounter situations that pose ethical, policy, legal and regulatory issues in connection with the Company’s business activities. The Company expects and requires that you will resolve these issues by complying with all applicable laws and regulations and by acting ethically and in accordance with the Company’s standards of professional excellence. The Compliance Program is a tool to help you meet this SunGard objective.

You are required to adhere to this Compliance Program. You are encouraged to talk to your Supervisor or other Company officials about any question of proper business conduct, even if it does not seem important at the time. You must avoid any activities that could involve the Company in unethical or unlawful conduct. If you fail to adhere to this Compliance Program, then you are acting outside the scope of the authority given to you by the Company, and you will be held personally responsible for the consequences of your unauthorized conduct.

Adherence to this Compliance Program is a condition of employment. Failure to adhere to this Compliance Program could result in very serious consequences to both the individuals involved and the Company. If you violate this Compliance Program, then you will be subject to appropriate disciplinary and remedial sanctions up to and including immediate discharge and possible legal action by the Company.

Except for the promise of protection from retaliation made in the paragraph below, none of the policies, procedures or statements in this Compliance Program is intended to confer any rights or privileges upon any Employee or entitle any Employee to be or remain an Employee of the Company. This Compliance Program is not a contract and is subject to change at any time, without notice, at the sole discretion of the Board of Directors.

Protection from Retaliation

An individual, who reports incidents that he or she believes to be violations of this Policy, or who is involved in an investigation under this Policy, will not be subject to reprisal or retaliation as a result of such reporting or involvement. Retaliation is a serious violation of this Policy and should be reported immediately. The report and investigation of allegations of retaliation will follow the procedures set forth in this Compliance Program. Any person found to have retaliated against an individual for reporting or for participating in an investigation of allegations will be subject to appropriate disciplinary action.

Reporting Possible or Suspected Violations

Each Employee has an obligation to alert the Company to any situation in which the Compliance Program is being violated or is about to be violated. You should make a report if you are concerned that a Company practice or operation or an Employee action violates a law, rule or regulation, Company policy, or accounting or auditing principle or practice. Report your concerns if the activity in question has not yet occurred, but is being planned or considered. Furthermore, you must make a report if you have been asked by a Supervisor or another Employee to do something that you believe will result in a violation of a law, rule or regulation, Company policy, or accounting or auditing principle or practice. You do not need to be certain that a violation has occurred or is about to occur. Nor do you need proof before you report. You are protected from retaliation for reporting regardless of the outcome of the investigation. You may make a report in any of the following ways:

- Contact your Supervisor, any other Supervisor or any other Company official including the Chief Compliance Officer, any other member of the Compliance Program Committee, the Chief Legal Officer or the Chief Financial Officer. You may contact any corporate officer by name or title by calling Company headquarters at (484) 582-2000 or by e-mail.*
- Contact SunGard's AlertLine on-line at www.sungard.alertline.com. By using this system, you may remain anonymous. (See COMPLIANCE ALERTLINE below.)
- Call SunGard's AlertLine toll-free at 1-800-381-8372 from anywhere in the world. These calls are taken by employees of Global Compliance Services, a company specializing in compliance reporting. By calling the AlertLine, you may remain anonymous if you wish. (See COMPLIANCE ALERTLINE below.)
- Contact the Chief Compliance Officer at 1-484-582-5576 or via email (this should not be used for anonymous reports).*
- Send an e-mail to compliance@sungard.com (you may remain anonymous if you send your e-mail using a personal e-mail service that does not identify you).
- Contact the Chair of the Audit Committee. You may mail a confidential letter to the Chair of the Audit Committee at Company headquarters (680 East Swedesford Road, Wayne, PA 19087).* You may remain anonymous.

** The names and contact information of the Chief Compliance Officer, other members of the Compliance Program Committee, Chief Legal Officer, Chief Financial Officer and Chair of the Audit Committee are available internally on the [Compliance and Business Ethics](#) site on KnowHow or on your SunGard business division intranet.*

If the situation involves accounting or auditing principles or practices, internal accounting controls, a violation of law, or another serious matter, or you are concerned that your report is not being addressed in an appropriate and timely manner, then you are encouraged to quickly escalate your concern to higher levels of management including contacting the Chair of the Audit Committee directly.

All reports and investigations will be handled confidentially to the extent possible. Everyone involved in an investigation will use their best efforts to remain impartial and objective, and, to the extent possible,

will observe basic principles of due process. No Employee will be judged to have behaved unethically or illegally before he or she has had a reasonable opportunity to explain the circumstances.

COMPLIANCE ALERTLINE

The purpose of SunGard’s Compliance AlertLine (“AlertLine”) is to help you get your questions about the Compliance Program answered, to receive your reports of possible or suspected violations of the Compliance Program and to facilitate anonymous communications regarding open reports. The AlertLine is available to all Employees and company representatives, twenty-four (24) hours a day, seven (7) days a week including weekends and holidays. You may contact the AlertLine to ask questions or make reports via telephone or on-line in several languages.

Compliance AlertLine reports are handled by trained specialists employed by Global Compliance Services, a third-party vendor, so you may remain anonymous if you wish. When you contact the AlertLine, you will be assigned a report number for future reference. If you wish to check the status of your report or provide additional information, you may call the AlertLine or access your report on-line at any time using your assigned report number.

EMPLOYEE RESPONSIBILITY

Each Employee is responsible for understanding the Compliance Program, the Company’s Policies, and the laws, rules and regulations that apply to his or her work. You can familiarize yourself with applicable laws, rules and regulations by receiving on-the-job training, attending Company and outside courses and presentations, reviewing Company Policies, asking questions of your Supervisors, the Chief Compliance Officer and the Legal Department, and calling the AlertLine. You are responsible for being well informed and up-to-date as to your legal and ethical responsibilities.

If you have a concern regarding compliance or you suspect a violation of the Compliance Program, then in most cases, you should discuss this with your Supervisor. Discussions with Supervisors resolve or clarify most issues. However, if for any reason you are uncomfortable discussing your concern or reporting a suspected violation to your Supervisor, then you can and should use any of the other reporting options described under INTRODUCTION above.

The Company also encourages Employees to report their own violations. The Company cannot promise in advance that a self-reporting Employee will not be disciplined or reported to law enforcement authorities, but cooperation will be taken into consideration. You are encouraged to use the AlertLine to seek guidance as to self-reporting a violation.

You may ask questions, address concerns and report possible and suspected violations of the Compliance Program without fear of retribution. All Supervisors and other Company officials are required to maintain an “open door” policy with respect to compliance matters. Under no circumstances will you be subjected to discipline or retaliation as a result of asking a question, expressing a concern or reporting a violation. Any suggestion to the contrary is itself a violation of the Compliance Program. However, an Employee who participates in a violation or knowingly submits a false or malicious report may be disciplined for that conduct.

Employees violating the Compliance Program or Policies will be subject to disciplinary actions. In some cases, this may include immediate discharge and possible legal action against the individuals involved.

The Company also may have an obligation to report the matter to appropriate law enforcement or regulatory authorities when the violation of the Compliance Program or Company Policies also is a violation of a law, rule or regulation.

ETHICAL BEHAVIOR

Ethical behavior means more than complying with the law. It means honesty and integrity in every aspect of the Company's activities. Every Employee should be guided by the following general principles:

- Honesty and integrity mean truthfulness and the absence of fraud or deception of any kind. You must act with honesty and integrity in every aspect of your dealings with the Company, other Employees, the public, the business community, investors, customers, suppliers, auditors and governmental and regulatory authorities.
- The Company's books, records, documents, financial statements and public reports and other disclosures must be accurate and complete. A fundamental tenet of this Policy is openness. Every transaction we engage in must be correctly recorded. The Company should have no fear of inspection.
- Employees must accept responsibility for their actions. You have a responsibility to acquire sufficient information to make informed decisions, to deal with others fairly and honestly, and to use the authority given to you by the Company in the best interest of the Company.
- The Company cannot hope to spell out Policies or correct ethical behavior for every situation. Ultimately, we must rely on our own good judgment. When you face difficult decisions, you should seek advice from your Supervisors or any other Company officials including the Chief Compliance Officer, the Chief Legal Officer, the Chief Financial Officer or the Audit Committee Chair.

Integrity, honesty and professional excellence are defining traits of SunGard Employees.

RELATIONSHIPS

Relationships with Employees

SunGard endeavors to deal fairly and equitably with Employees and affirms the principle of equal opportunities within the Company. We will timely inform Employees about Company Policies and plans that may affect them. We encourage feedback from Employees about their work and about the Company.

Our intention is to compensate Employees in relation to their responsibilities and performance and in accordance with the prevailing standards of the communities and markets in which they work.

Relationships with Customers

SunGard prospers only to the degree that we serve our customers honestly and competently. Our competitive appeal must be based upon the quality of our products and services, the prices that we charge for them, the integrity of our sales and marketing efforts, and the reliability of our customer support. The Company will continue to treat all customers, regardless of size, fairly. We will continue to be responsive and courteous to all customers. We will not forget that, without customers, we would not have jobs.

We regularly receive confidential information as part of meeting our contractual obligations. To breach a confidence or to use confidential information improperly or carelessly would be unthinkable. We protect each of our customer's confidential information and use it solely on behalf of that customer and for no other purpose, including trading of securities.

Relationships with Suppliers

Our choice of suppliers is based only upon the quality, price and service offered, giving due consideration, when applicable, to the need for multiple sources of supply. We will conduct open and frank business dealings with our suppliers and will strive to develop mutually advantageous relationships, but will not do so on the basis of reciprocity. We will only purchase goods and services from our suppliers when the combination of quality, price and service are competitive with that of other suppliers.

Relationships with Investors

Our investors have entrusted us with their invested dollars. Our responsibility to them is to do our best to keep our investors' equity secure and to produce a fair return on that equity. By finding the right balance between short-term profits and long-term goals, we manage our businesses to keep SunGard growing and prospering. In each of our transactions, we will endeavor to promote the interests of our investors.

Relationships with the Public

SunGard recognizes that a corporation has more than an economic existence. SunGard is a part of many communities and must behave as a good citizen. We live in a world that sometimes looks with suspicion upon big business, its motives and its behavior. SunGard will conduct itself so as to reflect well upon the business community as a whole. We also will conduct our business with due concern for our physical environment. We will strive to conserve energy and protect our natural resources.

CONFLICTS OF INTEREST

We all have a duty of loyalty to the Company to further its goals and to work on behalf of its best interests. In establishing and achieving its goals, the Company intends not only to comply with legal requirements, but also to conduct its business affairs with the highest level of integrity. This means that you must use your best care, skill and judgment for the sole benefit of the Company, and that you must not take improper personal advantage of your position with the Company. In dealings with and on behalf of the Company, you should apply strict standards of good faith, loyalty, honesty and fair dealing. In order to honor this standard of behavior, we must do our best to avoid any conflict of interest between our personal interests and those of SunGard. In this context, any interest or involvement of an Employee's immediate family, close friend, or relative is considered an interest or involvement of the Employee.

An actual conflict of interest exists when you have divided loyalty between a personal interest and the interests of the Company. An apparent conflict of interest exists when it reasonably appears to others (who may not know all the facts) that an actual conflict of interest exists, even if you are sure that there is no actual conflict. Whether the conflict of interest is apparent or actual, it can be damaging to our personal and corporate reputation.

It is each Employee's responsibility and obligation to avoid apparent and actual conflicts between personal interests and those of the Company. However, we understand that, even using our best efforts,

apparent or actual conflicts of interest will inevitably arise from time to time. So it is critical that we remain sensitive to situations that give rise to conflicts and that we act expeditiously to disclose the conflict by reporting it and assisting in eliminating or mitigating the conflict properly.

Examples of Conflicts of Interest

It is impossible to list every circumstance that might give rise to an apparent or actual conflict of interest. Employees are strongly encouraged to contact the Chief Compliance Officer with questions about any activities that may create a conflict of interest. The following examples will serve as a guide to the types of situations which might involve conflicts and, therefore, should be avoided:

- **Gratuities and Entertainment.** Accepting anything more than nominal inexpensive trinkets from suppliers or companies seeking to do business with SunGard creates the appearance of a conflict of interest even if no actual conflict exists. Please see *Accepting Entertainment, Gifts, or Gratuities from Others* in the section on ENTERTAINMENT, GIFTS AND GRATUITIES below.
- **Conflicting Financial Interests.** Employees and members of their immediate families should not have undisclosed financial interests, such as stock ownership, partnership participation, management, employment, consulting agreements or any other contractual arrangements, with other entities where such involvement is or may appear to cause a conflict of interest situation. Examples of such situations include, but are not limited to:
 1. Direct or indirect material financial interests (including employment or consultant agreements) in any outside company that does business with or competes with the Company.
 2. Direct or indirect competition with the Company in the purchase or sale of technology, property rights or other assets.
 3. Representation of the Company in any transaction in which the Employee has a material financial interest.
 4. Disclosure or use of an Employee's knowledge or information about the Company for the personal profit or advantage of the Employee or anyone else.
 5. Taking personal advantage of an opportunity which the Employee learned of in the course of his or her employment with the Company, such as competing or interfering with the Company in the purchase or sale of property by acquiring property or leases in which the Company may be interested.
 6. Direct supervision of or responsibility for the performance evaluations, pay or benefits of a close relative or other person with whom you have a close personal relationship. See *Family and Personal Relationships* below.
 7. Selling anything to the Company or buying anything from the Company (except in connection with any normal disposal of surplus property by the Company or in connection with the exercise of stock options or similar rights) unless prior approval of Company management is obtained.

8. Any outside activity that is substantial enough to interfere with the Employee's ability to devote appropriate time and attention to his or her job responsibilities with the Company.
- **Family and Personal Relationships.** Questions concerning confidentiality and objectivity arise when family or close personal relationships combine with workplace relationships. To prevent an actual conflict of interest or the appearance of one, SunGard requires that you disclose any family or close personal relationship among Employees or with customers or suppliers. You do not have to disclose every work-related friendship in order to comply with this section, but you are expected to disclose close personal relationships that could reasonably appear to impair or that in fact impair your objectivity. Disclosure in accordance with this Policy will allow for a practical and appropriate adjustment in job requirements to protect the parties, their colleagues and the Company. The roles and duties of at least one of the parties may be changed in order to remedy the actual or apparent conflict. Examples of conflicts of interest arising out of family and personal relationships include, but are not limited to:
 1. Remaining silent about a personal relationship with an applicant, vendor, or candidate for promotion when the Employee has any role in the selection process or is consulted for a recommendation.
 2. Employees involved in an undisclosed family or personal relationship and who are working in the same office, product group, or operating entity.
 3. Employees involved in an undisclosed family or personal relationship and supervise or otherwise have any ability to affect the work assignments, compensation, performance review or promotion of the other person.
 - **Consensual Relationships.** Romantic or sexual relationships among Employees may create especially difficult conflicts of interest and raise unique concerns. Other members of the work group often reasonably perceive a conflict of interest regardless of facts. In addition, not all romantic or sexual relationships end well. Employees in a romantic or sexual relationship must follow Company policy as outlined in the section titled SEXUAL AND OTHER DISCRIMINATORY HARASSMENT and specifically in the paragraph called *Reporting Consensual Relationships*.

Disclosing Conflicts of Interest

Any Supervisor, Executive Officer, or Director who becomes involved in an apparent or actual conflict of interest, should promptly and fully disclose all relevant facts to SunGard's Chief Compliance Officer or another member of the Compliance Program Committee. A Director who becomes involved in a conflict of interest should also report the matter to the Chair of the Audit Committee, in addition to any other reporting deemed appropriate under the circumstances. All other individuals who become involved in an apparent or actual conflict of interest should promptly and fully disclose all relevant facts to his or her Supervisor or Human Resources representative.

Review and Resolution of Conflicts of Interest

When an apparent or actual conflict of interest occurs, the affected individual must abstain from acting on behalf of the Company in connection with the conflict situation. The individuals involved in the apparent or actual conflict of interest are disqualified from determining the resolution of the conflict of interest and

must not attempt to improperly influence the decision. The full cooperation of all those affected by the conflict is required to adequately resolve or mitigate the conflict.

If a conflict of interest involves a Director or Executive Officer, or if it is considered material to the Company by SunGard's Chief Compliance Officer or another member of the Compliance Program Committee, the conflict of interest situation will be reviewed by the Compliance Program Committee at its next regularly scheduled meeting or, when the Chief Compliance Officer deems it necessary or desirable, at a special meeting called for that purpose, and the report forwarded to the Audit Committee. SunGard's Compliance Program Committee, in consultation with the Audit Committee, will determine whether an actual or apparent (or potential) conflict of interest exists or will exist, and, if so, what corrective or preemptive action should be taken to resolve the conflict or potential conflict.

In all other cases, conflict of interest situations will be reviewed and resolved by the individual to whom the conflict was properly disclosed as outlined above. The management organization and the Chief Compliance Officer may be consulted for assistance in resolving any such conflict.

Divided Loyalty and Conflicts of Duty for Management Employees

Supervisors and Executive Officers may not engage in any outside employment, whether as an employee, director, executive officer, partner, consultant, trustee or proprietor, with any company or firm, without first obtaining the approval of the Employee's Supervisor **and** SunGard's Chief Compliance Officer or another member of the Compliance Program Committee. Approval will be given if the outside employment will not interfere with the individual's performance of his or her regular duties for the Company and will not create an actual or apparent conflict of interest situation. This Policy applies only to outside employment with business enterprises and not to associations with charitable, religious, civic, educational purposes or other non-profit organizations.

Prohibition on Extending or Maintaining Credit

The Company is prohibited from extending or maintaining credit or arranging for the extension of credit in the form of a personal loan to or for any Director or Executive Officer of the Company.

GLOBAL OPERATIONS

As a global company, SunGard must comply with the laws of the countries in which it operates or does business. These laws usually differ and sometimes are inconsistent. It is the Company's policy to comply, wherever possible, not only with the laws of the United States, but also with the laws of all countries in which the Company operates. Employees involved in the Company's non-United States operations should be aware of their legal responsibilities in the countries in which they conduct business. Where there appears to be a conflict between the laws of the United States and the local law, you should seek the assistance of the Legal Department.

As a United States company, SunGard is obligated to follow the law of the United States wherever it does business. Even if activities are conducted outside the United States, they may be within the reach of United States criminal law, particularly where the activity could have an impact in the United States. Accordingly, unless specifically advised to the contrary by the Legal Department, Employees involved in operations outside the United States must at all times conduct themselves in a manner that is consistent with United States law.

A SAFE AND HEALTHY WORKPLACE

SunGard is committed to providing a safe and healthy working environment, and we will maintain and improve our facilities, equipment and methods to that end.

Violent acts or threats of violence against a person, his or her family or property will not be tolerated. Anyone who carries out or threatens violence either directly or indirectly through gestures, innuendo or symbols is in violation of this Policy. The unauthorized possession of weapons or other dangerous devices in Company-controlled or occupied premises or at any customer location is strictly prohibited. Anyone violating this Policy will be subject to disciplinary and remedial sanctions up to and including immediate discharge and possible legal action by the Company.

REGULATED ENTITIES

SunGard has various subsidiaries (“Regulated Entities”) that are regulated by governmental agencies and self-regulatory organizations such as the United States Securities and Exchange Commission, the Financial Industry Regulating Authority (FINRA), and the U.K. Financial Services Authority. As a result, these subsidiaries are subject to various regulatory requirements and have their own compliance officers and written policies requiring adherence to applicable regulations. The Regulated Entities’ compliance officers have a dotted-line reporting relationship to the Chief Compliance Officer. Employees of Regulated Entities must abide by their compliance policies as well as this Compliance Program. Those policies will be consistent with this Compliance Program to the fullest extent possible. To the extent they are inconsistent or broader than this Compliance Program, Employees should adhere to the policies of the Regulated Entity.

The Supervisors over each Regulated Entity must take steps to promote regulatory compliance and cooperation with the applicable regulating agencies such as:

- Establishing written policies and procedures to govern the conduct of employees.
- Conducting periodic operational audits to assess compliance with policies and procedures.
- Cooperating fully and appropriately with regulators.
- Retaining and supporting a qualified compliance officer and other specialized employees to promote compliance with industry specific compliance requirements.

ACCURATE DISCLOSURES, BOOKS AND RECORDS

The laws of countries where SunGard conducts business, including the law in the United States, require that SunGard maintain books and records that are accurate and fairly stated. It is SunGard’s policy that all books and records of the Company comply with SunGard’s Financial Policy Manual, which is distributed to all SunGard financial professionals, and with generally accepted accounting principles as applied in the United States. In addition, entities located outside the United States may be required to maintain books and records in accordance with local rules and regulations. Not only is keeping accurate records required by law, it is good business practice. Books and records include invoices, timecards, expense reports, internal or external memoranda, correspondence or other communications, including telephone, e-mail or wire communications.

Falsifying internal or external documents, or in any other way causing books and records or financial statements or reports to be inaccurate or misleading, is against this Policy and also may be illegal and subject the violator and the Company to significant penalties. No unrecorded funds or assets may be created or maintained for any purpose. In addition, payments on behalf of the Company may be made only after appropriate supporting documentation is provided and after obtaining appropriate authorizations. The purpose of the payment must be stated in the supporting documentation.

Examples of violations of this Policy include the following:

- Recording a payment as though it was made to one person, when it was actually made to another.
- Submitting expense reports that do not reflect the true nature, purpose or amount of the expense.
- Submitting a false timecard or time report.
- Retaining e-mail, letters, and other information beyond the retention period prescribed in the Records Retention Policy except when normal deletion is suspended for legal matters.

Protecting the quality and integrity of Company records means Employees should:

- Spend Company funds only for legitimate and necessary business purposes.
- Keep accurate expense records and submit timely expense reports.
- Know the limits of your authority to obligate the Company and never act outside your delegated authority.
- Protect access to Company and customer computer and communication systems.
- Prepare and sign only accurate and necessary Company records.
- Retain and destroy documents in accordance with the Records Retention Policy.

Specialized Role of Financial Professionals

SunGard's financial and accounting professionals have an important role in ensuring that reports and documents submitted to the United States Securities and Exchange Commission are full, fair, accurate, timely and understandable. Our financial and accounting professionals must understand and adhere to the rules for financial reporting and accounting. Financial and accounting professionals are required to act independently and exercise their professional judgment even if their opinion is in conflict with the desires or instructions of others in the Company. Financial and accounting professionals are required to report any event, act or attempted action that could result in a breach of the strict financial reporting and recording standards demanded by SunGard.

Accountability and Financial Integrity

Quarterly, the senior financial officer and senior operating officer of each business unit, group and division (and appropriate corporate officers) are required to provide certifications of financial and

operational matters within their areas of responsibility needed in connection with the Company's preparation and filing of reports and documents submitted to the United States Securities and Exchange Commission, including the annual report on Form 10-K, the annual report to investors, the annual proxy statement and the quarterly reports on Form 10-Q.

Each Employee participating in the preparation of such certifications has a duty to carefully compile, analyze and report all relevant information under his or her control necessary to make a timely, accurate and complete statement of the Company's financial and operating condition. Failing to properly disclose relevant information or otherwise jeopardizing the quality and sufficiency of the Company's financial reporting is a violation of Company policy and may subject the individual and the Company to civil and/or criminal liability.

RECORDS RETENTION

The Company has adopted a Records Retention Policy that governs the retention and destruction of all Company documents, communications, correspondence, e-mail and other records. The Records Retention Policy is in effect and should be consulted before any documents are destroyed. The Records Retention Policy may be modified when needed to comply with appropriate laws and regulations.

Special rules governing the Regulated Entities lengthen the amount of time certain types of records such as e-mail must be retained. Employees of Regulated Entities should consult with their compliance officers concerning the relevant requirements.

The Records Retention Policy will be suspended as necessary for legal matters. Therefore, if you become aware of any lawsuit, threat of legal action, government investigation or criminal action, you must immediately suspend destruction of certain documents and contact the Legal Department or the Chief Compliance Officer. Please see the section on LEGAL MATTERS AND INVESTIGATIONS for further instruction.

It is a crime to destroy or alter any record or document with the intent to obstruct any government investigation or legal proceeding. The Records Retention Policy is available internally on [KnowHow](#) under Resources, Policies and Guidelines, or on your SunGard business division intranet.

CONFIDENTIAL AND PROPRIETARY INFORMATION

Confidential information is information that the Company considers private and which is not common knowledge among other persons or organizations. Proprietary and trade secret information is information that the Company owns, develops, pays to develop, possesses or to which it has an exclusive right.

During the course of employment, confidential or proprietary information or Company trade secrets may become available to Employees. You must safeguard such information. You also must safeguard all confidential information of our customers that they provide to us for purposes of processing data or otherwise conducting business. Access to customer-provided information is on a business "need-to-know" basis.

Employees also must follow confidentiality restrictions from previous employers. You may not use or share at the Company any confidential information or trade secrets obtained from previous employers.

Confidential information, proprietary information and trade secrets include, but are not limited to, the following:

- Information that the Company is required by law, agreement, regulation or policy to maintain as confidential (including customer information or information concerning government examinations or audits).
- Employee medical, personnel and payroll records.
- Information that could help others commit fraud, misuse the Company's products and services, or damage the Company's business or the business of our customers.
- The identity of customers and prospects, their specific requirements, and the names, addresses and telephone numbers of individual contacts, prices, renewal dates and other detailed terms of customer and supplier contracts and proposals.
- Information not generally known to the public upon which the goodwill, welfare and competitive ability of the Company depends, including information regarding product plans and designs, marketing and sales plans and strategies, pricing policies, information about costs, profits and sales, methods of delivering software and services, and software and service development strategies, source code, object code, specifications, user manuals, technical manuals and other documentation for software products, screen designs, report designs and other designs, concepts and visual expressions for software products, information, ideas or data developed or obtained by the Company, such as marketing and sales information, marketplace assessments, data on customers or prospects, and other confidential information relating to the business of the Company.
- Information about the Company's business plans, including forecasts, budgets, acquisition models and other non-public financial information, expansion plans, business or development plans, management policies, information about possible or pending acquisitions or divestitures, potential new products, markets or market extensions, and other business and acquisition strategies and policies.

It is a violation of this Policy for an Employee to disclose, use, release or discuss any confidential, proprietary or trade secret information belonging to SunGard or to SunGard's customers both during and after the Employee's association with the Company. Employees may use, disclose, or discuss this information only if required by their job responsibilities, as permitted by this Policy, or as required by appropriate court order following prior notice to the Company. It is also a violation of this Policy for an Employee to use any confidential or proprietary information for the Employee's own use or to use such information in any way inconsistent with the Company's interests.

This Policy applies to Employee conduct toward other companies, as well as to Employee activities within the Company. While you should always obtain as much information as possible about the marketplace, you may do so only in accordance with applicable laws and with this Policy. The Economic Espionage Act makes it a crime to take, use or disclose without authorization the trade secrets of another person or organization (including competitors of the Company). SunGard Employees will not obtain proprietary or confidential information improperly from another company. If an Employee is approached with an offer of confidential information, the Employee must immediately discuss this matter with his or her immediate Supervisor, the Chief Compliance Officer or the Legal Department. The Company

opposes the unlawful use of our competitors' trade secrets. For more information, see SunGard's *Guidelines for Competitive Intelligence Gathering* available internally on the [Compliance and Business Ethics](#) site on KnowHow or on your SunGard business division intranet.

The files, manuals, reports, notes, lists and other records or data of the Company, in any form, are the exclusive property of the Company and must be returned at the end of employment with the Company. Also, all correspondence files, business card files, customer and prospect lists, price lists, software, manuals, technical data, forecasts, budgets, customer materials, notes and other materials that contain any confidential or proprietary information must be returned; and the departing Employee must not retain any copies, excerpts or summaries of those materials. Further, confidential, proprietary or trade secret information remains confidential after an Employee's employment with the Company and may not be disclosed or used for any purpose after the Employee's employment with the Company ends. The Economic Espionage Act also makes it a crime to use the Company's trade secrets for the benefit of another person or organization.

INTERNET, NETWORK AND COMMUNICATION RESOURCES

Use of the Internet through the SunGard Network is provided for business purposes. This access represents the use of Company resources for telecommunications, networking, software and storage.

Except as stated in USE OF COMPANY PROPERTY AND SERVICES below, the SunGard Network (including the intranet) and Internet are to be used for business-related purposes only. Employees are required to act honestly and appropriately, respecting the copyrights, software licensing rules, property rights, and privacy of others. When using the Internet, Employees should remember that they are entering a global community and that all information is public. Any actions taken by an Employee will be a reflection upon SunGard, and such actions must be both ethical and legal. All existing Company policies including property protection, privacy, misuse of Company resources, sexual harassment, harassment, information and data security and confidentiality apply to Employee conduct on the Internet, subject to and consistent with local law requirements.

The Internet may not be used in any way that may be illegal, excessive, disruptive, offensive to others, or considered harmful to the Company. The display or transmission of sexually explicit images, messages, jokes or cartoons is prohibited. No transmission or use of e-mail may contain racial or sexual slurs or anything that may be construed as harassment or disparagement of others based on their race, creed, pregnancy, ancestry, religion, color, national origin, citizenship status, genetic information, political status, age, marital status, sex, sexual orientation or preference, veteran or disabled veteran status, or the presence of a disability or any other protected characteristic.

Employees may not download or distribute illegally obtained software, distribute any virus, attempt to disable a system or network or attempt to defeat network security. Company communication equipment and Company Internet access will not be used for "spamming," mass mailings, cold-call telemarketing, unsolicited fax broadcast marketing, chain letters, file sharing, outside business ventures, unauthorized distribution of confidential information, or political or religious purposes.

Except where sponsored by SunGard Marketing, Employees are prohibited from creating links between any external web site and a web presence created by or for the Company or any of its businesses or affiliates. Employees may not use SunGard trademarks or any language that implies SunGard

endorsement on non-SunGard web sites. Employees may participate in social media, so long as they comply with the *SunGard Social Media Guidelines*.

The Company reserves the right to monitor and inspect network or Internet usage and e-mail. Subject to local law requirements, Supervisors may review Internet activity, network use and e-mails to confirm compliance with this Policy and that the highest standards are maintained when Company resources are used.

Should the Company's resources be used to violate laws and regulations, the Company will report the illegal activity to the appropriate law enforcement agency and this activity will be grounds for immediate termination.

For more information on technical systems and resources, refer to SunGard's Acceptable Use of Technology Policy, the Global Information Security Handbook and the *Social Media Guidelines* which are available internally on [KnowHow](#) under Resources, Policies and Guidelines, or on your SunGard business division intranet.

E-MAIL

Like Internet and network usage, use of e-mail through the Company is a privilege intended for business purposes, not a right. Any e-mail sent by an Employee will be a reflection on SunGard and, therefore, must conform to the Company's ethics and principles. E-mail has the same legal import as other written communications such as letters and memoranda and is not to be used for non-business purposes (except see USE OF COMPANY PROPERTY AND SERVICES below). All e-mail on SunGard computers or drafted by SunGard Employees as part of their employment is the property of SunGard and may create binding contracts, actionable expectations and other legal consequences. E-mail is fully discoverable in litigation and other proceedings to the same extent as other written communications. Therefore, any e-mail may be subject to monitoring, search or interception at any time, with or without notice to the sender or recipient, in compliance with applicable laws.

Accordingly, when preparing e-mail, you should use the same careful deliberation as when preparing a letter or memorandum. You should never say something in an e-mail that you would not say in a letter. Likewise, imprecise or unprofessional communications are not any more appropriate in e-mails than they would be in letters or memoranda. When evaluating what information to put in e-mail, you should consider who the recipients are, the level of confidentiality necessary, and the possible repercussions if confidentiality is not maintained.

All existing Company Policies including property protection, privacy, misuse of Company resources, sexual harassment, harassment and discrimination, information and data security and confidentiality apply to Employee e-mails, subject to and consistent with all applicable laws and regulations. E-mails may not be used in any way that may be illegal, excessive, disruptive, offensive to others, or considered harmful to the Company. The display or transmission of sexually explicit material including images, messages, jokes or cartoons is strictly prohibited. No transmission or use of e-mail may contain racial or sexual slurs or anything that may be construed as harassment or disparagement of others based on their race, creed, pregnancy, ancestry, religion, color, national origin, citizenship status, genetic information, political status, age, marital status, sex, sexual orientation or preference, veteran status, disabled veteran, the presence of a disability, or any other characteristic protected by law.

In the same way that a written letter or report is subject to the Records Retention Policy, an e-mail once sent or received is also subject to the Records Retention Policy (available internally on [KnowHow](#) under Resources, Policies and Guidelines, or on your SunGard business division intranet). In determining how long to retain e-mail, you must evaluate the content of the message. E-mail retention is determined by its content, not its format. The corporate standard for retention of business-related e-mail is six (6) months after the date it is sent or received (except Regulated Entities which must keep e-mails for longer periods). If you have a business reason to keep the communication longer than six (6) months (based on the content of the e-mail), it should be retained in accordance with the Records Retention Policy in a manner best suited for its retrieval. As an example, if you need to retain an e-mail relating to an on-going contract, you may keep the e-mail in a specially-designated folder, directory or e-mail file and remove it from your general e-mail files. Like other forms of records, and regardless of retention requirements, e-mail pertaining to pending audits or judicial or public disclosure proceedings must not be destroyed until the issue is resolved.

LICENSED SOFTWARE

Most computer software is protected by copyright laws and contractual restrictions that safeguard the software manufacturer's investment in creating the software. As a software manufacturer, the Company has a special appreciation for the importance of respecting other manufacturers' investments in their products.

When the Company or an Employee licenses a copy of a software product, the third-party licensor or copyright owner, and not the licensee of the software, retains the right to control the number of copies made of the software. The licensee's rights to use the software are set out in a license agreement that comes with the software.

The precise terms of software licenses vary among software vendors and products, but certain key restrictions are common to most licenses. The Company intends to honor all third-party software copyrights and license agreements.

To promote compliance with third-party software license agreements (e.g., word processing software), the following procedures will be followed by all Employees:

- All third-party software must be properly licensed. Copies of software may not be made without appropriate licenses being obtained.
- Employees may make and maintain one copy of any third-party software program strictly for backup purposes. The backup copy should be stored on alternate media and kept separate from the computer itself.
- Employees may not make any copies of software manuals. Requests for additional software manuals should be made to the Employee's Supervisor or office manager.
- Employees should use third-party software only in the manner specified in the supplier's manual and license agreement. No trademark or copyright notices on any third-party software should be changed or deleted.

- Employees should be particularly careful in sharing software, downloading software from the Internet and opening e-mails due to technical concerns such as computer viruses.

It is extremely important for all Employees to follow these procedures. Improper copying or use of computer software can subject the Employee and the Company to civil and criminal penalties, and may cause substantial disruption and embarrassment to our Company. Unauthorized software use can also expose computer hardware and software to harmful computer viruses.

USE OF COMPANY PROPERTY AND SERVICES

All Company property is for the Company's benefit. No Employee may use Company property or services (including Company-owned software) for personal benefit or for the personal benefit of anyone else. Theft and misuse of Company property and services are prohibited. Any Employee having knowledge of a theft or misuse of Company property and services should report the matter to his or her immediate Supervisor. The term **"Company property"** includes every physical item and electronic system in the workplace, including information stored on computers, e-mail, voicemail, interoffice mail, photocopiers, fax machines, vehicles, tools, equipment, office supplies and office furniture. The term **"Company services"** means services rendered by Company Employees or representatives in the regular course of business, including, but not limited to, secretarial and administrative services.

Limited Personal Use

The Company realizes that sometimes the line between personal and Company business is difficult to draw. Certain activities may benefit both the individual and the Company, for example, participating in continuing education programs or writing technical articles. Because it may be difficult to judge when Company business becomes personal business, you should speak to your Supervisor before using Company property or services for matters outside of your job responsibilities.

Company Internet connection, e-mail, telephones and copy and fax equipment are intended for use in conducting SunGard's business and these assets must always be used with the best interests of SunGard in mind. The Company recognizes that the occasional personal use of these assets will accommodate legitimate personal needs such as staying in touch with family, making doctor appointments and arranging childcare, to name a few. Therefore, SunGard permits the occasional and limited use of these specific company assets by SunGard Employees under the following conditions:

- All personal use must comply with applicable law and with Company policies.
- Personal use must not interfere with your own or anyone else's work responsibilities or with service to our customers.
- Personal use must not interfere with the conduct of our business.
- Company assets must not be used to support or conduct a business other than SunGard's business interests.
- Use must never reflect unfavorably on SunGard, its reputation, its credibility or its customers or Employees.

The Company has the right to access and inspect all electronic systems and physical property belonging to it. Employees should not expect that any items created with, stored on, or stored within Company property will remain private. This includes desk drawers, even if protected with a lock, and computer files and electronic mail, even if protected with a password. Personal use of Company electronic systems and other Company assets will result in SunGard's access to the content of personal e-mail, personal telephone conversations, and personal files.

If an Employee leaves SunGard, all Company property must be returned on or before the departing Employee's last day of work.

For more details on the Company's policy relating to Company property including e-mail, see the sections on E-MAIL and LICENSED SOFTWARE above.

ILLEGAL INSIDER TRADING AND DISCLOSURE

"Insider trading" is a term that most Employees have heard. It is usually associated with illegal conduct. But the term actually includes both legal and illegal conduct. The legal version is when corporate insiders—officers, directors and employees of a company—buy and sell stock or other registered securities in their own companies. Insiders are permitted to trade in their company's securities provided they comply with the strict requirements of United States securities laws.

Illegal insider trading refers generally to buying or selling a security, in breach of a fiduciary duty or other relationship of trust and confidence, while in possession of material, nonpublic information about the security. Insider trading violations may also include "tipping" such information, securities trading by the person "tipped," and securities trading by those who misappropriate such information.

Under the securities laws of most countries including the law of the United States, people who engage in illegal insider trading are subject to civil and criminal penalties. For that reason, SunGard makes this policy applicable to every Employee regardless of location.

The general rule against illegal insider trading can be stated as follows: It is a violation of securities laws for any person to buy or sell securities if he or she is in possession of material inside information. The information is *material* if it could affect an investor's decision to buy, sell or hold a security. It is *inside information* if it has not been publicly disclosed. These scenarios are examples of illegal insider trading:

- Corporate officers, directors, and employees who trade the corporation's registered bonds after learning of important and confidential corporate developments.
- Friends, business associates, family members and other "tippees" of such officers, directors, and employees, who traded the bonds after receiving the information.
- Employees of law, banking, brokerage and printing firms or other suppliers who are given the information to provide services to the corporation whose securities they traded.
- Other persons who misappropriated, and took advantage of, confidential information from their employers or who received the information from an employee of a customer, supplier or competitor.

We are often in a position to learn information from our customers or suppliers and even from our competitors. If you are offered material non-public information or you become aware of material non-public information, you are prohibited under this Policy from buying, selling or otherwise trading, applying for or procuring another person to apply for, buy or sell, or tipping anyone concerning any public company securities. Actions that violate this policy may also violate the securities law. The prohibition applies for a period of one full business day after any such material information becomes publicly available. The one-day restriction allows a reasonable period for the market to react to announced information.

Restrictions on Disclosure

Insiders are prohibited from discussing non-public material information with any person outside of the Company or otherwise disclosing non-public material information outside of the Company, unless and only to the extent required in the normal performance of assigned responsibilities.

Special care must be taken to observe this disclosure restriction when responding to inquiries from the media, such as representatives of trade publications. If an Employee receives an inquiry from an actual or potential investor, a financial reporter, an investment analyst, or another member of the financial community, he or she should decline comment and refer the inquiry to SunGard’s Chief Compliance Officer, Corporate Secretary, Chief Legal Officer or Chief Financial Officer.

Even within the Company, disclosure of and access to non-public material information must be strictly limited to those who have a need to know the information in order to perform their assigned responsibilities.

This restriction also applies to disclosure of information via the Internet. To avoid the appearance of impropriety, Employees should not disclose non-public information when participating in Internet “chat rooms,” “message boards” or similar Internet venues.

The above disclosure restrictions apply whether or not the disclosure would be intended to influence trading in any SunGard registered securities.

All disclosures of material information, other than those contained in normal product announcements and similar marketing materials, will be made by corporate press release under the direction of the Company’s Chief Legal Officer and Chief Financial Officer.

ANTITRUST AND COMPETITION LAWS

The Company’s policy is to comply fully with both the letter and spirit of the antitrust laws. These laws seek to preserve a free competitive economy, which is essential to the interests of the public, the business community and the Company itself. Violations of the antitrust and local competition laws can result in individual and corporate criminal liability and prosecution. Substantial civil fines and injunctions can also result.

Antitrust and competition laws are extremely complex and the Company must have specialized legal advice to analyze potential issues in this area. The purpose of antitrust and competition laws is to benefit consumers by keeping prices low and the quality of services high. This Policy statement is intended only to highlight some areas that may involve antitrust and competition law issues so that Employees

recognize problems and seek guidance before problems arise. You should contact the Company's Legal Department whenever you have any antitrust or competition law questions.

Agreements with Competitors

Competitors should not agree together on the prices they will charge for their products or services or on other price-related matters. This is the clearest of all antitrust rules, and a violation of this rule likely will be prosecuted. Care also should be taken during trade association meetings to avoid pricing discussions. Given the serious nature of this type of violation, no Employee should ever discuss or reach an agreement with a competitor (or supplier) on Company prices or the competitor's prices, pricing policies or practices, fees, or terms or conditions of sales.

It also may be illegal for Company representatives to agree with competitors on the territories in which each company will sell its products, or the customers to which each company will offer its products, or the types of products or the amount of any product each company will produce or offer for sale in the marketplace.

A violation of these guidelines is almost always illegal. Any contact with a competitor can inadvertently create the appearance of an antitrust or competition law violation. Employees should avoid any conduct that could be interpreted as an illegal agreement with competitors (or suppliers). These restrictions also apply in the context of an acquisition.

Agreements between Buyers and Sellers

- **Tying Arrangements.** An unlawful tying arrangement exists when one company conditions the sale of a product on the purchase of some other unrelated product. For example, in the software industry, "tying" may occur when a company conditions a contract for one software system on the purchase of a contract for another, unrelated system. "Tie-in sales" arrangements are generally illegal. You should never attempt to force or mislead customers into purchasing software or services. Any questions about tying arrangements should be referred to the Legal Department.
- **Resale Price Maintenance.** Company Employees should not enter into agreements to fix the price or the minimum price that a purchaser will resell Company products. However, it is not illegal to have "suggested" retail prices.

Other Restrictions and Arrangements

- **Selection of Customers and Vendors.** SunGard is generally free to select its own customers and vendors. This right, however, must be exercised by the Company alone and not jointly with other companies. Agreements between two (2) or more companies not to do business with a third company can be a violation of antitrust and competition laws.
- **Restrictions on Dealing with a Competitor.** SunGard will not make the sale of products and services to any customer contingent upon the customer's refusal to do business with competitors. By requesting such a contingency, you could create antitrust and competition law issues. This could also be an unfair method of competition. You cannot condition the sale of Company products on a customer's refusal to deal with competitors.

- **Reciprocal Dealing Arrangements.** The Company will sell products and services on the basis of their value to our customers, not by using our purchasing power as a real or implied threat. SunGard will not require our suppliers to buy from the Company. SunGard also will not agree to purchase goods or services from our customers under any circumstances that amount to or suggest reciprocal dealing.

Acquisitions of Competitors

When the parties to an acquisition are competitors, antitrust laws continue to apply to their interactions before closing, no matter how sure you are that the deal will close. Therefore, the need to exchange information for valuation and planning purposes must be tempered by the obligation to comply with antitrust laws. To do this, you must avoid exchanging certain types of sensitive competitive information, and you must not engage in certain types of anti-competitive activities. In addition, with all acquisitions, our Policies require that you limit access to information to only those people within SunGard who need to be involved in order to evaluate and negotiate the transaction or to plan post-closing operations. When acquiring a competitor, this becomes even more important. To the fullest extent possible, you should exclude from the need-to-know group all sales, marketing, operations and other personnel who are directly involved in our business units that compete with the target.

The need-to-know concept applies not only to information and documents received in due diligence, but also to all internally produced documents and communications (including e-mail) about any aspect of the transaction.

- **Due Diligence.** You must limit the exchange of information to only what is required to evaluate and negotiate the transaction and to plan post-closing operations. The first list below provides examples of types of information that generally may be exchanged. The second list provides examples of sensitive, competitive information that generally may not be exchanged.

Examples of information that generally **may** be exchanged:

- All public information.
- Historical financial information presented at an aggregate level, including financial statements such as income statements, balance sheets and P&Ls.
- Historical production information, including production costs, capacity, and utilization rates (if applicable).
- Historical percentage of revenue derived from key customers.
- Contracts of top customers.
- Historical systems and IT information.
- Possible efficiencies that can be achieved from the merger.
- Historical aggregate cost and price information (avoid “micro” information about cost or prices to specific customers).

- Tax, environmental, health and safety data.
- Aggregate historical labor costs and employee information including non-price terms of labor agreements, such as termination provisions. Wage information cannot be exchanged unless that information is public.

Examples of information that generally **may not** be exchanged:

- Current or prospective pricing of the Company's products.
- Bids, fee schedules and pricing policies.
- Current or future costs (other than as indicated above).
- Names of prospective customers or vendors (i.e., targets).
- Long and short-term marketing and strategic plans, including future distribution and circulation plans.
- Plans to expand or reduce output.
- Trade secrets and other proprietary technology and data.
- Current and future wages and wage scales for employees.
- Status of negotiations with existing and potential customers.

To the extent that a limited exchange of sensitive competitive information is necessary to evaluate the transaction, it must be handled carefully and should be coordinated by counsel. For example, before delivery of documents to you, the target's counsel should redact customer names and pricing information from copies of proposals and pending customer contracts. Also, review of sensitive competitive information should be handled by legal or financial personnel rather than business personnel; and you should consider using outside firms to do the detailed reviews, providing to you only the necessary summaries of the information.

- **Planning Post-Closing Operations.** In planning post-closing operations of the target (or the combined business), you must avoid any attempt to influence or control pre-closing operations of the target. You may form transition teams to plan the post-closing integration of information systems, staffing requirements, administrative functions and the like. You may not, however, do any of the following before closing:
 - Reach any agreement on bids, prices, fee schedules, pricing policies or marketing plans that may affect either party's activities before closing.
 - Jointly approach existing or potential customers, unless a customer requests a joint meeting in writing and you first consult with counsel.

- Allocate customers, prospects or territories in planning post-closing operations.
- Delay or refrain from soliciting new customers that you would have pursued in the absence of the transaction. You must continue to compete as if the transaction were not to close.
- Exchange the names or identities of any potential customers or the details of proposals made to potential customers.
- Reach any agreement or otherwise influence or control the timing of customer contract signings.
- Base individual business decisions on any confidential information received from the other party.
- **Appropriate Contract Terms.** It is generally appropriate for SunGard, when agreeing to acquire a company, to:
 - Require that the to-be-acquired company during the pre-consummation period will continue to operate in the ordinary course of business consistent with past practices.
 - Condition the transaction on a requirement that the to-be-acquired company during the pre-consummation period not engage in conduct that would cause a material adverse change in the business.
 - Require that the to-be-acquired company during the pre-consummation period will not offer or enter into any contract that grants any person enhanced rights or refunds upon the change of control of the to-be-acquired person.
 - Provide that either party may conduct reasonable and customary due diligence prior to closing the transaction (subject to the restrictions on information exchange discussed above).

LEGAL MATTERS AND INVESTIGATIONS

Specialized Role of Legal Professionals

Attorneys and other legal professionals employed by SunGard are required to act independently and to exercise their professional judgment in all matters even when their opinion is in conflict with the desires or instructions of others in the Company. Under this Policy and the SunGard Policy for Attorneys Reporting Legal Violations Including Reporting Under SEC Rule 205, which is distributed to all legal professionals employed by SunGard, legal professionals have a duty to report known or suspected violations of this Policy, local law or other applicable law or regulation arising out of the conduct of Company business.

Legal Representation and Assistance with Legal Matters

The Legal Department will provide SunGard business units assistance not only with litigation, dispute resolution, statutory and regulatory compliance, contract drafting and negotiation and similar legal matters, but also with structuring and negotiating business transactions. Once a need for legal services has crystallized, a request for legal assistance should be made as early as possible and should be accompanied by sufficient information to facilitate efficient handling of the request.

Relationship with Outside Counsel

The Legal Department is responsible for managing the Company’s overall relationships with outside counsel including fee arrangements. To avoid conflicts of interest and to minimize overall legal expenditures, all referrals to outside counsel must be made in accordance with procedures established by the Legal Department or otherwise with the consent and participation of the Legal Department. A list of all expenses incurred for outside counsel should be sent to the Legal Department on a quarterly basis.

Legal Actions

It is the Company’s policy to participate fully and appropriately in all legal actions arising out of the conduct of the Company’s business. The Legal Department must be kept advised, on a current basis, of all legal matters involving the Company. You must notify the Legal Department immediately whenever (1) any complaint, subpoena, summons or other legal papers are received, (2) any lawsuit or other legal action is started or threatened in writing by any company, individual or other entity, or (3) any contractual dispute or other circumstances arise that have a realistic possibility of leading to litigation or other legal proceedings.

The Company has the right to be represented in legal actions and Employee interviews by its own legal counsel. You should not engage in discussions or proceedings with auditors, private investigators or lawyers representing the commercial interests of third parties or other entities without Company counsel present or involved.

Government Investigations

It is the Company’s policy to cooperate fully with governmental investigations. In this section, “government” means any department or agency of the government including the United States government and any governmental regulatory agency or body acting within the scope of its authority. The Legal Department also should be contacted immediately—before any action is taken or promised—if you receive or have knowledge of a work-related subpoena, a civil or criminal action, or a written government request for information such as a Civil Investigative Demand (called a CID) or a first-day request received before a data processing (EDP) audit. If a government investigator or government attorney asks you personally for information about SunGard, the Company would prefer to be notified before the interview and to be present at the interview.

During the course of an investigation, government investigators may contact Employees at home or at their office and request an interview. Remember that the investigator has the right to request to speak to you and you have the right either to speak to the investigator or to decline to speak. If you decide to submit to the interview, you have the right to submit only on the condition that you have legal counsel present. If you are subpoenaed or otherwise legally compelled to provide testimony, you must comply.

Sometimes it is difficult to tell when a routine government audit or inspection graduates into a governmental investigation. You should consult with the Legal Department or the Chief Compliance Officer to better understand the nature and implications of any government activities.

Preserving Company Documents and Records

Virtually all of the laws regulating the conduct of the Company’s business contain criminal and civil penalties. For example, it is a crime to destroy or alter any record or document with the intent to obstruct any government investigation or legal proceedings. If an Employee violates the law or causes the Company to violate the law, then both that Employee individually and the Company may be subject to criminal penalties. SunGard’s Record Retention Policy will be suspended for documents and records related to matters that are the subject of a government investigation or request for information and for any civil legal action or subpoena. (See RECORDS RETENTION in this Policy.)

No Employee should ever, under any circumstances:

- Destroy Company documents in anticipation of a request for those documents from a government agency or court.
- Alter a Company document or record after it has been adopted.
- Lie or make misleading statements to governmental investigators during any investigation. It is illegal to make false statements to governmental investigators under any circumstances.
- Encourage or pressure anyone to hide information or to provide false or misleading information.
- Fail to cooperate in any manner with any internal investigation. Employees should be forthcoming with information that pertains to the matter under investigation.
- Retaliate in any manner against any Employee for cooperating in an investigation or court action.

In some government investigations or legal actions, the Company’s lawyers can protect the interests of both the Company and its Employees. In some cases, however, there may be a potential conflict of interest between the Company and individual Employees, and individual Employees may need their own legal counsel. Employees should consult with the Company’s Legal Department for guidance in these cases.

The Company and its Employees have the right to be represented by legal counsel at all times when questioned by federal or state investigators or by opposing counsel in litigation, whether or not questions are asked during business hours, and whether or not questions are asked at Company premises or off-site (including at an Employee’s home) about anything concerning Company business. An Employee should ask for time to consult with an attorney before answering questions about anything concerning Company business.

CHARITABLE DONATIONS

Any proposed donation must be consistent with SunGard’s values and business objectives and be approved by the applicable senior finance executive and division president. Only legally recognized charities are eligible recipients. Donations must be made publicly and in accord with the recipient’s written policies. Donations must be made by company draft or electronic funds transfer from SunGard to the recipient. No donation may be reimbursed via expense reimbursement request. The donation must be properly recorded in the Company’s books and records.

ENTERTAINMENT, GIFTS AND GRATUITIES

For additional restrictions and information on offering gifts or gratuities to government officials, see CONTRACTING WITH GOVERNMENT ENTITIES AND OFFICIALS AND PROHIBITED PAYMENTS below.

Offering Entertainment, Gifts or Gratuities to Others

The Company markets its products on the basis of price, quality and service. The Company will not use inappropriate gifts, donations, excessive entertainment, or any improper means to influence customers or potential customers. All entertainment, gifts and gratuities must be recorded on the Company's financial records.

SunGard policy prohibits all forms of bribery regardless of the situation or the recipient. The use of Company funds for bribes, kickbacks or for any other unlawful or improper purpose is strictly prohibited. No Employee or anyone acting on behalf of the Company or providing services for or on behalf of the Company may offer, give or promise anything of value to any person for the purpose of, or as a reward for, improperly obtaining business, retaining business or for the purpose of, or reward for, improperly securing a financial or other advantage. No Employee, or anyone acting on behalf of the Company or providing services for or on behalf of the Company, may offer or give anything of value to any person, knowing that all or part of the payment will be directly or indirectly offered, given or promised to someone for a corrupt purpose. Employees may not use outside persons or entities in connection with the Company's business for the purpose of circumventing this Policy. There is no exception for bribes of minimal value and even offering or promising a bribe violates SunGard policy. Personal favors and gifts are considered the same as payments under this Policy.

If you receive a request for an improper payment, you should inform your Supervisor **and** the Chief Compliance Officer immediately.

Accepting Entertainment, Gifts or Gratuities from Others

Never ask for a personal benefit from people doing business or seeking to do business with SunGard. In this context, a personal benefit includes, but is not limited to, a payment, gift, favor or travel. When offered, Employees may accept routine promotional items of nominal value, for example, pens, paperweights and tee shirts. Entertainment, including meals, is considered a "gift" and may be accepted only when it has nominal value and is reasonable and customary within ethical business practices. For example, hosted invitations to local regular season sports events or local cultural events are common business practices and may be accepted.

Generally, Employees should not accept other gifts, entertainment or other favors from any outside person or entity that does business with, seeks to do business with, or competes with the Company. Employees may never accept cash or the equivalent of cash, no matter the amount.

Before accepting invitations, travel, gifts or other gratuities, even if the thing offered complies with this policy, seek approval from your supervisor in advance.

Anything promised, offered or given that is intended to improperly influence your business judgment is inappropriate. If you receive a gift that you believe is inappropriate and you cannot return it, take other

steps to diffuse the potential appearance of impropriety, such as redirecting the gift to a charity or sharing the gift within your office. Let the sender know that future gifts are not appropriate. If you are offered a favor, gratuity, or payment, that you believe was offered to improperly influence your business judgment inform your Supervisor or the Chief Compliance Officer immediately.

Common Sense Standards

The following illustrate the Company’s policy concerning the proper approach to giving and receiving gifts and other business courtesies:

- Never give or accept, either directly or indirectly, cash gifts or cash equivalents such as gift cards or pre-paid debit cards.
- Never ask for a gift for yourself or for anyone else.
- Business gifts should be modest in value, which means unmistakably inexpensive.
- Consumer electronics like computers and tablets are not inexpensive and are not appropriate gifts.
- Gifts should have a clear business nexus such as SunGard branded items, business books, or desk items.
- Gifts should be exchanged publicly or in such a way that an independent person would perceive the exchange as appropriate.
- Most companies have policies that govern their employees’ ability to give and receive gifts. To avoid placing a client in an awkward or compromising position, you should become familiar with each client’s gift and entertainment practice before offering gifts or entertainment of any type.
- Any entertainment given or received should be moderate and in good taste and otherwise comply with this policy. The term “entertainment” describes events such as meals and charitable or sporting events, such as golf, parties, plays and concerts. Use good judgment when choosing to give or accept entertainment. The type of entertainment offered or received is a reflection on our integrity as a company, and inappropriate entertainment should never be provided or accepted.

For more information see the *Guide to Combating Bribery and Corruption* available internally on the [Compliance and Business Ethics](#) site on KnowHow or on your SunGard business division intranet.

CONTRACTING WITH GOVERNMENT ENTITIES AND OFFICIALS

There are often special rules and accounting standards that apply to doing business with a government entity (including a state-owned enterprise). Before any Employee seeks to do business with a government entity, he or she must consult with the Legal Department concerning proper bidding, accounting and performance procedures. This requirement applies when a SunGard company seeks to act as prime contractor to a government entity or as a subcontractor under a government contract.

Most countries make it illegal to give anything of value to a Government Official in return for that person's influence, action, inaction or testimony. It is also illegal to do anything that will benefit a Government Official directly or indirectly, if such action results in, or is a reward for, that person's influence, action, inaction or testimony for the improper benefit of the Company. Violations can result in severe fines and imprisonment.

See the PROHIBITED PAYMENTS section below for the definition of **“Government Official”** and SunGard's policy concerning offering of entertainment, gifts and gratuities to Government Officials. Be aware that the term Government Official is broad and includes people who are not elected or appointed public officials, such as persons acting on behalf of government-owned or controlled companies.

PROHIBITED PAYMENTS

Governments and multi-national organizations around the globe have enacted laws and published conventions condemning and outlawing corrupt payments (bribes). Most countries make it a crime to give, offer or promise anything of value to a Government Official in return for that person's influence, actions, inaction or testimony or as a reward for any such influence, action, inaction or testimony improperly exercised. In fact, doing anything that personally benefits a Government Official directly or indirectly, is illegal if such action results in, or is an improper reward for, that person's influence, action, inaction or testimony. Violations can result in severe fines and imprisonment.

In particular, the United States law known as the Foreign Corrupt Practices Act (FCPA) and the United Kingdom's law known as the UK Bribery Act 2010 (Bribery Act) apply to business inside and outside the respective countries. Both laws make bribery of government officials criminal. The Bribery Act also criminalizes bribery in a commercial or private business context. (See the section on ENTERTAINMENT, GIFTS AND GRATUITIES.) The Bribery Act, which became effective July 2011, also makes failing to prevent bribery a criminal offense for commercial organizations. Under both laws, SunGard can be liable for the actions of its employees and the actions of those who perform services for or on its behalf, such as agents or contractors.

The Compliance Program sections on ENTERTAINMENT, GIFTS AND GRATUITIES, CONTRACTING WITH GOVERNMENT ENTITIES AND OFFICIALS, PROHIBITED PAYMENTS, and ACCURATE DISCLOSURES, BOOKS AND RECORDS and the *Guide to Combating Bribery and Corruption* adopt the standards of the FCPA and Bribery Act as the models for SunGard's policy. All SunGard subsidiaries and Employees in every country are governed by these policy standards.

SunGard policy prohibits all forms of bribery regardless of the situation or the recipient, including bribery of a Government Official. No Employee or anyone acting on behalf of the Company or providing services for or on behalf of the Company may offer, give or promise anything of value to a Government Official for the purpose of, or as a reward for, improperly obtaining business, retaining business or for the purpose of, or reward for, improperly securing a financial or other advantage. No Employee or anyone acting on behalf of the Company or providing services for or on behalf of the Company may offer or give anything of value to anyone knowing that all or part of the payment will be directly or indirectly offered, given or promised to a Government Official for a corrupt purpose. There is no exception for bribes of minimal value and even offering or promising a bribe violates SunGard policy.

Definition of Government Official

As used in SunGard’s policy, the definition of Government Official includes:

- A person elected or appointed to public office or government position of any kind including legislative, administrative or judicial positions.
- A person acting in an official capacity or exercising a public function for a government, including a state administrative agency, legislature, judicial body, provincial government or municipal government.
- An employee or representative of a state-owned or state-controlled business, enterprise or organization.
- A person acting on behalf of a public international organization such as the United Nations, World Bank or International Monetary Fund.
- Any candidate for political office or official of a political party.
- Any family member, close personal friend, business partner, sexual partner or person in any other type of close personal relationship with any of the above persons.

Entertainment, Gifts, Gratuities, Travel for Government Officials

As stated above, SunGard prohibits bribes regardless of the recipient, but doing business with Government Officials must trigger special sensitivity to business hospitality, promotional activities and to the use of agents or third parties in connection with our business.

Entertainment, gifts, travel, favors and all other forms of hospitality or business courtesies can be interpreted as a form of illegal payment and must conform to strict limits when the recipient is a Government Official as defined above. Many countries prohibit Government Officials from accepting business hospitality and business courtesies, and it may be a crime to even offer such to a Government Official. Even where permitted, most government entities, including state-owned entities, have policies that limit or restrict their employees’ ability to accept gifts, meals, travel and other business courtesies and hospitality. Be sure you understand the written policy applicable to the Government Official and comply with it. Even when the Government Official is permitted to accept gifts, meals, travel, etc., SunGard policy standards must be followed. SunGard Employees must follow local law and this Policy regardless of local custom.

It may be permissible under SunGard Policy for an Employee to reimburse or cover the reasonable and bona fide travel, meal and modest business entertainment expenses of a Government Official provided the expense is for the direct purpose of the legitimate promotion of the Company’s products or services, or in connection with the execution or performance of a contract with the Government Official or his agency or employer.

Before agreeing to pay any travel expenses of a Government Official, you must consult with the Legal Department or Chief Compliance Officer to determine if the payments are permissible under this Policy and local law.

Any entertainment provided should be moderately priced and in good taste and otherwise comply with this policy. The term “entertainment” describes events such as meals and local golf, parties, plays and concerts. Gifts to Government Officials are not permitted unless they are strictly in accordance with the written policies of the Government Official’s employer. Local custom is not a substitute for a written policy. Even where such policies permit gifts, SunGard Policy may be more limiting in what are considered permissible gifts. The most restrictive rule must be followed.

- Never give directly or indirectly cash or cash equivalents such as gift cards or pre-paid debit cards.
- Gifts for Government Officials must be unmistakably inexpensive and infrequent. A one-time gift that costs the equivalent of €20 or US \$30 or less is unlikely to raise corruption concerns, but be aware that there is no safe amount.
- Food and flowers are appropriate options provided they are inexpensive and infrequent.
- Other gifts should have a clear business nexus such as SunGard branded items, business books or desk items. Regardless of the cost of the item, consumer electronics and jewelry are not appropriate gifts.
- Gifts should be exchanged publicly, such as in an office setting, or in such a way that an independent person would perceive the exchange as appropriate.

Facilitation Payments

Certain limited “facilitating payments” or “expediting fees” may be permissible, in some places, in order to secure routine governmental action to which the Company is legally entitled. For example, it may be permissible for a nominal payment to be made to secure the timely issuance of a license or expedited processing of a visa. However, the circumstances in which such a payment is legal are very limited. Therefore, before considering or making a facilitating payment, you must contact the Legal Department or the Chief Compliance Officer to determine if the proposed facilitating payment is lawful under all law that applies to the transaction, including local law. In the unlikely event that a facilitation payment is lawful, it must be properly recorded in the Company financial records as a facilitation payment.

Retaining Third Parties to Act for SunGard

Appropriate due diligence must be performed on the third party and specific contract terms must be included in the agreement in order to retain a third party to support or assist our Company. Employees must consult with the Legal Department prior to retaining or hiring any agent, distributor, independent contractor or consultant, or when entering a joint venture or partnership, alliance or other arrangement. The required due diligence and approval process is set out in the Third-Party Retention Procedures for Combating Bribery and Corruption available through the Legal Department, the Compliance Office and available internally on the [Compliance and Business Ethics](#) site on KnowHow or on your SunGard business division intranet.

Corruption Warning Signs

In addition to the circumstances described above, you should immediately contact your Supervisor, who should consult with the Legal Department or the Chief Compliance Officer, if any of the following warning signs arise in a Company transaction, activity or project:

- The refusal by any third party to agree to abide by Company anti-bribery policies and procedures.
- Unusual or excessive payment requests, requests for over-invoicing or unusual commissions, requests for payments in a third country, requests for payments to a different party (apparently unrelated to the transaction) or requests for payment in cash or otherwise untraceable funds.
- A request for political or charitable contributions in connection with a purchasing decision or contract renewal or involving a Government Official in any context.
- The discovery of a previously undisclosed affiliation between a third party engaged by the Company and a Government Official.
- Allegations (or charges) of a violation of law against the third party.
- Direction by a Government Official to retain a particular third party or consultant.
- Doing business with or recommending a company owned in part or whole by a Government Official or his or her family.
- Any indication that a third party engaged to work with SunGard is unqualified (and lacks the staff, knowledge or facilities) to perform the services.
- Any indication that a third party is not or cannot maintain adequate financial records in connection with SunGard business.

Violators of this Policy are subject to disciplinary action. Violations of this Policy may also be a violation of law resulting in criminal and civil penalties (including imprisonment) for the individuals involved.

For additional information, guidance and advice, download a copy of the *Guide to Combating Bribery and Corruption* available internally on the [Compliance and Business Ethics](#) site on KnowHow or on your SunGard business division intranet, or request a copy from the Legal Department or the Compliance Office.

EXPORT AND TRADE REGULATIONS

Compliance with Trade Regulations

It is SunGard's policy to comply with the laws applicable to the conduct of its business in every jurisdiction where it operates and, in particular, with the requirements of the laws and regulations of the United States and those of other countries regarding export, re-export and import of commodities, technology or software.

United States Export Regulations

The United States government maintains strict controls on exports of goods, software and technical information from the United States and re-exports of United States goods, software and information from other countries. Most of the software and technical services sold by SunGard originate in or incorporate United States origin items and are therefore subject to United States export regulations. When SunGard ships, transmits or delivers an item outside the United States, the item is an export. "Items" relevant to SunGard include software or technology, technical design plans, retail software packages, performance specifications and other technical information.

Export laws cover more than just physical shipments. For example, internet and intranet technology transfers, travel across country borders with software or technical specifications, and information shared during visits to the United States by foreign nationals may all involve regulated exports. In addition, some destinations and persons (individuals or groups) are subject to comprehensive export controls, including controls on widely-traded consumer products.

The severity of the rules varies greatly, depending on the nature of the exports, their destinations, the persons to whom the exports are directed and their intended use. The rules also change frequently, often depending on changes in the policies of the United States and its allies toward various countries. The sanctions for violating the export rules, even when the violation is inadvertent, can be severe. Both criminal and civil penalties apply. Because the rules are complex and change frequently, the Company makes a guide available which provides an overview for complying with United States export laws. The guide is available to all employees through the Legal Department and Compliance Office, and is also available internally on the [Compliance and Business Ethics](#) site on KnowHow or on your SunGard business division intranet.

Employees who are likely to encounter export issues on the job should familiarize themselves with applicable export laws. If you are involved with exports, you should obtain a copy of the export guide from the Legal Department or Compliance Office, or from the [Compliance and Business Ethics](#) site on KnowHow or your SunGard business division intranet. You should read the guide and be certain that you understand how the export laws apply to your work. Consulting support is available from the Compliance Office.

Supervisors must:

- Require that appropriate licenses or other authorizations are in place for each import or export undertaken by his or her group; and
- Maintain such records of exports and imports as are appropriate under applicable legal requirements.

United States Boycotts and Trade Embargoes

The United States currently maintains commercial embargoes against a number of countries. As a United States company, SunGard complies with the applicable embargo laws. Because the listed countries and the types of restrictions change frequently, check with the Legal Department or the Chief Compliance Officer if there is any doubt or concern about doing business with a particular country through SunGard in the United States or through a non-United States SunGard subsidiary.

Prohibited Participation in Unsanctioned Economic Boycotts and Embargoes

The United States prohibits United States citizens, including United States corporations like SunGard, from participating in other nations' economic boycotts or embargoes. The antiboycott laws were adopted to encourage, and in specified cases, require United States firms to refuse to participate in foreign boycotts that the United States does not sanction to prevent United States firms from being used to implement foreign policies of other nations which run counter to United States policy. The Arab League boycott of Israel is the principal foreign economic boycott that United States companies must be concerned with today. The antiboycott laws, however, apply to all boycotts imposed by other countries that are unsanctioned by the United States.

As a United States corporation, SunGard must comply with the antiboycott provisions of the United States. SunGard will not:

- Refuse or agree to refuse to do business with or in Israel or with blacklisted companies.
- Discriminate or agree to discrimination against persons based on race, religion, sex, national origin or nationality.
- Furnish or agree to furnish information about business relationships with or in Israel or with blacklisted companies.
- Furnish or agree to furnish information about the race, religion, sex, or national origin of another person in support of an unsanctioned boycott or embargo.
- Honor, negotiate or implement letters of credit containing prohibited boycott provisions.

Requests to participate or support illegal boycotts may be received in the form of bid invitations, purchase orders, contracts, letters of credit, shipping documents or other forms of communication including oral requests. Receipt of such a request must be reported in a timely manner to the United States government. Report any request to participate in or support an economic boycott not sanctioned by the United States government to the Legal Department or to the Chief Compliance Officer.

For more information on these topics, refer to SunGard's Export Control and Economic Sanctions Compliance Policy which is available internally on [KnowHow](#) under Resources, Policies and Guidelines, or on your SunGard business division intranet.

POLITICAL ACTIVITY

Company employees have the right to participate individually in the political process and to make voluntary contributions of their personal resources and non-working time to support federal and state candidates and political parties of their choice. The Company encourages employee involvement in the political process but these activities must not in any way suggest the Company's support or involve the use of the Company's resources.

All Employees and others acting on the Company's behalf must comply with laws that apply to the use of Company resources for political purposes. United States Federal election law and the election law of many U.S. states generally prohibit the use of corporate resources to directly or indirectly support or

oppose candidates or political committees. The Company will not make a contribution to support or oppose a political candidate or political committee. No one is permitted to make a contribution on behalf of the Company.

Employees are not allowed to include, directly or indirectly, any political contribution on the Employee's expense account, or in any other way to cause the Company to reimburse the Employee for political contributions. As an example, the cost of tickets to a fund raising event for political functions is considered a political contribution and is not a legitimate Company expense.

The Company does not allow political campaign or partisan political activities at the Company's work place or facilities, and does not permit the use of the Company's resources, including computers, telephones, copiers, email, or employee work time for political campaigning, political fundraising, or other partisan political activities. Employees cannot be paid by the Company for time spent in campaign efforts for a political candidate or party. Similarly, if an Employee runs for elective office, the time spent campaigning or performing the duties of that post must be the Employee's own time, such as after hours, weekends, unpaid leave or vacation.

The Company does not permit employees to distribute campaign literature, solicit campaign contributions, or participate in other political activities during paid working hours. Employees are prohibited from making, copying or distributing political materials using the Company's equipment or resources, or engaging in other political activities during paid working time.

No employee may use the influence of his or her position to persuade another employee to work for candidate, political committee or other political issue or to make personal contributions to a candidate or political party. Employees will be neither favored nor penalized for their participation in, or abstention from, legal political activities.

Company employees are expected to understand and abide by this policy. If you have any questions about proper political conduct at the work place, you should contact SunGard's Chief Compliance Officer or a member of the SunGard legal department before agreeing to do anything that would involve the Company in political activity at the national, state or local levels.

EQUAL EMPLOYMENT OPPORTUNITY

All applicants and Employees are entitled to equal employment opportunities within the Company. It is the Company's policy to recruit, hire, train, compensate, terminate and otherwise treat individuals without regard to race, color, religion, sex, national origin, age, marital status, sexual orientation, disability, citizenship status, genetic information, Vietnam-era or other veteran status, or any other characteristic protected by law. The Company will make reasonable accommodations for the known physical or mental disabilities of an otherwise qualified applicant or Employee.

Certain of the Company's significant human resources policies are contained in this Compliance Program. See **PRIVACY, DISCRIMINATION, SEXUAL AND OTHER DISCRIMINATORY HARASSMENT, ILLEGAL SUBSTANCES AND ALCOHOL, and IMMIGRATION AND TEMPORARY WORK ASSIGNMENTS** below. The Company's human resources policies are available internally on [KnowHow](#) under Resources, Policies and Guidelines, or on your SunGard business division intranet.

All Employees are expected to act in a manner consistent with the anti-discrimination policy, anti-harassment policy and the Company's other human resources policies. All Employees are expected to refrain from expressing views not supportive of any of these Policies when acting as representatives of the Company.

PRIVACY

The Company is committed to complying with all applicable privacy laws in the conduct of its business. Privacy laws in the United States, European Union ("EU"), Asia and other locations may govern the proper processing and protection of certain personal information, the accuracy of the stated uses of the information processed by the Company and the Company's adherence to its statements about the use of the information. Employees should consult the Legal Department before transferring across national borders or to third parties the following information (particularly with respect to the EU):

- **Personally Identifiable Information or Personal Data.** Defined as data which can be related back to a specific identified individual, directly or indirectly.
- **Sensitive Data.** Generally defined as personal information having particular significance for privacy expectations (e.g., racial/ethnic origin, political activities, trade union membership, religious beliefs, health or medical data, sexual preferences or criminal activities).

Privacy law is a growing and complex area of law in the United States and around the world. In certain circumstances, an individual's consent may be required before some types of personal information may be processed, collected or transferred. Please consult with the Legal Department if you have questions about this Policy or if you require guidance regarding the processing of certain information or data.

Employee Information

In the course of its business operations, the Company will collect and maintain personal information about Company Employees and other staff as outlined in the SunGard Staff Privacy Notice.

For a comprehensive statement of the Company's standard for protection of Employee information, see the SunGard Staff Privacy Notice linked at Appendix C.

Customer Information

In the course of our business, the Company processes, stores and transfers personal data entrusted to us by our customers. The data our customers entrust to us may be personal data of individuals doing business with our customers. The data we receive from our customers will be handled in accordance with our agreement with the customer and the legal requirements applicable to SunGard in performance of our customer's agreement. It is contrary to Company policy to use the data our customer entrusts to us for any purpose other than that encompassed by the agreement or expressly permitted by law.

When a specific law or regulation governs the handling of personal data, including financial data, business leaders in the effected operating units will implement and follow procedures to conform their business operations to the applicable legal requirements.

Any Employee who is uncertain of the legality or ethics surrounding the collection, transfer, processing, disclosure or destruction of personal data pertaining to Company Employees or personal data processed for a customer should contact the Legal Department before taking action.

DISCRIMINATION

SunGard has a long-standing commitment to a work environment that respects the dignity of each individual. Inappropriate workplace behavior and unlawful discrimination or harassment are wholly inconsistent with this commitment. All Employees have the right to work in an environment free from all forms of discrimination and conduct that is harassing, coercive or disruptive, including sexual harassment. The Company prohibits any form of unlawful employee discrimination based on race, color, religion, sex, national origin, age, marital status, sexual orientation, disability, citizenship status, genetic information, Vietnam-era or other veteran status, or any other characteristic protected by law. SunGard will not tolerate improper interference with any Employee's ability to perform his or her expected job duties.

Employees are expected to refrain from making offensive comments, jokes, innuendos or gestures that are based on race, color, religion, sex, national origin, age, marital status, sexual orientation, disability, citizenship status, genetic information, Vietnam-era or other veteran status, or any other characteristic protected by law.

Reporting Discriminatory Conduct

It is the Company's policy to strongly encourage and support the prompt reporting of all incidents of discriminatory conduct. If you believe that you have been subjected to discriminatory conduct, or if you have observed such conduct, SunGard requires you to promptly notify your Supervisor, your Human Resources representative or the Chief Compliance Officer. Any Supervisor who receives a report or otherwise becomes aware of discriminatory conduct must immediately notify Human Resources. If you are uncomfortable for any reason in bringing such a matter to the attention of your Supervisor, or are not satisfied after bringing the matter to his or her attention, you should report the matter directly to your Human Resources representative or the Chief Compliance Officer. Any question about this Policy should also be brought to the attention of your Supervisor, your Human Resources representative or the Chief Compliance Officer.

When a report of discriminatory conduct is made as specified above, the Human Resources Department will promptly undertake an investigation appropriate to the circumstances. The steps to be taken during the investigation cannot be fixed in advance, but will vary depending upon the nature of the allegations. Confidentiality will be maintained throughout the investigative process to the extent practicable and consistent with the Company's need to undertake a full investigation.

Upon completion of the investigation, corrective action will be taken, if appropriate and supported by the facts. Corrective action may include, but is not limited to, oral or written reprimand, referral to formal counseling, financial consequences such as the reduction or elimination of a bonus or the postponement of a raise, disciplinary suspension or probation, or discharge from SunGard.

An individual, who reports incidents that he or she believes in good faith to be violations of this Policy, or who is involved in the investigation of discriminatory conduct, will not be subject to reprisal or retaliation. Retaliation is a serious violation of this Policy and should be reported immediately. The report and investigation of allegations of retaliation will follow the procedures set forth in this

Compliance Program. Any person found to have retaliated against an individual for reporting discriminatory conduct or for participating in an investigation of allegations of such conduct will be subject to appropriate disciplinary action.

SEXUAL AND OTHER DISCRIMINATORY HARASSMENT

SunGard Employees have the right to work in an environment that is free from sexual harassment. Sexual harassment in the workplace is unlawful. No Employee, either male or female, should be subjected to unsolicited and unwelcome sexual overtures or conduct. SunGard does not intend to regulate the personal morality of employees, but rather promote a work environment that is free from all forms of discriminatory harassment whether that harassment is because of race, color, religion, sex, national origin, age, marital status, sexual orientation, disability, citizenship status, genetic information, Vietnam-era or other veteran status, or any other characteristic protected by law.

Discriminatory Harassment Prohibited

Discriminatory harassment, including sexual harassment, is unacceptable and will not be tolerated. All Employees are expected to avoid any behavior that could be interpreted or perceived as discriminatory harassment. This Policy applies to all discriminatory harassment occurring in the work environment, whether at the Company or in other work-related settings, and applies regardless of the gender, marital status or sexual orientation of the individuals involved. This Policy covers all Employees and applicants for employment. This Policy also covers unlawful discriminatory harassment by a non-employee (e.g., clients, family members, suppliers, volunteers, interns, independent contractors, etc.) to the extent that it affects the work environment or interferes with the performance of work. Anyone who believes that he or she has been subjected to sexual or other discriminatory harassment must report the problem using the procedures set forth in this Policy. SunGard will investigate a reported incident to the extent practicable and will take remedial action where appropriate.

Sexual Harassment Defined

For purposes of this Policy, “sexual harassment” means unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual or gender-based nature in any of the following situations:

- When submission to such conduct is either explicitly or implicitly made a term or condition of an individual’s employment.
- When submission to or rejection of such conduct is used as the basis for employment decisions affecting the individual.
- When such conduct unreasonably interferes with an individual’s work performance or creates an intimidating, hostile or offensive working environment.

Here are some examples of what may constitute sexual harassment: threatening or taking adverse employment action, such as discharge or demotion, if sexual favors are not granted; demanding sexual favors in exchange for favorable or preferential treatment; making unwelcome and repeated flirtations, propositions or advances; making unwelcome physical contact; whistling, leering or making improper gestures; making offensive, derogatory or degrading remarks; making unwelcome comments about

appearance; telling sexual jokes or using sexually explicit or offensive language; engaging in gender or sex-based pranks; or displaying sexually suggestive objects or pictures in work areas. The above list of examples is not intended to be all inclusive.

Other Discriminatory Harassment Defined

For purposes of this Policy, “other discriminatory harassment” means verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his or her race, color, gender, age, religion, national origin, disability, veteran status or any other characteristic protected by law, in any of the following circumstances:

- When the conduct creates an intimidating, hostile, or offensive work environment.
- When the conduct unreasonably interferes with an individual’s work performance.

Here are some examples of other discriminatory harassment: using epithets or slurs; mocking, ridiculing or mimicking another’s culture, accent, appearance or customs; threatening, intimidating or engaging in hostile or offensive acts based on an individual’s race, color, gender, religion, national origin, disability, veteran status or any other characteristic protected by law; or displaying on walls, bulletin boards or elsewhere in the workplace, or circulating in the workplace, written or graphic material that denigrates or shows hostility toward a person or group because of an individual’s race, color, gender, age, religion, national origin, disability, veteran status or any other characteristic protected by law. The above list of examples is not intended to be all inclusive.

Reporting Discriminatory Harassment

It is the Company’s policy to strongly encourage and support the prompt reporting of all incidents of sexual or other discriminatory harassment. If you believe that you have been subjected to sexual or other discriminatory harassment, or if you have observed such conduct, SunGard requires you to promptly notify your Supervisor, your Human Resources representative or the Chief Compliance Officer. Any Supervisor who receives a report or otherwise becomes aware of discriminatory harassment must immediately notify Human Resources. If you are uncomfortable for any reason in bringing such a matter to the attention of your Supervisor, or are not satisfied after bringing the matter to his or her attention, you should report the matter directly to your Human Resources representative or the Chief Compliance Officer. Any question about this Policy or potential sexual or other discriminatory harassment also should be brought to the attention of your Supervisor, your Human Resources representative or the Chief Compliance Officer.

When a report of sexual or other discriminatory harassment is received, the Human Resources Department will promptly undertake an investigation appropriate to the circumstances. The steps to be taken during the investigation cannot be fixed in advance, but will vary depending upon the nature of the allegations. Confidentiality will be maintained throughout the investigative process to the extent practicable and consistent with the Company’s need to undertake a full investigation.

Upon completion of the investigation, corrective action will be taken, if appropriate and supported by the facts. Corrective action may include, but is not limited to, oral or written reprimand, referral to formal counseling, financial consequences such as the reduction or elimination of a discretionary bonus or the postponement of a raise, disciplinary suspension or probation or discharge from SunGard.

An individual who reports incidents which, in good faith, he or she believes to be violations of this Policy, or who is involved in the investigation of sexual or other discriminatory harassment, will not be subject to reprisal or retaliation. Retaliation is a serious violation of this Policy and should be reported immediately. The report and investigation of allegations of retaliation will follow the procedures set forth in this Policy. Any person found to have retaliated against an individual for reporting sexual or other discriminatory harassment or for participating in an investigation of allegations of such conduct will be subject to appropriate disciplinary action.

Reporting Consensual Relationships

Consensual romantic and/or sexual relationships between Employees may compromise the Company's ability to enforce its policy against sexual harassment or lead to other employment-based claims against the Company. When one party to such a relationship is the Supervisor or Executive Officer or an individual who can otherwise impact the other party's work assignment, compensation, performance review or promotion, the risk to SunGard's ability to enforce its policy against sexual harassment is unacceptably high. The individuals involved in such a consensual relationship must disclose the relationship to a Supervisor **and** the Chief Compliance Officer. All other individuals in consensual relationships must disclose the relationship to Human Resources. Disclosure will allow the Company and the Employees involved to take appropriate steps to protect all parties from unintended work-related consequences. Such action may include a change in the responsibilities of the individuals involved, or transfer of location within the office, in order to eliminate any existing supervisory relationship and diminish workplace contact.

ILLEGAL SUBSTANCES AND ALCOHOL

The ability to perform one's work is compromised by the illegal use of drugs and/or alcohol. The Company's objective is to keep the workplace free from substance and alcohol abuse and its effects, and the Company will not tolerate the presence of illegal drugs and/or alcohol in the workplace. Employees are prohibited from conducting Company business while under the influence of illegal drugs and/or impaired by the use of alcohol. The Company also will not tolerate the abuse of prescribed drugs by any Employee while on Company premises, engaged in Company business or operating Company equipment. These goals are not only the Company's right, but are the Company's responsibility to its customers and Employees.

The Company will try to achieve a workplace that is entirely free of substance abuse by following the steps below:

- Counseling and assisting Employees with substance abuse problems. For more details on the Company's policy relating to drug and alcohol abuse and the assistance available to Employees, see Human Resources.
- Disciplining Employees who engage in unlawful activities involving drugs and alcohol in the workplace.

Consuming alcohol at a SunGard or customer-sponsored event during or after work hours on Company or customer premises is permitted provided the event has manager approval and proper business decorum is maintained. The safety of guests and Employees should be considered when planning the event.

IMMIGRATION AND TEMPORARY WORK ASSIGNMENTS

SunGard requires that Employees hired for positions or assigned to work outside their home country for any period of time are legally authorized to work in the country in which they are hired or assigned to work. The Company may be subject to civil or criminal penalties if an individual who is not authorized to work in the country is placed on the payroll for a position, performs work or travels on business without a proper visa.

All candidates for positions must present appropriate documentation to verify that they are legally authorized to work under the applicable labor, employment and immigration laws before the Employee's first day of work. In the United States, the Company is required to have Form I-9s for each Employee and will conduct regular internal audits to verify the receipt of such information. Company Supervisors are responsible for assuring that relevant labor, employment and immigration laws are followed. If a potential Employee does not have the correct working papers, consult the Human Resources Department or the Legal Department before an offer of employment is made or the Employee travels on a business assignment. No travel arrangements should be made before appropriate documentation is obtained.

Questions on immigration issues should be referred to the Human Resources Department or to the Legal Department. Questions relating to international assignments should be referred to the International Mobility Team.

APPENDIX A

GLOBAL BUSINESS CONDUCT AND COMPLIANCE PROGRAM

ANNUAL CERTIFICATION

I certify that I have access to and can obtain a copy of SunGard’s Global Business Conduct and Compliance Program (the “Compliance Program”), which provides me with clear guidelines for my conduct as a representative of the Company and incorporates a code of ethics for all employees, officers, directors and other representatives of the Company. I understand that the Compliance Program is available to me via the SunGard intranet or from my Human Resources representative.

I understand that I may report possible or suspected violations of the Compliance Program by accessing the AlertLine on-line or by telephone, leaving a voicemail for the Chief Compliance Officer, sending an e-mail to compliance@sungard.com, or using any of the other reporting methods described in the Compliance Program.

I certify that I have read the Compliance Program and fully understand my obligation to comply with all of its terms. I understand that adherence to the Compliance Program is a condition of my employment or engagement with the Company and that failure to adhere to the Compliance Program could result in very serious consequences to me and the Company. I understand that, if I violate the Compliance Program, then I will be subject to appropriate disciplinary and remedial sanctions, up to and including, immediate discharge or termination of my engagement and possible legal action by the Company.

I certify that I will fully comply with all terms of the Compliance Program, and that, as of today’s date, I know of no violations of the Compliance Program or the Policies contained therein other than as reported.

I understand that, except for the promise of protection from retaliation made in the Introduction to the Compliance Program, none of the benefits, policies, programs, procedures or statements in the Compliance Program is intended to confer any rights or privileges upon me or entitle me to be or remain an Employee or other representative of the Company. I am aware that the Compliance Program is not a contract and is subject to change at any time, without notice, at the sole discretion of the Company.

Certified:

Date

Print Name

Signature

APPENDIX B

GLOBAL BUSINESS CONDUCT AND COMPLIANCE PROGRAM

COMPLIANCE PROGRAM IMPLEMENTATION

Chief Compliance Officer

The Chief Compliance Officer is responsible for implementing and maintaining the Compliance Program, subject to the direction of the Compliance Program Committee and oversight of the Audit Committee. The Chief Compliance Officer's duties include (1) implementing programs to educate and train Employees about the Compliance Program and to effectively communicate the Company's Policies to all Employees, (2) implementing procedures to achieve both effective enforcement of the Compliance Program and efficient reporting by Employees, without fear of retribution, of possible and suspected violations, (3) auditing and investigating possible and suspected violations of the Compliance Program, and (4) implementing disciplinary procedures for Employees who violate the Compliance Program or who fail to report known violations by others. The Chief Compliance Officer will consult with the Compliance Program Committee and Audit Committee as necessary to effectively deal with non-routine reports and investigations and to resolve difficult issues and concerns that arise in connection with the Compliance Program. The Chief Compliance Officer will provide periodic reports to the Audit Committee regarding compliance matters. The Chief Compliance Officer will report to the Chief Legal Officer and will have a dotted-line reporting relationship to the Chair of the Audit Committee.

Compliance Program Committee

The Compliance Program Committee is a management committee that is responsible for reviewing the Chief Compliance Officer's implementation and maintenance of the Compliance Program and interpreting and monitoring the Compliance Program, subject to the oversight of the Audit Committee. The Compliance Program Committee will review the Compliance Program periodically, but no less frequently than annually, and recommend proposed changes to the Audit Committee. The Compliance Program Committee will have at least four (4) members: the Chief Compliance Officer, a senior legal executive designated by the Chief Legal Officer, a senior financial executive designated by the Chief Financial Officer and a senior human resources executive designated by the Vice President Human Resources. A minimum of three (3) members of the Compliance Program Committee are required in order for the Committee to carry out its obligations under this Policy.

Audit Committee

The Audit Committee is the final authority for resolving all disagreements that arise in connection with the Compliance Program. The Chief Compliance Officer and the members of the Compliance Program Committee will be appointed by management, subject to review and approval by the Audit Committee.

SunGard Management

Responsibility for enforcing the Company's Compliance Program extends throughout the Company. If you are a Supervisor, then you are responsible for implementing the Compliance Program for all Employees under your direction. These responsibilities include all of the following:

- Requiring all current and new Employees to participate in ongoing education and training regarding the Compliance Program and the Company’s Policies.
- Regularly stressing to all Employees the need for their commitment to the principles of the Compliance Program.
- Requiring that all business activities are conducted in accordance with the highest principles of business ethics and professional excellence.
- Leading by example and maintaining an “open door” policy to handle issues and questions regarding business ethics and legal and regulatory compliance.
- Reinforcing the lines of communication that are available to Employees to make reports and resolve concerns relating to the Compliance Program.
- Reporting matters that you uncover and issues that are reported to you as a Supervisor or Company Official.
- Coordinating and cooperating with the Chief Compliance Officer to determine that all of these responsibilities are effectively and demonstrably accomplished.

Distribution and Acknowledgement of the Compliance Program

Every new Employee will be given access to current copy of the Compliance Program and, as a condition of employment, will be asked to acknowledge receipt and understanding of it within thirty (30) days after hiring. Continuing Employees will be offered an opportunity to review a current copy of the Compliance Program at least annually, and, as a condition of continued employment, will be asked certify to their understanding of the Compliance Program and their agreement to adhere to its terms.

Handling of Reports and Investigations

The Chief Compliance Officer will review all credible, non-routine reports with the Compliance Program Committee. If a credible report involves a Director or Executive Officer of SunGard or involves an allegation of fraud, whether or not material, that involves management or other Employees who have a significant role in SunGard’s internal controls, or is otherwise considered material to the Company by the Chief Compliance Officer, Chief Legal Officer, Chief Financial Officer, Vice President Human Resources or majority of the Compliance Program Committee, then the Chief Compliance Officer will promptly communicate the report to the Chair of the Audit Committee.

Any Supervisor or other Company official receiving a credible report of a violation of the Compliance Program must promptly communicate the report to the Chief Compliance Officer. If a Supervisor believes that it is necessary to review or investigate the conduct of one or more Employees, then the Supervisor must seek the advice and approval of the Chief Compliance Officer or the Chief Legal Officer. No one will undertake an internal review or investigation relating to the Compliance Program or the Company’s Policies without the approval of the Chief Compliance Officer, the Chief Legal Officer or the Chair of the Audit Committee.

The members of the Compliance Program Committee are authorized on behalf of the Company to conduct internal investigations, seek legal advice and request that inside or outside counsel conduct internal investigations to assist counsel in providing legal advice to the Company. Any such investigation will be conducted on a confidential basis, and the results of any such investigation will be protected from disclosure by the attorney-client privilege as well as any other applicable privilege or protection.

Waivers and Substantive Changes

Any waiver of the provisions of this Program for an Executive Officer or Director must be made by the Board of Directors or a Board Committee. Any substantive changes to this Program will be approved by the Board of Directors. Such waivers and substantive changes will be promptly disclosed as required by law or stock exchange regulation.

APPENDIX C

GLOBAL BUSINESS CONDUCT AND COMPLIANCE PROGRAM

SUNGARD STAFF PRIVACY NOTICE

The SunGard Staff Privacy Notice provides a comprehensive statement of the Company's standard for protection of Employee information. The Staff Privacy Notice is available internally on [KnowHow](#) under Resources, Policies and Guidelines, or on your SunGard business division intranet.

APPENDIX D

GLOBAL BUSINESS CONDUCT AND COMPLIANCE PROGRAM

GENERAL DEFINITIONS

- **“Audit Committee”** means the Audit Committee of the Board of Directors of SunGard Data Systems Inc.
- **“Board of Directors”** means the Board of Directors of SunGard Data Systems Inc.
- **“Company”** or **“SunGard”** means SunGard Data Systems Inc., a Delaware corporation, and all subsidiaries and affiliated entities that are more than 50% owned or controlled, directly or indirectly, by SunGard Data Systems Inc.
- **“Compliance Program”** means this Global Business Conduct and Compliance Program, as amended from time to time by the Board of Directors.
- **“Compliance Program Committee”** means the management committee responsible for interpreting and monitoring the Compliance Program.
- **“Director”** means any member of the Board of Directors of SunGard Data Systems Inc. who is not an Employee.
- **“Employee”** means any employee, consultant, volunteer or other agent or representative of the Company including all Executive Officers and including all employees who are members of the Company’s Board of Directors.
- **“Executive Officer”** means any person who is considered an executive officer of the Company for federal securities law purposes, as designated by the Board of Directors from time-to-time by resolution.
- **“Policies”** means the Company policies contained in this Compliance Program. Each section of this Compliance Program contains one or more Policies.
- **“Supervisor”** means any supervisor or manager of any Employee.

Other definitions are included in specific policies.

CERTIFICATE OF SUNGARD

ANNEX B

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendrayer
Ken Nickolai
Marshall Johnson
Phyllis Reha
Thomas Pugh

Chair
Commissioner
Commissioner
Commissioner
Commissioner

James Stein
Counsel to SunGard NetWork Solutions, Inc.
511 Eleventh Avenue South, Suite 211
Minneapolis, MN 55415

SERVICE DATE: **DEC 12 2005**

DOCKET NO. P-6454/NA-05-1119

In the Matter of the Application of SunGard NetWork Solutions, Inc. for an Operational Certificate of Authority to Provide Local Niche Services

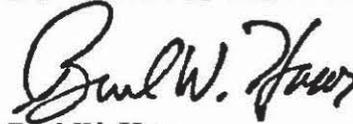
The above entitled matter has been considered by the Commission and the following disposition made:

Approved.

This decision is issued by the Commission's consent calendar subcommittee, under a delegation of authority granted under Minn. Stat. § 216A.03, subd. 8 (a). Unless a party, a participant, or a Commissioner files an objection to this decision within ten days of receiving it, it will become the Order of the full Commission under Minn. Stat. § 216A.03, subd. 8 (b).

The Commission agrees with and adopts the recommendations of the Department of Commerce which are attached and hereby incorporated in the Order.

BY ORDER OF THE COMMISSION



Burl W. Haar
Executive Secretary

(S E A L)

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MINNESOTA
DEPARTMENT OF
COMMERCE

RECEIVED

NOV 28 2005

MN PUBLIC UTILITIES COMMISSION

85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
651.296.4026 FAX 651.297.1959 TTY 651.297.3067

November 28, 2005

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: In the Matter of the Application of SunGard NetWork Solution, Inc. for an Operational Certificate of Authority to Provide Local Niche Services
Docket No. P6454/NA-05-1119

Dear Dr. Haar:

Applications for certificates of authority may be approved without hearing under Minn. Stat. §216A.03, subd. 7. The Public Utilities Commission's (Commission's) Order designating certain applications for certificates of authority as being subject to a standing order was issued on August 25, 2000 in Docket No. P999/CI-00-634. The use of a standing order is to apply to filings submitted on or after September 1, 2000.

As required by the Commission's August 25, 2000 Order, the Department of Commerce (Department) has reviewed and analyzed the current filing. Attached is the Department's checklist for processing applications for certificates of authority. The checklist reflects the Department's analysis of the issues relating to the requirements of Minnesota law and the Commission's rules.

The application for certification was filed on: June 30, 2005

The name of the applicant:

James Stein
Counsel to SunGard NetWork Solutions, Inc.
511 Eleventh Avenue South, Suite 211
Minneapolis, MN 55415

The application requested the following type of certification: Certificate of Authority to provide Local Niche Services.

Burl W. Haar
November 28, 2005
Page 2

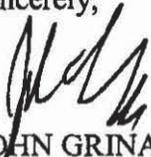
Recommended Action: Approve

Although the Company originally applied for both Local Niche and Local Resale authority, on November 16, 2005, it modified its request to include only Local Niche Services. It also provided a revised tariff consistent with this change on November 23, 2005.

Conditions to Receive Operational Authority for Local Niche Services: None

The Department's analysis finds that the Application for Certification complies with the Commission's requirements as indicated on the attached checklists. The Department is submitting this memorandum recommending that the Commission approve the Application for Certification either at a Commission hearing or by way of the standing order process approved by the Commission on August 25, 2000.

Sincerely,



JOHN GRINAGER
Rates Analyst

JG/ja
Attachment

Company: SunGard Network Solutions
Docket No.: P6454/NA-05-1119

CHECKLIST FOR PROCESSING ORIGINAL TARIFFS OR PRICE LISTS

I. TYPE OF TARIFF OR PRICE LIST

- A. Local Exchange Tariff/Price List
- B. Access Services Tariff/Price List
- C. Long Distance Tariff/Price List
- D. Local Niche Services Tariff/Price List

II. REGULATORY REQUIREMENTS THAT ONLY APPLY TO THE TARIFFS OR PRICE LISTS OF LOCAL EXCHANGE CARRIERS

The regulatory requirements of Minn. Rules Ch. 7810 and Minn. Rules pt. 7812.0600 are as follows:

- A. The tariffs or price lists of local exchange carriers must offer the following services to all customers pursuant to Minn. Rules pt. 7812.0600 (basic service requirements):
 - single party voice-grade service and touch-tone capability;
 - 911 or enhanced 911 access;
 - 1 + intraLATA and interLATA presubscription and code-specific equal access to interexchange carriers subscribing to its switched access service;
 - access to directory assistance, directory listings, and operator services;
 - toll and information service-blocking capability without recurring monthly charges as provided in the commission's ORDER REGARDING LOCAL DISCONNECTION AND TOLL BLOCKING CHARGES, Docket No. P999/CI-96-38 (June 4, 1996), and its ORDER GRANTING TIME EXTENSIONS AND CLARIFYING ONE PORTION OF PREVIOUS ORDER, Docket No. P999/CI-96-38 (September 16, 1996). These Orders state that no telecommunications providers may disconnect local exchange service for nonpayment of toll service. These Orders also require local exchange carriers to offer toll blocking and bill screening services with no monthly charge.;
 - one white pages directory per year for each local calling area, which may include more than one local calling area, except where an offer is made and explicitly refused by the customer;

Company: SunGard Network Solutions
Docket No.: P6454/NA-05-1119

- _____ a white pages and directory assistance listing, or, upon customer request, a private listing that allows the customer to have an unlisted or unpublished telephone number;
 - _____ call-tracing capability according to chapter 7813;
 - _____ (i) call Trace provisions in tariff mirror Commission's tariff templates.
 - _____ blocking capability according to the Commission's ORDER ESTABLISHING CONDITIONS FOR THE PROVISION OF CUSTOMER LOCAL AREA SIGNALING SERVICES, Docket No. P999/CI-92-992 (June 17, 1993) and its ORDER AFTER RECONSIDERATION, Docket No. P999/CI-92-992 (December 3, 1993). These Orders require local exchange carriers, who offer class services, to offer CLASS trace services and per call and residential per line blocking of CLASS services with no monthly charge. These Orders also require local exchange carriers, who offer CLASS services, to also educate their customers regarding their options with respect to CLASS services and blocking options. In addition, these Orders require companies offering CLASS services to offer per call business blocking to certain businesses (i.e., businesses which meet special criteria) without a monthly charge and anonymous call rejection without a separate charge. Businesses that meet special criteria include law firms and medical offices. Residential customers must be offered per line and per call blocking. A one-time cost-based installation fee may be applied to customers who request line blocking after an initial period of at least 90 days; and
 - _____ telecommunications relay service capability or access necessary to comply with state and federal regulations.
- _____B. A Separate flat rate service offering is required pursuant to Minn. Rules pt. 7812.0600, subpt. 2. At a minimum, each local service provider (LSP) shall offer the services identified in Minn. Rules pt. 7812.0600, subpt. 1 as a separate tariff or price list offering on a flat rate basis. An LSP may also offer basic local service on a measured rate basis or in combination with other services. An LSP may impose separate charges for the services set forth in subpart 1 only to the extent permitted by applicable laws, rules, and commission orders.
- _____C. Service area obligations under Minn. Rules pt. 7812.0600, subpt. 3: An LSP shall provide its local services on a nondiscriminatory basis, consistent with its certificate under part 7812.0300 or 7812.0350, to all customers who request service and whose premises fall within the carrier's service area boundaries or, for an interim period, to all requesting customers whose premises fall within the operational areas of the local service provider's service area under part 7812.0300, subpart 4, or 7812.0350, subpart 4. The obligation to provide resale services does not extend beyond the service capability of the underlying carrier whose service is being resold. The obligation to provide

Company: SunGard Network Solutions
Docket No.: P6454/NA-05-1119

facilities-based services does not require an LSP that is not an eligible telecommunications carrier (ETC) to build out its facilities to customers not abutting its facilities or to serve a customer if the local service provider cannot reasonably obtain access to the point of demarcation on the customer's premises.

- ___ D. Service disconnection requirements under Minn. Rules pt. 7812.0600, subpt. 7: An LSP may disconnect a customer's basic local service as allowed under parts 7810.1800 to 7810.2000, except that it shall not disconnect basic local service for nonpayment of toll or information service charges or any service other than basic local service.
- ___ E. A competitive local exchange carrier shall offer each end user at least one flat rate calling area that matches the flat rate calling area offered that customer by the local exchange carrier under Minn. Rules pt. 7812.0900, subpt. 1, including any applicable extended area service (pursuant to Minn. Rules pt. 7812.0800, subpt. 1).
- ___ F. Local exchange companies must comply with the requirements of Minn. Stat. § 237.73 before disconnecting local exchange services in cases of fraud. Minn. Stat. § 237.73 generally requires a local exchange carrier to obtain a temporary restraining order or injunction before disconnecting local exchange services in cases of fraud.
- ___ G. Local exchange carriers who propose to include provisions in their tariffs or price lists allowing for individual case based (ICB) pricing of local exchange services must comply with the Commission's applicable policies and Orders.
- ___ H. Local exchange carriers that are Eligible Telecommunications Carriers (ETCs) must offer the Link-up Program.
 - ___ (i) Link-up provisions in tariff mirror Commission's tariff templates.
 - ___ (ii) Carrier is not an ETC and is not required to offer Link-Up.
- ___ I. All local exchange carriers who introduce promotions must file the appropriate notices with their promotions pursuant to the requirements of Minn. Stat. § 237.626. Minn. Stat. § 237.626 states that "The notice must identify customers to whom the promotion is available and include cost information demonstrating that the revenue from the service covers incremental cost, including cost of the promotion." The notice must include information showing the number of units projected to be sold during the promotion and the projected revenue to be derived during the promotion less the cost of the promotion (including the cost of the charge that is being waived and the administrative cost of carrying out the promotion) to derive the net value of the promotion.

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- ___ J. Local exchange carriers may not withhold number portability from customers whose accounts are in arrears. Docket Nos. P5692, 421/M-99-196; P5669,430/M-99-701.
- ___ K. Local service providers must offer the Telephone Assistance Plan (TAP).
 - ___ (i) TAP provisions in tariff mirror Commission's tariff templates.
- ___ L. Local exchange carriers that file tariffs imposing termination charges on wireless carriers must abide by the Commission's Orders in Docket No. P511/M-03-811.

III. REGULATORY REQUIREMENTS THAT APPLY ONLY TO THE TARIFFS OR PRICE LISTS OF LONG DISTANCE CARRIERS

The regulatory requirements of Minn. Rules Ch. 7810, Minnesota law, and applicable Commission Orders are as follows:

- ___ A. Minn. Stat. § 237.74, subd. 2 prohibits discrimination with respect to long distance services and states as follows: "No telecommunications carrier shall offer telecommunications service within the state upon terms or rates that are unreasonably discriminatory. No telecommunications carrier shall unreasonably limit its service offerings to particular geographic areas unless facilities necessary for the service are not available and cannot be made available at reasonable costs. The rates of a telecommunications carrier must be the same in all geographic locations of the state unless for good cause the commission approves different rates. A company that offers long-distance services shall charge uniform rates and charges on all long-distance routes and in all geographic areas in the state where it offers the services. However, a carrier may offer or provide volume or term discounts or may offer or provide unique pricing to certain customers or to certain geographic locations for special promotions, and may pass through any state, municipal, or local taxes in the specific geographic areas from which the taxes originate."
- ___ B. Federal law prohibits IXCs from deaveraging interstate rates based on differing access charges and preempts inconsistent state law on intrastate rates that might otherwise permit such deaveraging.¹
- ___ C. With respect to those carriers who bill for uncompleted calls, the Commission's October 16, 1987 Notice to All Long Distance Carriers requires carriers to notify their customers regarding policies relating to billing for uncompleted telephone calls and the policies regarding the availability and procedures for providing refunds of those billed amounts.

¹ Policy and Rules Concerning the Interstate, Interexchange Marketplace, "Report and Order," 1996 WL 444636, 11 F.C.C.R. 9564, 11 FCC Rcd. 9564 (Aug. 07, 1996) (No. CC 96-61, FCC 96-331) at ¶¶38, 46.

Company: SunGard Network Solutions
Docket No.: P6454/NA-05-1119

**IV. REGULATORY REQUIREMENTS THAT APPLY TO THE TARIFFS OR PRICE LISTS OF ALL
TELECOMMUNICATIONS CARRIERS**

The regulatory requirements of Minn. Rules Ch. 7810, Minnesota law, and applicable
Commission Orders are as follows:

- X A. The disconnection requirements in Minn. Rules pt. 7810.1800 through
7810.2200 apply to all telephone companies. Minn. Rules pt. 7810.1800
specifies the permissible reasons to disconnect service with notice. Minn.
Rules pt. 7810.1900 specifies permissible reasons to disconnect service
without notice. Minn. Rules pt. 7810.2000 specifies nonpermissible reasons to
disconnect service. Minn. Rules pt. 7810.2100 requires that service shall not
be disconnected on any Friday, Saturday, Sunday, or legal holiday, or any
time when the utility's business offices are not open to the public, except
where an emergency exists. Minn. Rules pt. 7810.2200 states that a utility
shall not charge a reconnect fee for disconnection of service without notice
pursuant to Minn. Rules pt. 7810.1900 (B).
 X (i) Disconnection provisions in tariff mirror Commission's tariff
templates.
- X B. Notices sent out pursuant to Minn. Rules Ch. 7810 must comply with the
notice requirements of Minn. Rules pt. 7810.2300. The notice requirements
under Minn. Rules pt. 7810.2300 require, among other things, that notice
must precede the action to be taken, such as *disconnection*, by at least five
days excluding Sundays and legal holidays.
- X C. All telephone companies operating in Minnesota must comply with the
Commission's deposit and guarantee requirements in Minn. Rules pt.
7810.1500 through 7810.1700. Minn. Rules pt. 7810.1500 states that deposits
can only be based on a customer's utility credit rating. Minn. Rules pt.
7810.1600 requires that deposits be refunded after 12 months of prompt
payment of bills to a given telephone company. Minnesota Statutes §325E.02
requires interest to be paid on deposits over \$20 at the rate set by the
Commissioner of the Department of Commerce, and posted on the
Department's website at www.commerce.state.mn.us. Minn. Rules pt.
7810.1700 covers guarantee of payment.
 X (i) Deposit provisions in tariff mirror Commission's tariff templates.
 (ii) No deposit required.
- X D. All telephone companies who apply a returned check charge must comply
with the requirements of Minn. Stat. § 604.113. Minn. Stat. § 604.113 states
that "a service charge of up to \$30, may be imposed immediately on any
dishonored check by the payee or holder of the check, regardless of mailing a
notice of dishonor, if notice of the service charge was conspicuously
displayed on the premises when the check was issued. Only one service
charge may be imposed under this paragraph for each dishonored check. The

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displayed notice must also include a provision notifying the issuer of the check that civil penalties may be imposed for nonpayment." To satisfy this requirement, local service providers must list the returned check charge in their annual notice of customer rights required under Minn. Rules 7812.1000 and in their tariffs. Long distance providers must list the charge in their tariffs.

- X E. Telephone companies are not allowed to disconnect service in cases of insolvency or bankruptcy that are unrelated to the payment of services to a given telephone company. Minn. Rules. pt. 7810.1500 states that "no utility shall use any credit reports other than those reflecting the purchase of utility services to determine the adequacy of a customer's credit history without the permission in writing of the customer." Minn. Rules pt. 7810.1800 does not allow for disconnection of services in general cases of bankruptcy and insolvency which are unrelated to the use of the utility's services.
- X F. The Commission requires telephone companies who require advance payments from some, but not all, subscribers of a given service to comply with the Commission's deposit rules with respect to these advance payments. This requirement was established pursuant to the Commission's Order of April 1, 1993 for Docket No. P999/CI-92-868.
- X G. Telecommunications carriers may not include "forum selection" clauses in their tariffs or contracts which requires customers to litigate in an out-of-state forum. Docket No. P5358, 5381/C-97-1197, Order issued December 29, 1997.
- X H. Telecommunications carriers may not include mandatory arbitration provisions in their tariffs. Customers must have the option of filing complaints with the Commission or filing a claim in court in lieu of arbitration. Docket No. P3073/TC-97-1326, Order Issued February 25, 1998.
- X I. All telephone companies must comply with the Commission's dial service requirements. Minn. Rules pt. 7810.5300 requires complete dialing of called numbers on at least 97 percent of telephone calls.
- X J. All telephone companies operating in Minnesota are required, under the tariff filing requirements of Minn. Stat. § 237.07 and § 237.74, subd. 1 to submit tariff or price list filings for individual promotions. Although telephone companies may include general language in their tariffs or price lists indicating that they offer promotions, the companies should be aware that individual tariff or price list filings must be filed and the filings must describe the individual promotions in detail.
- X K. All telephone and telecommunications carriers should include, in their tariffs, the Commission's template on "Customer Complaints and/or Billing Disputes." Inclusion of this template in the tariff is an informal requirement

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of the Commission's staff. Failure to include the template in the tariff may result in a processing delay.

 L. Other issues (specify) _____

V. RECOMMENDATION OF THE DEPARTMENT

- A. Approve the proposed tariff/price list as filed by the Company.
- X B. Approve the proposed tariff/price list as filed by the Company and revised on the following date(s): 11/17/05
- C. Approve the proposed tariff/price list contingent upon the Company filing the following tariff revisions within 30 days of the date of issuance of the Order in this case:

Company: SunGard Network Solutions, Inc.
Docket No.: P6454/NA-05-1119

**CHECKLIST FOR PROCESSING APPLICATIONS FOR
CERTIFICATES OF AUTHORITY**

I. TYPE OF CERTIFICATION REQUESTED BY APPLICANT

- A. Facilities-based local exchange company (Note, Minn. Rules pt. 7812.0200, subpt. 2 states that a certificate to provide facilities-based local exchange service authorizes the provision of all forms of local service, interexchange service, and local niche service in Minnesota)
 - i. Conditional certificate of authority
 - ii. Operational certificate of authority (not subject to standing Order)

- B. Resale of local exchange service
 - i. Conditional certificate of authority
 - ii. Operational certificate of authority

- C. Long Distance Service
 - i. Conditional certificate of authority
 - ii. Operational certificate of authority

- D. Local Niche Service
 - i. Conditional certificate of authority
 - ii. Operational certificate of authority

II. GEOGRAPHIC AREA OF CERTIFICATION

- A. Facilities-based local exchange company
 - a. Exchanges served by Citizens Telecommunications of Minnesota Inc.
 - statewide
 - other (specify exchanges) _____
 - b. Exchanges served by Qwest Corporation
 - statewide
 - other (specify exchanges) _____
 - c. Exchanges served by Sprint Minnesota
 - statewide
 - other (specify exchanges) _____
 - d. Exchanges served by Frontier Communications of Minnesota
 - statewide
 - other (specify exchanges) _____
 - e. Exchanges served by the following incumbent local exchange companies:
 - _____
 - _____
 - statewide
 - other (specify exchanges) _____

- B. Resale of local exchange service

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- a. Exchanges served by Citizens Telecommunications of Minnesota Inc.
 - statewide
 - other (specify exchanges) _____
 - b. Exchanges served by Qwest Corporation
 - statewide
 - other (specify exchanges) _Qwest Metro Exchanges
 - c. Exchanges served by Sprint Minnesota
 - statewide
 - other (specify exchanges) _____
 - d. Exchanges served by Frontier Communications of Minnesota
 - statewide
 - other (specify exchanges) _____
 - e. Exchanges served by the following incumbent local exchange companies:
 - _____
 - _____
 - statewide
 - other (specify exchanges) _____
- C. Long Distance Service
- i. Statewide
 - ii. Other (specify)
- D. Local Niche Service
- i. Statewide
 - ii. Other (specify)

III. APPLICATION REQUIREMENTS OF THE APPLICANT

Minn. Stat. §237.16, subd. 1(b) and §237.74 , subd. 12 mandate that companies obtain a certificate of authority prior to offering regulated telecommunications services in Minnesota. A conditional certificate of authority is permitted under Minn. Rules pts. 7812.0300, subpt. 4 and 7812.0350, subpt. 4 when the submission and Commission approval of tariffs and interconnection agreements is a prerequisite for providing the services identified in the applicable petition for certification. The requirements for certification for providers of facilities-based local exchange service, resellers of local exchange service, long distance service, and local niche services are listed in Minn. Rules pt. 7812.0300, 7812.0350, 7812.0400, and 7812.0500 respectively.

Minn. Rules pt. 7812.0300, subpt. 2 (parts A through N) describe the application requirements and the decision criteria for granting a certificate of authority. Companies applying for certification to provide long distance, local niche, or resale of local service must meet A to L of the filing requirements, except for the information, relevant to facilities-based local exchange service providers, which is identified in Minn. Rules pt. 7812.0300, subpt. 2, items G and K. The application requirements of Minn. Rules pt. 7812.0300, subpt. 2 (A through N) are as follows:

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- X A. Company has the managerial, technical and financial ability, required under Minnesota law, to provide telecommunications services in Minnesota.
- X B. All applications must include the applicant's full legal name and address, including the address of the applicant's place of business; if a corporation, the names, addresses, telephone numbers, and business experience of its officers; if a partnership or limited liability partnership, the names, addresses, telephone numbers, and business experience of persons authorized to bind the partnership; or, if a limited liability company, the names, addresses, and telephone numbers of its managers;
- X C. All applications must include a description of the applicant's organizational structure, including documentation identifying the petitioner's legal status, for example, sole proprietorship, partnership, limited liability partnership, company, limited liability company, corporation, and so forth; a copy of its articles of incorporation; and, a list of shareholders, partners, or members owning ten percent or more of the interest in the business;
- X D. All applications must include a list of the applicant's affiliates, subsidiaries, and parent organizations, if any;
- X E. All applications must include a description of the nature of the applicant's business, including a list of the services it provides. Note: Applicants that intend to provide prepaid local service must include a statement indicating that they have reviewed Minnesota Rules part 7810.1800-7810.2300 and that their proposed service complies with these Rules. Specifically, these Rules do not allow a carrier to disconnect an end user until the end user has received a disconnect notice. Disconnect notices may not be issued until after an event listed under Minnesota Rules 7810.1800 (A)-(H) has occurred.
- X F. All applications must include a description of the applicant's business history, including: (1) the date the business was first organized, the dates of subsequent reorganizations, and the date the applicant started providing telephone or other telecommunications services; and (2) the applicant's experience providing telephone company services or telecommunications services in Minnesota and other jurisdictions, including the types of services provided, the dates and nature of state or federal authorization to provide those services, the length of time it has provided those services, and pending or completed criminal, civil, or administrative action taken against the applicant by a state or federal authority, including any settlements, in connection with the applicant's provision of telephone company services or telecommunications services;
- X G. All applications must include a financial statement of the applicant, for the most recent fiscal year and the financial statement must consist of a balance sheet, an income statement, notes to the financial statement, and, if available, an annual report;
- (i) Positive equity (required for facilities-based authority)

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(ii) Company has the financial capacity necessary for the proposed undertaking

NA H. Applications for facilities-based authority must include a list and description of the types of services the applicant seeks authority to offer: (1) including the classes of customers the applicant intends to serve; (2) indicating the extent to which it intends to provide service through use of its own facilities, the purchase of unbundled network elements, or resale; (3) identifying the types of services it seeks authority to provide by reference to the general nature of the service, for example, voice, custom calling, signaling, information, data, and video; and (4) listing the technology that will be used to deliver the service, for example, fiber-optic cable, digital switches, or radio;

I. All applications must include a proposed price list or tariff setting forth the rates, terms, and conditions of each service offering, unless the applicant is seeking a conditional certificate under subpart 4 and has not yet developed the information listed in this item;

(i) Tariff checklist is satisfactory

J. Applications for authority to provide local exchange service must include a service area map providing the information required under part 7810.0500, subpart 2, and narrative description of the area for which the applicant is seeking certification, except that if the applicant does not have the necessary agreements or tariffs to serve the entire area for which certification is sought, a map providing the information required under part 7810.0500, subpart 2, and a narrative delineating specifically those areas in which the applicant is currently prepared to provide service. A list of each of the exchanges for which the company is seeking certification will be accepted as the service area map where the entire exchange is served and each exchange is individually identified. Note also that applications for authority to provide local niche service must include a narrative description of the area for which the applicant is seeking certification;

NA K. All applications must include the date by which the applicant expects to offer local service to the entire service area for which the applicant is seeking certification, including the applicant's estimated timetable for providing at least some of its services through use of its own network facilities;

NA L. Applications for facilities-based authority must include a description of the applicant's policies, personnel, and equipment or arrangements for customer service and equipment maintenance, including information demonstrating the applicant's ability to respond to customer complaints and inquiries promptly and to perform maintenance necessary to ensure compliance with the quality requirements set forth in the Commission's rules;

M. All applications must include a copy of the applicant's certificate to conduct business from the Minnesota Secretary of State;

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- NA N. An application for facilities-based authority must include a description of the applicant's facilities and the location or proposed location of those facilities; and
- X O. Other information needed to demonstrate that the applicant has the managerial, technical, and financial ability to provide the services it intends to offer consistent with the requirements of this chapter and applicable law including the following:
- X i. All applicants must have a toll-free number required pursuant to Minn. Rules pt. 7812.0300, subpt. 3(G).
 - X Toll free number has been called.
 - X 1. Toll-free number is operational.
 - 2. Toll-free number is not operational. Explain:

 - Company states that toll free number will appear on customer bills.
 - X ii. All applications must include a description of the extent to which the applicant has had any civil, criminal, or administrative action against it in connection with the applicant's provision of telecommunications services.
 - X iii. All applications for authority to provide local service must be served on the Department, the OAG-RUD, the Department of Administration, persons certified to provide telecommunications service within the petitioner's designated service area, and the city clerk, or other official authorized to receive service or notice on behalf of the municipality, of all municipalities within the petitioner's designated service area in compliance with Minn. Rules pt. 7812.0200, subpt. 6.
 - NA iv. Applicants requesting authority to provide local exchange service must file a 911 plan that complies with the requirements of Minn. Rules pt. 7812.0550.
 - 911 checklist is satisfactory
 - NA v. Applicants requesting authority to provide local exchange service must agree to offer the following services to all customers pursuant to Minn. Rules pt. 7812.0600 (basic service requirements):
 - Single party voice-grade service and touch-tone capability;
 - 911 or enhanced 911 access;
 - 1 + intraLATA and interLATA presubscription and code-specific equal access to interexchange carriers subscribing to its switched access service;
 - Access to directory assistance, directory listings, and operator services;
 - Toll and information service-blocking capability without recurring monthly charges as provided in the Commission's ORDER REGARDING LOCAL DISCONNECTION AND TOLL BLOCKING CHARGES, Docket No. P999/CI-96-38 (June 4, 1996), and its ORDER GRANTING TIME EXTENSIONS AND CLARIFYING ONE PORTION OF PREVIOUS ORDER, Docket No. P999/CI-96-38 (September 16, 1996);

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___ One white pages directory per year for each local calling area, which may include more than one local calling area, except where an offer is made and explicitly refused by the customer;

___ A white pages and directory assistance listing, or, upon customer request, a private listing that allows the customer to have an unlisted or unpublished telephone number;

___ Call-tracing capability according to chapter 7813;

___ Tariff language on blocking capability according to the Commission's ORDER ESTABLISHING CONDITIONS FOR THE PROVISION OF CUSTOMER LOCAL AREA SIGNALING SERVICES, Docket No. P999/CI-92-992 (June 17, 1993) and its ORDER AFTER RECONSIDERATION, Docket No. P999/CI-92-992 (December 3, 1993). Specifically, these Orders require companies offering CLASS services to offer per call business blocking to certain businesses (i.e., businesses which meet special criteria), anonymous call rejection, and per call unblocking of blocked lines without a separate charge. Businesses that meet special criteria include law firms and medical offices. Residential customers must be offered per line and per call blocking. There must be no recurring charges for blocking of caller identification services. A one-time cost-based installation fee maybe applied to customers who request line blocking after an initial period of at least 90 days; and

___ Telecommunications relay service capability or access necessary to comply with state and federal regulations.

___ A Separate flat rate service offering. At a minimum, each local service provider (LSP) shall offer the services identified in Minn. Rules pt. 7812.0600, subpt. 1 as a separate tariff or price list offering on a flat rate basis. An LSP may also offer basic local service on a measured rate basis or in combination with other services. An LSP may impose separate charges for the services set forth in subpart 1 only to the extent permitted by applicable laws, rules, and Commission Orders.

___ Service area obligations: A LSP shall provide its local services on a nondiscriminatory basis, consistent with its certificate under part 7812.0300 or 7812.0350, to all customers who request service and whose premises fall within the carrier's service area boundaries or, for an interim period, to all requesting customers whose premises fall within the operational areas of the local service provider's service area under part 7812.0300, subpart 4, or 7812.0350, subpart 4. The obligation to provide resale services does not extend beyond the service capability of the underlying carrier whose service is being resold. The obligation to provide facilities-based services does not require an LSP that is not an eligible telecommunications carrier (ETC) to build out its facilities to customers not abutting its facilities or to serve a customer if the local service provider cannot reasonably obtain access to the point of demarcation on the customer's premises.

___ Service disconnection. An LSP may disconnect a customer's basic local service as allowed under parts 7810.1800 to 7810.2000, except

that it shall not disconnect basic local service for nonpayment of toll or information service charges or any service other than basic local service.

___ A competitive local exchange carrier shall offer each end user at least one flat rate calling area that matches the flat rate calling area offered that customer by the local exchange carrier under Minn. Rules pt. 7812.0900, subpt. 1, including any applicable extended area service (pursuant to Minn. Rules pt. 7812.0800, subpt. 1).

___ Minn. Rules pt. 7812.1000 requires that a notice of customer rights be sent to subscribers. At the time service is initiated, at least annually thereafter, and upon customer request, a local service provider (LSP) shall provide customers with a summary, in plain language, of the rights and obligations of customers as provided in items A to D as follows: (A) The notice must describe the complaint procedures available through the LSP and the Commission, and must indicate that the customer can contact the Commission if dissatisfied with the local service provider's resolution of the customer's complaint. The notice must specify the current address and the local and toll-free telephone numbers of the Commission's Consumer Affairs office. (B) The notice must describe the customer's rights regarding the payment of bills, disconnection of service, privacy, deposits, low-income assistance, hearing-impaired programs, and blocking options. (C) The notice must summarize the Commission's service quality standards and the remedies available to customers for failure to meet those standards. (D) The notice must specify the price and service options as required by Minnesota Statutes, section 237.66.

___ Other issues (specify) _____

NA P. All applications must be accompanied by a \$570 filing fee. (Note, this was filed prior to July 1, 2005, therefore, no filing fee applies.)

IV. RECOMMENDATION OF THE DEPARTMENT

X A. Find that applicant possesses the managerial, technical, and financial abilities required under Minnesota law to provide telecommunications services.

___ B. Grant a conditional certification of authority to provide the following services:

___ i. Facilities-based local exchange company

___ a. Exchanges served by Citizens Telecommunications of Minnesota Inc.

___ statewide

___ other (specify exchanges) _____

___ b. Exchanges served by Qwest Corporation

___ statewide

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- other (specify exchanges) _____
- c. Exchanges served by Sprint Minnesota
_____ statewide
_____ other (specify exchanges) _____
- d. Exchanges served by Frontier Communications of Minnesota
_____ statewide
_____ other (specify exchanges) _____
- e. Exchanges served by the following incumbent local exchange
companies:

_____ statewide
_____ other (specify exchanges) _____
- ii. Resale of local exchange service
 - a. Exchanges served by Citizens Telecommunications of Minnesota
Inc.
_____ statewide
_____ other (specify exchanges) _____
 - b. Exchanges served by Qwest Corporation
_____ statewide
_____ other (specify exchanges) Qwest Metro Exchanges
 - c. Exchanges served by Sprint Minnesota
_____ statewide
_____ other (specify exchanges) _____
 - d. Exchanges served by Frontier Communications of Minnesota
_____ statewide
_____ other (specify exchanges) _____
 - e. Exchanges served by the following incumbent local exchange
companies:

_____ statewide
_____ other (specify exchanges) _____
- iii. Long Distance Service
 - a. Statewide
 - b. Other (specify)
- iv. Local Niche Service
 - a. Statewide
 - b. Other (specify)

X C. Grant an operational certificate of authority to provide the following services:

- i. Facilities-based local exchange company (not subject to standing Order)
 - a. Exchanges served by Citizens Telecommunications of Minnesota
Inc.
_____ statewide

Company: SunGard Network Solutions, Inc.
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- other (specify exchanges) _____
- b. Exchanges served by Qwest Corporation
 statewide
 other (specify exchanges) _____
- c. Exchanges served by Sprint Minnesota
 statewide
 other (specify exchanges) _____
- d. Exchanges served by Frontier Communications of Minnesota
 statewide
 other (specify exchanges) _____
- e. Exchanges served by the following incumbent local exchange companies:

 statewide
 other (specify exchanges) _____
- ii. Resale of local exchange service
 - a. Exchanges served by Citizens Telecommunications of Minnesota Inc.
 statewide
 other (specify exchanges) _____
 - b. Exchanges served by Qwest Corporation
 statewide
 other (specify exchanges) _____
 - c. Exchanges served by Sprint Minnesota
 statewide
 other (specify exchanges) _____
 - d. Exchanges served by Frontier Communications of Minnesota
 statewide
 other (specify exchanges) _____
 - e. Exchanges served by the following incumbent local exchange companies:

 statewide
 other (specify exchanges) _____
- iii. Long Distance Service
 - a. Statewide
 - b. Other (specify)
- iv. Local Niche Service
 - a. Statewide
 - b. Other (specify)
- D. Require the applicant to fulfill the following conditions for approval of operational certification:
 - 1. Filing of tariff

Company: SunGard Network Solutions, Inc.
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- ___2. Filing of interconnection agreement with Qwest Corporation
- ___3. Filing of 911 plan
- ___4. Filing of certificate from Minnesota Secretary of State
- ___5. Filing of service area map
- ___6. Filing of narrative description of service area
- ___7. Filing of toll-free number
- ___8. Filing of the following information: _____

- ___9. Filing containing the following tariff revisions: _____

CERTIFICATE OF SUNGARD

ANNEX C

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. P-979, SUB 3
DOCKET NO. P-1368, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Joint Application for InFlow, Inc. and SunGard) ORDER APPROVING
NetWork Solutions Inc. for Approval to Transfer) TRANSFER OF
Control and Certificates) CONTROL AND
) CERTIFICATES

BY THE COMMISSION: InFlow, Inc. (InFlow) and SunGard NetWork Solutions, Inc. (SNS) jointly filed an Application, pursuant to G.S. 62-110 and 62-111(a), requesting Commission approval of: (a) the transfer of control of InFlow; (b) the transfer of Certificates of Public Convenience and Necessity (Certificates) from InFlow to SNS; and (c) the transfer of control of SNS.

This matter was presented to the Commission for its consideration at the Commission's weekly Staff Conference on September 12, 2005. Based upon the verified Application and the Commission's entire files and records, the Commission now makes the following

FINDINGS OF FACT

1. InFlow is a Delaware corporation with principal offices located in Denver, Colorado. InFlow is authorized to provide intrastate interexchange and local exchange and exchange access service as a competing local provider (CLP) in North Carolina pursuant to Certificates granted by the Commission in Docket Nos. P-979, Sub 0 and Sub 1, on November 16, 2000 and June 28, 2001, respectively.

2. The Applicants request Commission approval of several transactions related to the acquisition of InFlow's parent company, InFlow Group, Inc. (IGI), by a subsidiary of SunGard Data Systems, Inc. (SDS), and a proposed acquisition of SDS by Solar Capital Corp. (Solar).

3. On or about January 4, 2005, SunGard SAS Holdings Inc. (SASH), a subsidiary of SDS, acquired the stock of IGI. As a result of the acquisition, InFlow is currently an indirect subsidiary of SDS, a publicly traded Delaware corporation with annual revenues of approximately \$3 billion. The Applicants request Commission approval of this transfer of the ultimate ownership and control of InFlow to SDS.

4. In order to complete a reorganization of the operations of various SDS subsidiaries, the Application also requests that the Commission transfer the Certificates of InFlow to SunGard NetWork Solutions Inc. (SNS). In support of the request to transfer the Certificates, SNS submitted a CLP Certificate application form as part of this proceeding. The CLP Certificate application form submitted by SNS has been reviewed by the Public Staff for compliance with certification requirements. After its review, the Public Staff states that it does not object to the issuance of a CLP Certificate to SNS.

5. If the requested Certificate transfer is approved by the Commission, SNS will provide the same services currently provided by InFlow and the Applicants will provide customers advance written notice of the change in their service provider in accordance with applicable customer notice requirements.

6. Finally, the Application also requests Commission approval of a proposed merger between SDS, which is currently the ultimate parent company of both InFlow and SNS, and Solar Capital Corp. (Solar). Solar is a Delaware corporation which is owned by a number of private equity funds. Under the terms of merger agreement, Solar will merge with and into SDS with SDS being the surviving corporation. Existing public shareholders of SDS will receive cash payment in exchange for their shares. Immediately following the merger, SDS will be directly and indirectly owned and controlled by the private equity funds which currently own Solar, other private equity investors and certain SDS management co-investors.

7. The Applicants submit that Commission approval of the proposed transactions is in the public interest and will not have any adverse effect on the services currently provided by InFlow or the customers to whom such services are provided.

WHEREUPON, the Commission now reaches the following

CONCLUSIONS

Based upon the foregoing Findings of Fact and the entire record in this proceeding, the Commission concludes that the proposed transactions as described in the Application are justified by the public convenience and necessity and should be approved pursuant to G.S. 62-110 and 62-111(a).

IT IS, THEREFORE, ORDERED as follows:

1. That the request to transfer control of InFlow to SNS is hereby authorized and approved;

2. That the Certificates previously granted to InFlow, Inc. are hereby transferred to SNS as shown in the attached Appendix A (intrastate interexchange) and Appendix B (local exchange);

3. That the request to transfer control of SDS as described in the Application is hereby authorized and approved; and

4. That these dockets are closed.

ISSUED BY ORDER OF THE COMMISSION.

This the 12th day of September, 2005.

NORTH CAROLINA UTILITIES COMMISSION

Gail L. Mount

Gail L. Mount, Deputy Clerk

mr091205.03

Appendix A

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. P-1368, SUB 0

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
AUTHORIZING THE PROVISION OF INTRASTATE INTEREXCHANGE
TELEPHONE SERVICE

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Know All Men By These Presents, That

SUNGARD NETWORK SOLUTIONS INC.

401 North Broad Street
Suite 600
Philadelphia, Pennsylvania 19108

is hereby granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

This Certificate is hereby granted to SunGard NetWork Solutions Inc., pursuant to NCGS 62-110(b) authorizing the provision of intrastate interexchange telephone service in North Carolina.

ISSUED BY ORDER OF THE COMMISSION.

This the 12th day of September, 2005.

NORTH CAROLINA UTILITIES COMMISSION

Gail L. Mount

Gail L. Mount, Deputy Clerk

mr091205.03

Appendix B

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. P-1368, SUB 0

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
AUTHORIZING THE PROVISION OF INTRASTATE LOCAL EXCHANGE
AND EXCHANGE ACCESS TELEPHONE SERVICE

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Know All Men By These Presents, That

SUNGARD NETWORK SOLUTIONS INC.

401 North Broad Street
Suite 600
Philadelphia, Pennsylvania 19108

is hereby granted this

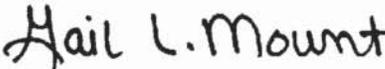
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

This Certificate is hereby granted to SunGard NetWork Solutions Inc., pursuant to N.C.G.S. 62-110 authorizing the provision of intrastate local exchange and exchange access telephone service as a Competing Local Provider in the State of North Carolina. This Certificate is hereby issued subject to all of the terms and conditions adopted by the North Carolina Utilities Commission in Docket No. P-100, Sub 133, Commission Rules and Regulations, and any further amendments and supplements thereto.

ISSUED BY ORDER OF THE COMMISSION.

This the 12th day of September, 2005.

NORTH CAROLINA UTILITIES COMMISSION


Gail L. Mount, Deputy Clerk

mr091205.03

CERTIFICATE OF SUNGARD

ANNEX D

ENTERED 08/19/05

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

CP 1293
CP 886

| | | |
|---|---|-------|
| In the Matter of |) | |
| |) | |
| SUNGARD NETWORK SOLUTIONS INC. and |) | |
| INFLOW, INC. |) | ORDER |
| |) | |
| Application to Transfer a Certificate of Authority to |) | |
| Provide Telecommunications Service in Oregon as a |) | |
| Competitive Provider. |) | |

DISPOSITION: CP 1293, APPLICATION GRANTED; and
DOCKET CP 886, ORDER NO. 01-144,
CERTIFICATE OF AUTHORITY TRANSFERRED
and CANCELED.

Note: By issuing this certificate, the Commission makes no endorsement or certification regarding the certificate holder’s rates or service.

The Application

On July 12, 2005, SunGard NetWork Solutions Inc., (Applicant) and InFlow, Inc., filed a joint application to transfer authority to provide telecommunications service in Oregon as a competitive provider. The application requests to transfer the authority of InFlow, Inc., granted by Order No. 01-144, docket CP 886, to SunGard NetWork Solutions Inc. The application was filed pursuant to OAR 860-032-0005. InFlow, Inc. is the transferor. SunGard NetWork Solutions Inc. is the transferee. Both entities together will be referred to as Joint Applicants.

InFlow, Inc. is currently authorized to provide intraexchange (local exchange) switched service (i.e., local dial tone) and non-switched, private line service (dedicated transmission service) within all exchanges of the telecommunications utilities and cooperative corporations listed in Appendices A and B to this order.

InFlow, Inc. also is authorized to provide interexchange switched service (toll) and private line service (dedicated transmission service) statewide in Oregon. InFlow, Inc. operates as a facilities-based provider and as a reseller of intraexchange and interexchange service.

SunGard NetWork Solutions Inc., the Applicant, will directly provide operator services as defined in OAR 860-032-0001 and will be an ‘operator service provider’ as defined in ORS 759.690(1)(d).

The Commission served notice of the application on July 13, 2005. No protests or requests to be made parties of the proceeding were filed.

Based on the record in this matter, the Commission makes the following:

FINDINGS AND CONCLUSIONS

Applicable Law

Two statutory provisions apply to this application. First, ORS 759.020 governs Applicant's request to provide telecommunications as a competitive provider. Under ORS 759.020(5), the Commission shall classify Applicant as a competitive provider if Applicant demonstrates that its services are subject to competition, or that its customers or those proposed to become customers have reasonably available alternatives. In making this determination, the Commission must consider the extent to which services are available from alternative providers that are functionally equivalent or substitutable at comparable rates, terms and conditions, existing economic or regulatory barriers to entry, and any other factors deemed relevant.

Second, ORS 759.050 governs Applicant's request to provide local exchange (intraexchange) telecommunications service. Under ORS 759.050(2)(a), the Commission may authorize Applicant to provide local exchange service within the local exchange of a telecommunications utility if the Commission determines such authorization would be in the public interest. In making this determination, the Commission must consider the extent to which services are available from alternative providers, the effect on rates for local exchange service customers, the effect on competition and availability of innovative telecommunications service in the requested service area, and any other facts the Commission considers relevant. *See* Order No. 96-021.

Designation as a Competitive Provider

Applicant has met the requirements for classification as a competitive telecommunications service provider. Applicant's customers or those proposed to become customers have reasonably available alternatives. The incumbent telecommunications utilities and cooperative corporations listed in the appendices provide the same or similar local exchange services in the local service area requested by Applicant. AT&T, MCI, Sprint Communications, Qwest Corporation, Verizon Northwest Inc., and others provide interexchange telecommunications service in the service area requested by Applicant. Subscribers to Applicant's services can buy comparable services at comparable rates from other vendors. Economic and regulatory barriers to entry are relatively low.

Public Interest

With regard to the general factual conclusions relevant to this proceeding, the Commission adopts the Commission's findings in Order No. 93-1850 and Order No. 96-021. Based on a review of those findings, as well as information contained in the application, the Commission concludes that it is in the public interest to grant the application of SunGard

NetWork Solutions Inc. to provide local exchange telecommunications service as a competitive telecommunications provider in exchanges of the telecommunications utilities and cooperative corporations listed in the appendices, as described in the application. Further, it is in the public interest to grant statewide interexchange authority as described in the application. This finding will have no bearing on any determination the Commission may be called upon to make under sections 251 or 252 of the Telecommunications Act of 1996 (47 USC § 251, 252) with regard to the telecommunications utilities and cooperative corporations in this docket.

Conditions of the Certificate

In Order No. 96-021, the Commission interpreted ORS 759.050 and established conditions applicable to competitive local exchange carriers. Also, other conditions are listed in administrative rules, including among others OAR 860-032-0007. Applicant, as a competitive provider, shall comply with the conditions adopted in Order No. 96-021, as well as all applicable laws, Commission rules, and orders related to provision of telecommunications service in Oregon.

Per ORS 759.050(2)(c) and Order No. 96-021, Applicant shall comply with the following conditions.

1. Applicant shall terminate all intrastate traffic originating on the networks of other telecommunications providers that have been issued a certificate of authority by the Commission.
2. Applicant shall make quarterly contributions to the Oregon Universal Service fund based on a Commission approved schedule and surcharge percentage assessed on all retail intrastate telecommunications services sold in Oregon, pursuant to ORS 759.425. If Applicant bills the surcharge to its end-users, Applicant shall show the charges as a separate line item on the bill with the words "Oregon Universal Service Surcharge ____%".
3. Applicant shall offer E-911 service. Applicant has primary responsibility to work with the E-911 agencies to ensure that all users of its services have access to the emergency system. Applicant will deliver or arrange to have delivered to the correct 911 Controlling Office its customers' Automatic Number Identification telephone numbers so the lead 911 telecommunications service provider can deliver the 911 call to the correct Public Safety Answering Point. Applicant shall work with each 911 district and lead 911 telecommunications service provider to develop procedures to match Applicant's customer addresses to the 911 district's Master Street Address Guide in order to obtain the correct Emergency Service Number (ESN) for each address. Applicant shall provide the lead 911 telecommunications service provider with daily updates of new customers, moves, and changes with the correct ESN for each.

4. For purposes of distinguishing between local and toll calling, Applicant shall adhere to local exchange boundaries and Extended Area Service (EAS) routes established by the Commission. Applicant shall not establish an EAS route from a given local exchange beyond the EAS area for that exchange.
5. When Applicant is assigned one or more NXX codes, Applicant shall limit each of its NXX codes to a single local exchange or rate center, whichever is larger, and shall establish a toll rate center in each exchange or rate center proximate to that established by the telecommunications utility or cooperative corporation serving the exchange or rate center.
6. Applicant shall pay an annual fee to the Commission pursuant to ORS 756.310 and 756.320 and OAR 860-032-0095. The minimum annual fee is \$100. Applicant is required to pay the fee for the preceding calendar year by April 1.
7. Pursuant to Oregon Laws 1987, chapter 290, sections 2-8, and to OAR chapter 860, division 033, Applicant shall ensure that the Residential Service Protection Fund surcharge is remitted to the Commission. This surcharge is assessed against each retail subscriber at a rate that is set annually by the Commission.
8. Applicant, as transferee, shall be liable for all fees incurred and reports due by the transferor as of the effective date of this order.

Competitive Zones

All exchanges of the telecommunications utilities and cooperative corporations listed in the appendices to this order are designated competitive zones pursuant to ORS 759.050(2)(b).

Pricing Flexibility

Dedicated Transmission Service

The telecommunications utilities listed in Appendix A are granted pricing flexibility for dedicated transmission service in their respective exchanges by this order. *See* Order No. 93-1850, docket UM 381.

Local Exchange Service

Cooperative telephone companies are generally not regulated by the Commission for local exchange services, and therefore already have pricing flexibility. Any telecommunications utility exempt under ORS 759.040, listed in Appendix A, has pricing flexibility for local exchange service. By Order No. 96-021, at page 82, pursuant to ORS 759.050(5), the Commission established procedures whereby telecommunications utilities

would be granted pricing flexibility for local exchange switched services. Qwest has complied with those procedural requirements for all of its exchanges. Verizon has complied with those procedural requirements for forty of its forty-four exchanges.

ORDER

IT IS ORDERED that:

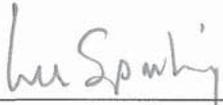
1. The joint application of SunGard NetWork Solutions Inc., and InFlow, Inc. to transfer the authority granted by Order No. 01-144, docket CP 886, from InFlow, Inc. to SunGard NetWork Solutions Inc., is granted. Applicant, SunGard NetWork Solutions Inc., is granted authority to provide intraexchange and interexchange service.
2. Applicant is designated as a competitive telecommunications provider for intraexchange service in the local exchanges of the telecommunications utilities and cooperative corporations listed in Appendices A and B. In addition, Applicant is designated as a competitive telecommunications provider for interexchange service statewide in Oregon.
3. The local exchanges of the telecommunications utilities and cooperative corporations listed in Appendices A and B are designated as competitive zones.
4. Any obligation regarding interconnection between Applicant and the telecommunications utilities and cooperative corporations listed in Appendices A and B shall be governed by the provisions of the Telecommunications Act of 1996 (the Act). Commission Order No. 96-021 will govern the interconnection obligations between such

parties for the provision of switched local services, unless otherwise addressed by an interconnection agreement or subsequent Commission order.

5. No finding contained in this order shall have any bearing on any determination the Commission may be called upon to make under sections 251 or 252 of the Act with regard to the telecommunications utilities and cooperative corporations listed in the appendices to this order.
6. The telecommunications utilities listed in Appendix A shall receive pricing flexibility on an exchange-by-exchange basis as set forth in this order.
7. The authority granted to InFlow, Inc. by Order No. 01-144 in docket CP 886 is canceled. InFlow, Inc. no longer has authority to operate in Oregon as a competitive telecommunications provider.
8. This order is effective August 31, 2005.

Made, entered, and effective AUG 19 2005 .





Lee Sparling
Director
Utility Program

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to applicable law.

APPENDIX A

CP 1293

CP 886

EXCHANGES ENCOMPASSED BY THE APPLICATION:

ALL EXCHANGES OF THE TELECOMMUNICATIONS
UTILITIES LISTED BELOW

Telecommunications Utilities Not Exempt Pursuant to ORS 759.040

CenturyTel of Eastern Oregon, Inc.
CenturyTel of Oregon, Inc.
Qwest Corporation
United Telephone Company of the Northwest dba Sprint
Verizon Northwest Inc.

Telecommunications Utilities Exempt Pursuant to ORS 759.040

Asotin Telephone Company
Cascade Utilities, Inc.
Citizens Telecommunications Company of Oregon
Eagle Telephone System, Inc.
Helix Telephone Company
Home Telephone Company
Malheur Home Telephone Company
Midvale Telephone Exchange
Monroe Telephone Company
Mt. Angel Telephone Company
Nehalem Telecommunications, Inc.
North-State Telephone Company
Oregon Telephone Corporation
Oregon-Idaho Utilities, Inc.
People's Telephone Company
Pine Telephone System, Inc.
Roome Telecommunications, Inc.
Trans-Cascades Telephone Company

APPENDIX B

CP 1293
CP 886

EXCHANGES ENCOMPASSED BY THE APPLICATION:

ALL EXCHANGES OF THE COOPERATIVE
CORPORATIONS LISTED BELOW

Beaver Creek Cooperative Telephone Company
Canby Telephone Association
Clear Creek Mutual Telephone
Colton Telephone Company
Gervais Telephone Company
Molalla Telephone Company
Monitor Cooperative Telephone Co.
Pioneer Telephone Cooperative
Scio Mutual Telephone Association
St. Paul Cooperative Telephone Association
Stayton Cooperative Telephone Co.

Vendor Qualification Survey (VQS) Section 3.6.22 – Sub-Contractor List

VQS_Section 3.6.22_Sub-Contractor List

Telcordia, the Respondent, selects SunGard Data Systems, Inc. as its Sub-Contractor.

iconectiv CONFIDENTIAL – RESTRICTED ACCESS

This document and the confidential information it contains shall be used by NAPM LLC solely in consideration of a possible business arrangement with iconectiv and for no other purpose, and shall only be distributed, routed or made available to authorized persons having a need to know in accordance with the NDA executed between the NAPM LLC and Telcordia Technologies, Inc. on October 1, 2012.

Telcordia Technologies, Inc. dba iconectiv.



Joel Zamlong

www.iconectiv.comTelcordia Technologies, Inc. dba iconectiv
444 Hoes Lane
Piscataway, NJ 08854-4151, USA
T +1 732.699.8695

November 13, 2013

**CONFIDENTIAL UNDER
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FCC
445 12th St SW
Room 5-C217
Washington, DC 20554
Sanford.Williams@fcc.govThe Future of NPAC Subcommittee
c/o North American Portability Management LLC
c/o Dan A. Sciuillo
Attorney at Law
Berenbaum Weinshienk PC
370 17th St, Suite 4800
Denver, CO 80202
dsciuillo@bw-legal.comRe: Neutrality Legal Opinion Follow-up Questions; Oct 23, 2013 email from
Tim Decker NAPM LLC co-chair

Dear Sirs:

Telcordia Technologies dba iconectiv hereby provides the attached written responses to the questions posed in the October 23, 2013, email from Tim Decker, NAPM LLC Co-Chair, to iconectiv. Because the questions in that email all address the subject of Wiltshire & Grannis LLP's Neutrality Opinion Letter, Wiltshire & Grannis has prepared the attached response, which supplements that opinion to provide clarifications in response to the FONPAC's questions. The attached response is subject to the same assumptions, qualifications and other matters that apply to the Neutrality Opinion under the Legal Opinion Accord of the Section of Business Law of the American Bar Association (1991), as stated in the Neutrality Opinion. The attached response addresses all the questions posed, and, together with the attached certification, constitutes Telcordia/iconectiv's response to the questions posed.

Both electronic and hard copies of this response are being provided to Sanford Williams of the FCC, and Dan Sciuillo of Berenbaum Weinshienk. Electronic copies of this response are being provided to Tim Decker, Tim Kagele, and Todd Daubert.

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Please confirm your receipt of this response and the attachments.

Please contact me with any questions.

Regards

Handwritten signature of Joel Zamlong in cursive script, with a circled 'JZ' monogram to the right.

Joel Zamlong

Cc: Tim Decker
Tim Kagele
Todd Daubert



November 13, 2013

The Future of NPAC Subcommittee
c/o North American Portability Management LLC
c/o Dan A. Scullo
Berenbaum Weinshienk PC
370 17th Street
Suite 4800
Denver, CO 80202

Sanford C. Williams
Federal Communications Commission
445 12th St SW
Room 5-C217
Washington, DC 20554

**Re: Supplement to Legal Opinion in response to LNPA Neutrality Opinion
Questions; email from Tim Decker, NAPM LLC co-chair, to Joel
Zamlong, Telcordia/iconectiv (Oct. 23, 2013)**

Dear Sirs:

Inasmuch as the questions posed to Telcordia Technologies, Inc. dba iconectiv (“Telcordia/iconectiv”¹) all address the subject of Wiltshire & Grannis LLP’s (“Wiltshire & Grannis”) legal opinion, Wiltshire & Grannis hereby supplements that opinion to provide clarifications in response to the questions posed. This response is subject to the same assumptions, qualifications, and other matters that apply to the Opinion Letter under the Legal Opinion Accord of the Section of Business Law of the American Bar Association (1991) (“the Accord”), as stated in the Opinion Letter (“Opinion Letter” or “Neutrality Opinion”). These responses address all the questions posed, and, together with the attached certification, constitute Telcordia/iconectiv’s response to the questions posed. Furthermore, capitalized terms have the same definitions as in the Neutrality Opinion.

¹ Throughout this document, “Telcordia/iconectiv” refers to the Respondent. When necessary to refer historically to Telcordia as it existed prior to January 1, 2013, that entity is referred to as “Telcordia.”

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TELCORDIA/ICONECTIV

Question 1:² The Neutrality Opinion states that the law firm of Wiltshire & Grannis is not counsel to SunGard. Does Wiltshire & Grannis attest that the representations regarding SunGard, including its interests and responsibilities, are accurate and complete?

Wiltshire & Grannis, as author of the Neutrality Opinion, under standard practice with respect to opinion letters, obtained the attestation of SunGard, under penalty of perjury, that SunGard's representations were accurate and complete. Wiltshire & Grannis relied on those representations in preparing its Neutrality Opinion. Wiltshire & Grannis did not possess personal knowledge of any information contradicting SunGard's representations. Thus, Wiltshire & Grannis has no basis upon which to question the accuracy and completeness of SunGard's representations, and has accepted them as accurate and complete in rendering its opinion.

As the question states, Wiltshire & Grannis LLP does not represent SunGard, Telcordia/iconectiv's proposed Sub-Contractor. That fact, however, does not alter the assumptions, qualifications, and other matters that apply to the Neutrality Opinion under the Accord, the governing document selected by the RFP documents.³ Those assumptions, qualifications, and other matters apply with respect to SunGard for the purposes of the opinions rendered in the Neutrality Opinion as if Wiltshire & Grannis were counsel to SunGard.

As is standard practice when preparing a Legal Opinion, counsel interviewed representatives of Telcordia/iconectiv, Ericsson, and SunGard about the issues discussed in the Neutrality Opinion. Counsel also reviewed publicly available financial reports for Ericsson and reviewed the FCC Form 499 Filer Database on April 2, 2013.⁴ Counsel further reviewed documents provided by Telcordia/iconectiv, Ericsson, and SunGard, as described in or attached to the Neutrality Opinion, including company codes of business ethics or business conduct, and state registrations. In addition, counsel based its Neutrality Opinion on duly-sworn statements from Telcordia/iconectiv, Ericsson, and SunGard, and from those facts within the personal knowledge

² Although the questions were not designated by numbers, we have assigned numbers to each question in the order presented for ease of reference.

³ Public Notice No. DA 13-154, Federal Communications Commission (rel. Feb. 5, 2013); 2015 LNPA RFP § 4.2 ("RFP").

⁴ FCC Form 499 Filer Database, *available at* <http://apps.fcc.gov/cgb/form499/499a.cfm>; Telecommunications Reporting Worksheet, FCC Form 499-Q, Worksheets received by the Universal Service Administrative Company as of February 21, 2013, *available at* <http://www.usac.org/about/tools/fcc/filings/2013/Q2/M05%20-%20Telecommunications%20Worksheet%20-%202013.pdf>.

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of the members of the Primary Lawyer Group. The Legal Accord recognizes that it is appropriate for counsel to rely on information provided by clients and others (e.g., client's agents, advisers, and subcontractors) for information within the information-giver's knowledge or access.⁵ As in the case of any Legal Opinion, except with respect to facts within counsel's personal knowledge, counsel must rely on information voluntarily provided. The Legal Accord takes this into account, permitting counsel to rely on information and documents provided by clients and their agents (e.g., sub-contractors), and to assume that all documents submitted to counsel are accurate and complete, and that each party involved has complied with any requirement of good faith, fair dealing, and conscionability.⁶ Following the process set out in the Accord, counsel assumed the accuracy of, and relied solely upon, sworn certificates made or given to us by representatives of Telcordia/iconectiv, Ericsson, and SunGard.⁷ The assumptions, qualifications, and other matters that the Accord makes applicable to the Neutrality Opinion apply equally to each of the three companies.

Question 2: Which individuals comprise the Primary Lawyer Group?

As noted in the Neutrality Opinion, the phrase "Primary Lawyer Group" means lawyers in the firm of Wiltshire & Grannis LLP who have given substantive legal attention to representation of Telcordia/iconectiv and Ericsson in connection with the Request for Proposal. The Primary Lawyer Group includes only those lawyers who were with the firm at the time of the signing of the Neutrality Opinion Letter. The Primary Lawyer Group consists of John Nakahata, Jonathan Mirsky, Madeleine Findley, and Anne Langer. Ms. Langer was licensed and in good standing to practice law in the State of New York at the time of the signing of the Neutrality Opinion Letter. Mr. Nakahata, Mr. Mirsky, and Ms. Findley, who are each licensed and in good standing to practice law in the District of Columbia (among other jurisdictions), supervised her work. Ms. Langer was admitted to the Bar of the District of Columbia on May 10, 2013. Mr. Nakahata has represented Telcordia/iconectiv during the entire period of Wiltshire & Grannis LLP's (and its predecessor Harris, Wiltshire & Grannis LLP's) engagement.

Question 3: The Opinion states that Telcordia is owned by Ericsson, and that Ericsson is implementing additional structural safeguards to ensure Telcordia's neutrality. What are these safeguards and why are they necessary?

⁵ Legal Opinion Accord of the American Bar Association Section of Business Law §§ 3.1, 3.2 & Commentary (1991).

⁶ Legal Opinion Accord of the American Bar Association Section of Business Law § 4 (1991).

⁷ Legal Opinion Accord of the American Bar Association Section of Business Law § 4 (1991).

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The Neutrality Opinion Letter concluded that both Ericsson and Telcordia/iconectiv meet the neutrality requirements of the Request for Proposal (“RFP”), even without any additional structural safeguards.⁸ Telcordia/iconectiv nonetheless believes that it is also important to be perceived as neutral between competing industry participants and thus was willing to adopt additional voluntary safeguards to address any perception of potential bias.⁹ As previously stated in the Neutrality Opinion, accordingly, Ericsson is implementing additional, voluntary structural changes that will further ensure Telcordia/iconectiv’s neutrality. These additional structural safeguards further insulate Telcordia/iconectiv from any perceived undue influence that might hypothetically be exerted. The following additional safeguards have been implemented:

- Telcordia/iconectiv now has a Non-Executive Management Board,¹⁰ which has independent authority to exercise its fiduciary governance responsibilities and obligations.¹¹ The Board has a fiduciary duty first and foremost to protect the interests of the company.¹² The Board will be responsible for constituting a neutrality compliance committee and implementing other appropriate safeguards to ensure neutrality, including neutrality audits by third-party auditors, in iconectiv’s operations consistent with FCC requirements.¹³
- Telcordia/iconectiv has its own financial and accounting systems, compensation plan, health and welfare benefits, and human resources organization independent of Ericsson.¹⁴
- Telcordia/iconectiv does not participate in Ericsson’s Long Term Variable Stock Plan, in which Ericsson provides stock incentives to valued employees.¹⁵

As stated in the Neutrality Opinion, in addition to these proposed structural safeguards, Telcordia/iconectiv has also proposed an auditable LNPA Code of Conduct that it would put in place if selected as the LNPA.¹⁶ In its key aspects, this LNPA Code of Conduct provides that the LNPA shall protect the confidentiality of LNP user data or proprietary information and LNPA

⁸ Telcordia Neutrality Opinion Letter at 5-7 (“Neutrality Op.”).

⁹ Telcordia Nov. 2013 Cert. ¶ 1.

¹⁰ “Non-Executive Management Board” is the name that has been given to the Advisory Board described in the Ericsson Certificate and in the Borgklint Letter attached to the Ericsson Certificate. Telcordia Nov. 2013 Cert. ¶ 2; Ericsson Cert. ¶ 10 & Annex B. This name reflects the board’s authority and governance responsibilities. Telcordia Nov. 2013 Cert. ¶ 2.

¹¹ Telcordia Nov. 2013 Cert. ¶ 2; *see also* Ericsson Cert. ¶ 10 & Annex B.

¹² Ericsson Cert. ¶ 10.

¹³ Ericsson Cert. ¶ 10 & Annex B.

¹⁴ Ericsson Cert. ¶ 10 & Annex B.

¹⁵ Telcordia Cert. ¶ 17; Ericsson Cert. ¶ 11.

¹⁶ Telcordia Cert. ¶ 18.

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services; shall treat all Telecommunications Service Providers equally; shall not permit employees, contractors, officers, or managers to hold any interest that would cause the LNPA to no longer be neutral without obtaining prior approval from the FCC or recusing from all LNPA activities; shall not have interlocking directorates with any Telecommunications Service Provider; and shall retain all decisionmaking authority regarding LNPA services.¹⁷

Question 4: The opinion states: “Effective January 1, 2013, all iconectiv operations and employees other than Telcordia’s former Interconnection Business Unit have been transferred to other Ericsson legal entities.” Describe the nature of all of the operations of Telcordia’s business prior to the January 1, 2013 divestiture. Why was it necessary or prudent to transfer them from Telcordia? How does their transfer serve Telcordia’s neutrality?

As Telcordia/iconectiv has certified, these business-unit transfers do not reflect any concern about Telcordia/iconectiv’s neutrality but rather reflect the normal course of transaction approval and corporate integration post-acquisition.¹⁸ These business-unit transfers also had the benefit of providing a structure that supports neutrality as described in the Borgklint letter.¹⁹ Prior to January 1, 2013, Telcordia was comprised of four business units: Interconnection, OSS, BSS, and Government Consulting services. As is customary when acquiring a company, Ericsson developed post-acquisition integration plans regarding personnel, assets, and so forth. To that end, Ericsson integrated the Telcordia OSS and BSS units with similar existing units within Ericsson. Telcordia’s Government Consulting services unit was required, because of certain government contracts it held, to be held as a standalone entity. As an additional safeguard to avoid any appearance of bias, Ericsson chose not to integrate the Interconnection Business Unit into Ericsson, but rather to allow it to continue to operate as a wholly owned subsidiary with its own management and board.²⁰ As of August 2013, a Telcordia/iconectiv Non-Executive Management Board was seated and the Board Members were granted authority and fiduciary responsibility to oversee the operations of Telcordia/iconectiv.

Question 5: What standards will be used to determine whether Telcordia’s directors are deemed to be independent?

Telcordia/iconectiv applies the following standards to its Board members:²¹ An independent director will not be an executive officer or employee of iconectiv or Ericsson and, in the opinion of the directors, will have no relationship which would interfere with the exercise of independent

¹⁷ *Id.*

¹⁸ Telcordia Nov. 2013 Cert. ¶ 3.

¹⁹ Ericsson Cert. ¶ 10 & Annex B.

²⁰ Annex B to Ericsson Cert. (Borgklint Letter).

²¹ Telcordia Nov. 2013 Cert. ¶ 5.

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judgment in carrying out the responsibilities of a director. An independent director will not accept compensation from iconectiv other than as a director²² and will not be an affiliated person of the company or any subsidiary.²³

In addition, as Telcordia/iconectiv certified in its initial certification accompanying the Neutrality Opinion,²⁴ Telcordia/iconectiv applies the following safeguards to ensure the neutrality of its directors: Board members will not simultaneously serve as officers or directors of a Telecommunications Service Provider. No board member will have an ownership or voting interest of ten percent or greater in any Telecommunications Service Provider.²⁵

Question 6: The Opinion describes an “interim period” before the Board is fully constituted. How long do you expect the interim period to last?

The Telcordia/iconectiv Non-Executive Management Board (“iconectiv Board”) was seated and formally announced in August 2013. As a result of the post-acquisition integration described in response to Question 4 above, certain intellectual property, asset transitions, and administrative wind-down operations must occur. While this transition process is ongoing, a Telcordia board remains in place to oversee those activities. The iconectiv Board will be constituted as a Board of Directors once this transition process is complete, but in no event later than the date when the NPAC service goes live.²⁶

²² Precedent in this area provides that “compensation” does not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the company (provided that such compensation is not contingent in any way on continued service). *See, e.g.*, 17 C.F.R. § 240.10A-3(b)(1)(ii) (defining “independence” for directors serving on an audit committee); *see also* Section 301 of the Sarbanes-Oxley Act of 2002.

²³ As related guidance in this area provides, “affiliate” or “affiliated person” is defined to mean “a person that directly, or indirectly through one of more intermediaries, controls, or is controlled by, or is under common control with, the person specified.” “Control” is defined to mean “the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.” An executive officer of an affiliate, a director who is also an employee of an affiliate, a general partner of an affiliate and a managing member of an affiliate are all considered to be “affiliates.” In addition, a person who is not (a) an executive officer or (b) a shareholder owning ten percent or more of any class of voting securities of a company is deemed not to control the company. *See, e.g.*, 17 C.F.R. § 240.10A-3(e).

²⁴ Telcordia Cert. ¶ 16.

²⁵ *Id.*

²⁶ Telcordia Nov. 2013 Cert. ¶ 6. The current RFP schedule contemplates this date being June 28, 2015. RFP § 16.1.

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Question 7: Identify any companies in which Ericsson has a direct or indirect ownership interest of 10% or more [that are] TSPs or affiliates of TSPs whether in the United States or not. For companies incorporated outside the United States, identify which TSPs or TSP affiliates, if any, have ownership interest in United States TSPs or United States TSP affiliates. [*Bracketed language added for clarity.*]

Ericsson does not have a direct or indirect ownership of ten percent or more in a U.S. Telecommunications Service Provider or in any entity, whether in the U.S. or not, that itself has a ten percent or greater ownership in a U.S. Telecommunications Service Provider, where “ownership” is defined to mean direct or indirect ownership (stock interest, general or limited partnership interests, joint venture participation, or member interests in a limited liability company), direct or indirect voting power, or the ability to direct the entity’s management or policies.²⁷ Ericsson has a small investment in CENX, which is registered with the FCC as an interexchange carrier. Based on Telcordia/iconectiv’s understanding from CENX’s general counsel, however, CENX decommissioned its network in August 2013 and now provides only software services to carriers.²⁸

Question 8: [*It appears that this was intended to be an independent question that did not have a bullet point because of a formatting error. Telcordia/iconectiv has answered it accordingly.*] The Opinion states that Ericsson is not a TSP in the United States. In which countries is Ericsson a TSP and identify any affiliation between such TSPs and United States TSPs or their affiliates.

Telcordia/iconectiv is not a TSP in any country.²⁹ Ericsson is not a TSP in any country.³⁰

Question 9: Provide a description of “managed services” referenced in the Opinion. Provide a list of all TSPs or TSP affiliates to whom Telcordia or Ericsson provides managed services and identify the portion of the relevant company’s business that it receives from each TSP or TSP affiliate.

As previously stated in the Neutrality Opinion,³¹ in its managed services arrangements, Ericsson takes responsibility for network design, planning, and building, including day-to-day operations, while the carrier retains responsibility for strategy, marketing, and customer care. More than

²⁷ Telcordia Nov. 2013 Cert. ¶ 7.

²⁸ Telcordia Nov. 2013 Cert. ¶ 8.

²⁹ Telcordia Nov. 2013 Cert. ¶ 9.

³⁰ *Id.*

³¹ Neutrality Op. at 11-12.

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half of the equipment involved in Ericsson’s managed services agreements is provided by other infrastructure vendors.³² Ericsson provides managed services to a range of U.S. telecommunications customers, including Sprint, Clearwire, and AT&T.³³ Regulatory requirements, including financial, securities, and customer privacy regulations and obligations, prevent Ericsson from disclosing additional information regarding managed services or the terms and conditions of those agreements. Were the FCC to serve Telcordia/iconectiv and/or Ericsson with lawful compulsory process for such information, Telcordia/iconectiv and/or Ericsson would supply such information, as required by lawful process, subject to a protective order, when appropriate, and subject to the opportunity for Ericsson’s counterparty to object, where notice and such an opportunity is required pursuant to contract.³⁴

Question 10: Provide a chart of all United States TSP or United States TSP affiliate vendor financings (including guarantees) for the period 2010-2013, setting forth the name of the borrower, the term of the financing, the amount of the financing, whether the loan is current, and, if not, what steps Ericsson is taking to deal with default.

As noted in the Neutrality Opinion,³⁵ Ericsson from time to time arranges vendor financing for customers, including Telecommunications Service Providers. Customer finance is arranged for infrastructure projects in different geographic markets and for a large number of customers. To the extent customer loans are not provided directly by banks, Ericsson may provide or guarantee vendor credits. This is a standard practice among hardware firms.³⁶

Ericsson has shared the following information about its participation in vendor financing arrangements. As of December 31, 2012, Ericsson had originated or guaranteed a total of 78 customer financing arrangements worldwide. Ericsson’s vendor financing arrangements are governed by its finance committee and subject to ongoing monitoring. Any major commitment to finance a customer requires prior approval from the Finance Committee of the Board of Directors. These arrangements are transitory and marginal as compared to the overall financial health and stability of the borrowers. Ericsson treats loan guarantees to customers as contingent liabilities or a form of future interest, and not as a vested interest.

Regulatory requirements, including financial, securities, and customer privacy regulations and obligations, prevent Ericsson from disclosing information regarding the specific terms and conditions governing, and the status of, Ericsson’s vendor financing arrangements. Ericsson is

³² Ericsson Cert. ¶ 12.

³³ Telcordia Nov. 2013 Cert. ¶ 10.

³⁴ *Id.*

³⁵ Neutrality Op. at 12; Ericsson Cert. ¶ 13.

³⁶ *Id.*

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not authorized to share information about the details of these arrangements on a voluntary request and would require additional protections to prevent this information from being seen by competitors of any borrowers. Were the FCC to serve Telcordia/iconectiv and/or Ericsson with lawful compulsory process for such information, Telcordia/iconectiv and/or Ericsson would supply such information, as required by lawful process, subject to a protective order, when appropriate, and subject to the opportunity for Ericsson’s counterparty to object, where notice and such an opportunity is required pursuant to contract.³⁷

SunGard Availability Services LP

Question 11: The Opinion states that two owners of SDS (SunGard’s parent) have interests in excess of 10% in TSPs (Intelsat, Avaya and IPC Network). The two owners each have a seat on SDS’ board. How will these owners be shielded from SunGard’s LNPA activities?

As stated in the Neutrality Opinion and accompanying certification by SunGard, out of an abundance of caution, the two Sponsors of SunGard Data Systems Inc. (“SDS”) that also have ownership interests greater than ten percent in Avaya (the only entity meeting the definition of a “Telecommunications Service Provider”) shall recuse themselves from participating in any material discussions or decisions involving the SunGard Services, including any involvement in day-to-day decision-making.³⁸ As explained further below, Intelsat and IPC Network Services are not “Telecommunications Service Providers” as defined in the RFP documents.

SunGard’s parent company, SDS, has been owned since August 11, 2005, by a consortium of private equity investment funds associated with Bain Capital Partners, The Blackstone Group, Goldman Sachs & Co., Kohlberg Kravis Roberts & Co., Providence Equity Partners, Silver Lake and TPG (collectively, the “Sponsors”).³⁹ Each of the Sponsors has a representative on the Board of SDS. Two of the Sponsors of SDS also have ten percent or greater ownership interests in three entities listed in the FCC Form 499-A database: Avaya, Inc., Intelsat, and IPC Network Services.

For the purposes of the neutrality review, the ownership interests in Intelsat and IPC Network Services are not relevant because those entities are not “Telecommunications Service Providers” as defined in the RFP documents. IPC Network Services is registered with the FCC as a toll reseller, and Intelsat is registered as a private service provider. Neither a toll reseller nor a private service provider provides facilities-based wireline local exchange or CMRS

³⁷ Telcordia Nov. 2013 Cert. ¶ 11.

³⁸ SunGard Cert. ¶ 8.

³⁹ SunGard Cert. ¶ 7.

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telecommunications services to the public in any State or Territory of the United States, or interconnected VoIP services as defined in the RFP documents.

SDS Sponsors Silver Lake and TPG jointly own Avaya, Inc., which is registered with the FCC as an interconnected VoIP provider. One of the Directors of SDS is also a Director of Avaya, Inc. Silver Lake also has a ten percent or greater ownership interest in IPC Network Services, and in Intelsat.

In addition, under the FCC’s *Warburg Pincus* order, none of these three entities (Avaya, Intelsat, and IPC Network Services) is an Affiliate of SunGard because they do not have a ten percent or greater ownership or voting interest in SunGard or the ability to direct SunGard’s management or policies.⁴⁰ SunGard is thus not an Affiliate of a Telecommunications Service Provider.

Nonetheless, out of an abundance of caution, SunGard has represented that the two Sponsors of SDS that also have ownership interests greater than ten percent in Avaya (the only entity meeting the definition of a “Telecommunications Service Provider”) shall recuse themselves from participating in any material discussions or decisions involving the SunGard Services, including any involvement in day-to-day decision-making.⁴¹ This will insulate SunGard from any “undue influence” that could otherwise hypothetically stem from the involvement of its directors’ ownership interests in a Telecommunications Service Provider.

Question 12: Would SunGard be willing to adopt the same Code of Conduct that Telcordia adopts (if it is awarded some or all of the contract)?

As stated in SunGard’s certification attached to the Neutrality Opinion, all SunGard employees dedicated to providing services to Telcordia/iconectiv shall be bound by the Proposed LNPA Code of Conduct if Telcordia/iconectiv is selected as an LNPA.⁴² In the company-specific safeguards previously proposed, SunGard has proposed that all SunGard employees dedicated to providing services to Telcordia/iconectiv and their direct managers shall be bound by the LNPA Code of Conduct.

Under the contemplated sub-contractor arrangement, SunGard will perform tasks and functions at Telcordia/iconectiv’s direction, but will have no independent discretion to make decisions

⁴⁰ *Request of Lockheed Martin Corporation and Warburg, Pincus & Co. For Review of the Transfer of the Lockheed Martin Communications Industry Services Business*, 14 FCC Rcd. 19,792, 19,808 ¶ 26 (1999).

⁴¹ SunGard Cert. ¶ 8.

⁴² SunGard Cert. ¶ 12.

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regarding the SunGard Services.⁴³ Only Telcordia/iconectiv will have authority to access or perform operations in the NPAC/SMS application.⁴⁴

In addition, SunGard employees and directors are subject to SunGard's Global Business Conduct and Compliance Program ("GBCCP").⁴⁵ The GBCCP includes provisions for addressing actual or perceived conflicts of interest, and imposes an obligation to disclose conflict situations. Under the GBCCP, any conflict of interest that becomes known to SDS or its Chief Compliance Officer must be resolved. That resolution can take the form of the person recusing himself from any decision or activity that involves the other party, divestiture of equity interests in the entity or whatever resolution is most appropriate to the circumstances. While a conflict situation is under review, the GBCCP prohibits affected directors or employees from acting on behalf of SunGard in connection with the conflict situation.⁴⁶

⁴³ Telcordia Cert. ¶ 18; SunGard Cert. ¶ 1.

⁴⁴ Telcordia Cert. ¶ 18.

⁴⁵ SunGard Cert. ¶ 11 & Annex A.

⁴⁶ SunGard Cert. ¶ 11 & Annex A at 5.

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Question 13: The Opinion states that SunGard’s affiliate, SNS, is registered to provide “certain telecommunications services” in three States, and asserts that SNS “does not provide any switched access services anywhere....” What telecommunications services does SNS provide, either directly or indirectly (e.g. through a third party contract)?

As stated in the Neutrality Opinion and accompanying certification by SunGard, SunGard NetWork Solutions Inc. (“SNS”), an Affiliate of SunGard Availability Services LP (“SunGard”), does not provide any switched services anywhere, and thus makes no use of local number portability. Instead, it contracts with telecommunications providers for dedicated non-switched data circuits to provide to its affiliates’ customers solely in connection with their use of SunGard data services (i.e. hosting, managed services, recovery services).⁴⁷ That is, SNS purchases special access, private line, or point-to-point data connection services from telecommunications providers and SNS affiliates integrate those services with their core services that they sell to enable their customers to connect with SunGard data centers and the SunGard services provided in such data centers.

SunGard Availability Services LP (“SunGard”), which is Telcordia/iconectiv’s Subcontractor, is not a Telecommunications Service Provider. It does not own and is not owned by a TSP. SunGard’s Affiliate, SNS, is registered in three states (North Carolina, Oregon, and Minnesota) to provide certain telecommunications services. These registrations were made the applicable state public utility regulations were sufficiently broad that SNS registered out of an abundance of caution, even though SNS provided no switched local exchange, CMRS or interconnected VoIP services, whether directly or through a third party contract.⁴⁸

- In North Carolina, SNS is authorized to provide intrastate interexchange telephone service, intrastate local exchange service, and exchange access telephone service;⁴⁹
- In Oregon, SNS is authorized to provide intraexchange and interexchange services and is designated as a competitive telecommunications provider for interexchange service statewide;⁵⁰ and
- In Minnesota, SNS is registered to provide local niche services only,⁵¹ which Minnesota defines as “point-to-point connections between end-user locations within a service area and any telecommunications services under the [Minnesota public utility] commission’s

⁴⁷ SunGard Cert. ¶ 5.

⁴⁸ *Id.* ¶ 4.

⁴⁹ *Id.* ¶ 4 & Annex C.

⁵⁰ SunGard Cert. ¶ 4 & Annex D.

⁵¹ SunGard Cert. ¶ 4 & Annex B.

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jurisdiction that do not fall within the definition of local service or the definition of interexchange service.”⁵²

As discussed above, however, SNS does not provide any switched services anywhere, and thus make no use of local number portability. Neither SunGard nor SNS owns any facilities of its own or has independent access to the switched network.

SNS does not have any plans to offer switched services that would utilize number portability, and does not provide voice telecommunications services.⁵³

Although SunGard is an Affiliate, by common ownership, of a Telecommunications Service Provider, because that Affiliate does not provide – and has no plans to provide – switched services that utilize number portability,⁵⁴ it thus should not be considered a proscribed Telecommunications Service Provider for the purposes of evaluating neutrality, particularly with respect to a Subcontractor.

* * *

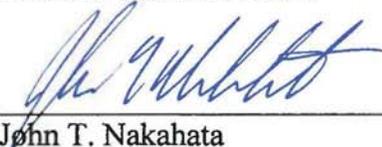
Consistent with the Accord, this supplemental response to the Opinion Letter is rendered solely for your benefit in connection with the Request for Proposal and this opinion may not be used or relied upon by any other person or entity for any purpose, except as set forth in Section 20 of the Accord.

The opinions expressed in this letter are based upon the current law and facts. We have no obligation to advise you of changes of law or fact that occur after the date of this supplemental response to the Opinion Letter, even though the change may affect the legal analysis, a legal conclusion, or an informational confirmation in this Opinion Letter.

Sincerely,

WILTSHIRE & GRANNIS LLP

By:



John T. Nakahata

⁵² Minn. Admin. Rules § 7812.0100 subpart 31.

⁵³ *Id.*

⁵⁴ *Id.*

**CERTIFICATE OF TELCORDIA TECHNOLOGIES, INC.
TO
WILTSHIRE & GRANNIS LLP**

I, Richard Jacowleff, President and Chief Executive Officer of Telcordia Technologies, Inc., doing business as iconectiv (“Telcordia” or the “Company”), do hereby certify to Wiltshire & Grannis LLP (“WG”) under penalty of perjury that the following is true and correct to the best of my knowledge:

Telcordia has requested that WG render an opinion to the Federal Communications Commission (“FCC”), the North American Portability Management LLC (“NAPM”), the Future of Number Portability Administration Committee (“FoNPAC”), and the North American Numbering Council Local Number Portability Administrator Selection Working Group (“SWG”) in connection with the 2015 Local Number Portability Administrator Request for Proposal (“2015 LNPA RFP”) to serve as the Local Number Portability Administrator in each of the Regional Bell Operating Company (“RBOC”) service areas or regions. I understand and acknowledge that this Certificate will be relied upon by WG in rendering such opinion of counsel.

Capitalized terms used herein and not otherwise defined shall have the same meaning and effect as used and defined in the 2015 LNPA Vendor Qualification Survey (the “VQS”).

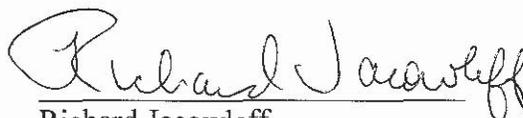
1. Telcordia/iconectiv believes that it is important to not only be neutral but also to be perceived as neutral between competing industry participants, and thus was willing to adopt additional voluntary safeguards to address any perception of potential bias.
2. Telcordia/iconectiv now has a Non-Executive Management Board, which has independent authority to exercise its fiduciary governance responsibilities and obligations. “Non-Executive Management Board” is the name that has been given to the Advisory Board described in the Ericsson Certificate and in the Borgklint Letter attached to the Ericsson Certificate. This name reflects the board’s authority and governance responsibilities. As Ericsson has previously certified in paragraph 10 of its Certificate and in the Borgklint Letter attached as Annex B to its Certificate, the Board has a fiduciary duty first and foremost to protect the interests of the company. The Board will be responsible for constituting a neutrality compliance committee and implementing other appropriate safeguards to ensure neutrality, including neutrality audits by third-party auditors, in iconectiv’s operations consistent with FCC requirements.
3. Prior to January 1, 2013, Telcordia was comprised of four business units: Interconnection, OSS, BSS, and Government Consulting services. As is customary when acquiring a company, Ericsson developed post-acquisition integration plans regarding personnel, assets, and so forth. To that end, Ericsson integrated the Telcordia OSS and BSS units with similar existing units within Ericsson. Telcordia’s Government Consulting services unit was required, because of certain government contracts it held, to be held as a standalone entity. As an additional safeguard to avoid any appearance of bias, Ericsson chose not to integrate the Interconnection Business Unit into Ericsson, but rather to allow it to continue to operate as a wholly owned subsidiary with its own

management and board. These business-unit transfers do not reflect any concern about Telcordia/iconectiv's neutrality but rather reflect the normal course of transaction approval and corporate integration post-acquisition.

4. As of August 2013, a Telcordia/iconectiv Non-Executive Management Board was seated and the Board Members were granted authority and fiduciary responsibility to oversee the operations of Telcordia/iconectiv.
5. Telcordia/iconectiv applies the following standards to its Board members: An independent director will not be an executive officer or employee of Telcordia/iconectiv or Ericsson and, in the opinion of the directors, will have no relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. An independent director will not accept compensation from Telcordia/iconectiv other than as a director and will not be an affiliated person of the company or any subsidiary.
6. The Telcordia/iconectiv Non-Executive Management Board ("iconectiv Board") was seated and formally announced in August 2013. As a result of the post-acquisition integration described in paragraph 3 above, certain intellectual property, asset transitions, and administrative wind-down operations must occur. While this transition process is ongoing, a Telcordia board remains in place to oversee those activities. The iconectiv Board will be constituted as a Board of Directors once this transition process is complete, but in no event later than the date when the NPAC service goes live.
7. Ericsson has informed Telcordia/iconectiv that it does not have a direct or indirect ownership of 10 percent or more in a U.S. Telecommunications Service Provider or in any entity, whether in the U.S. or not, that itself has a 10 percent or greater ownership in a U.S. Telecommunications Service Provider, where "ownership" is defined to mean direct or indirect ownership (stock interest, general or limited partnership interests, joint venture participation, or member interests in a limited liability company), or direct or indirect voting power, or the ability to direct the entity's management or policies.
8. Ericsson has a small investment in CENX, which is registered with the FCC as an interexchange carrier. Based on Telcordia/iconectiv's understanding from CENX's general counsel, however, CENX decommissioned its network in August 2013 and now provides only software services to carriers.
9. Ericsson has informed Telcordia/iconectiv that Ericsson is not a TSP in any country. Likewise, Telcordia/iconectiv is not a TSP in any country.
10. Ericsson has informed Telcordia/iconectiv that it provides managed services to a range of U.S. telecommunications customers, including Sprint, Clearwire, and AT&T. Regulatory requirements, including financial, securities, and customer privacy regulations and obligations, prevent Ericsson from disclosing additional information regarding managed services or the terms and conditions of those agreements. Were the FCC to serve Telcordia/iconectiv and/or Ericsson with lawful compulsory process for such information, Telcordia/iconectiv and/or Ericsson would supply such information, as required by lawful process, subject to a protective order, when appropriate, and subject to the opportunity for Ericsson's counterparty to object, where notice and such an opportunity is required pursuant to contract.

11. Ericsson has informed Telcordia/iconectiv that regulatory requirements, including financial, securities, and customer privacy regulations and obligations, prevent Ericsson from disclosing information regarding the specific terms and conditions governing, and the status of, Ericsson's vendor financing arrangements. Ericsson is not authorized to share information about the details of these arrangements on a voluntary request and would require additional protections to prevent this information from being seen by competitors of any borrowers. Were the FCC to serve Telcordia/iconectiv and/or Ericsson with lawful compulsory process for such information, Telcordia/iconectiv and/or Ericsson would supply such information, as required by lawful process, subject to a protective order, when appropriate, and subject to the opportunity for Ericsson's counterparty to object, where notice and such an opportunity is required pursuant to contract.

I certify under penalty of perjury that the foregoing is true and correct to the best of my knowledge.



Richard Jacowleff
President & Chief Executive Officer
Telcordia Technologies, Inc. dba iconectiv
444 Hoes Lane
Piscataway, NJ 08854-4151

Executed on November 13, 2013.