

ERICSSON STOCK PURCHASE PLAN FREQUENTLY ASKED QUESTIONS AND ANSWERS

- **May I join the Stock Purchase Plan?**

All eligible employees may join the Plan, (if you are unsure of your eligibility please contact HR Direct [here](#))

- **When may I apply?**

You will be invited to join at the start of the plan year (June 1-15) and again at the alteration period (November 1-15). If you are a new employee you will also be able to join within the first 90 days of your employment and at the previously mentioned periods.

If you transfer between legal entities, you will need to actively decide whether you wish to re-enroll in the Stock Purchase Plan under the rules and regulations applicable in the new legal entity (provided such Ericsson local company has implemented the Stock Purchase Plan). Under these circumstances you have the first two months from your transfer/employment date to (re-)enroll in the Plan.

- **How do I apply?**

Prior to enrollment periods, you will be sent an e-mail inviting you to enroll online. If needed, your log-in details will follow shortly after this initial email.

- **How do I make contributions?**

Once you have enrolled, your contributions will reoccur automatically and will be deducted from your net salary by Payroll as per your pay cycle. For monthly pay cycles, this will be every month, for bi-weekly pay cycles this will be every other week.

- **How much may I contribute?**

You may contribute up to 7.5% of your gross base salary per year/per month – the upper limits will be regulated on a monthly or biweekly basis depending on your pay cycle. It is not possible to make retrospective contributions to reach the 7.5% annual limit.

- **May I make a one off payment?**

No, a set reoccurring maximum contribution amount has been applied to each participant which will be 7.5% of annual salary divided by 12 for monthly pay cycles, and 26 for biweekly pay cycles – this limit cannot be exceeded.

- **May I change, stop, or restart my contributions or re-enroll in the Plan?**

You may decide to stop your contributions at any time on the Computershare website. Payroll will stop the withdrawals/contributions from your pay as soon as administratively possible. If you wish to change your contribution or restart/re-enroll in the Plan you can only do so during the alteration or enrollment periods (see “[When may I apply?](#)”).

- **How are the shares purchased?**

Your contribution is used to buy Ericsson B shares or ADRs depending upon how the Plan is implemented in your country. Shares are bought every quarter by Computershare, the Plan administrator, who will hold the shares on your behalf. Your contribution will be fully invested and any fractional shareholding maintained. The numbers of Ericsson shares which are bought on your behalf will depend on the amount you are investing, prevailing currency exchange rates, as well as the market value of Ericsson shares on the day they are purchased.

- **How risky is my investment?**

You are buying shares at market value. The value of shares can go up or down. There is always a risk you will lose money; do not invest money you may need short-term. Before making your decision about whether to participate in the Stock Purchase Plan you may wish to seek independent financial advice.

- **Who owns the shares?**

You own the shares as soon as they are purchased for you and are entitled to dividends and other shareholder rights. These shares are held on your behalf by Computershare. Your matching shares are granted in the form of a future entitlement to receive shares. You will not own these shares until three years after your purchase, provided you are still employed by Ericsson and have not sold/transferred any of your associated contribution shares.

- **Is there a discount on the cost of the shares?**

There is no discount on the price of contribution shares – they are purchased at market value at the relevant point in time. You will, however, receive one matching share for each share you purchase and still own after three years. Key contributors will and Executives might receive additional matching shares.

- **Will I receive dividends?**

Yes, dividends will automatically be reinvested to buy more Ericsson shares. Dividend share allocations do not qualify for matching shares.

- **How long do I need to hold my shares?**

You may hold your contribution shares for as long as you wish, however, if you choose to sell or transfer your shares before the three year holding period is completed you will lose your entitlement to the associated matching shares.

- **What rights do I have as a shareholder?**

You are entitled to any dividend paid by Ericsson on your contribution shares which will be allocated to you in the form of dividend shares. You are also entitled to voting rights on your dividend and contribution shares as a shareholder.

- **How do I sell/transfer my shares?**

You may sell/transfer your shares at any time online. Alternatively, you may also contact Computershare, the plan administrator, at: globalsharepurchase@computershare.com or by calling the Global Share Purchase Helpline to request a “Form of Direction” to complete and return by mail.

Remember: you may lose your matching shares if you take your associated contribution shares out of the Plan before they have been held for three years.

- **How will my contribution and matching shares be taxed?**

Your contribution shares are generally not liable for taxation, but the matching shares will be, to a large extent, in many jurisdictions. For further details on local taxation, please contact your local Payroll or HR Direct [here](#)).

- **May I choose which type of shares my shares are held in?**

The Ericsson Stock Purchase Plan covers two stocks; B shares and American Depository Receipts (ADR). The stock is determined by your local company on a country basis and is not negotiable. If you enroll into the ADR Plan the currency will be USD (US dollars), if you enroll into the B share Plan the currency will be SEK (Swedish kronor).

- **What happens to my shares if I take on a new job at another company within Ericsson?**

Considering you remain employed by Ericsson as an employee, you will be entitled to keep the shares you have and keep your rights to future matching. If you want to continue with contributions in the Plan you must re-enroll. This is only possible if your new legal entity has implemented the Plan.

- **What happens to my shares if I take on another job at a company outside Ericsson?**

It depends on the reasons for leaving Ericsson. Please refer to the Stock Purchase Plan brochure and the Global Terms and Conditions found [here](#).