ERICSSON ADR OVERVIEW

Telefonaktiebolaget LM Ericsson ("Ericsson") has a sponsored Level II American Depositary Receipt (ADR) program with Deutsche Bank Trust Company Americas (Deutsche Bank).

Ticker: ERIC
Structure: Level II ADR
Exchange: Nasdaq New York
Ratio (ADR:ORD): 1 ADS : 1 ORD (Each ADR represents one Class B share)
DR ISIN: US2948216088
CUSIP: 294821608

Contact details for ADR investors and brokers:
Deutsche Bank ADR broker services desks
New York: Tel +1 212 250 9100
London: +44 207 547 6500

Contact details for registered ADR Holders:
Deutsche Bank Shareholder Services
American Stock Transfer & Trust Company
Operations Center
6201 15th Avenue
Brooklyn, NY 11219
Email: DB@amstock.com
Toll-free number: (800) 937-5449
Direct Dial: (718) 921-8124
https://www.adr.db.com/drweb/dr_details.html?identifier=2316

The Company's ADR program is sponsored by Deutsche Bank. As the Depositary bank Deutsche Bank performs the following roles for ADR holders:
- Records and maintains the register of ADR holders
- Is the stock transfer agent
- Distributes dividends in U.S. dollars
- Facilitates the proxy voting process and exercises the voting rights on behalf of ADR holders
- Issues and cancels Ericsson ADRs

For those holders which are not registered because their shares are held through a 'Street name' (nominee account), your nominee will receive company documents from time to time from Deutsche Bank to distribute to ADR holders. You need to make arrangements with your nominee if you wish to receive such documents and to be able to exercise your vote through the depositary bank at general meetings.

FREQUENTLY ASKED QUESTIONS

What is an American Depositary Receipt (ADR)?
ADRs are a negotiable US dollar denominated certificate representing ownership of shares in a non-US company. Ericsson’s ADRs represent Ericsson’s ordinary shares deposited with the depositary bank, to underlie such certificates and carry the rights attached to them as detailed in the Depositary Agreement. Holders of ADRs receive dividends in US dollars and have the right to vote on shareholders resolutions. The term ADR and ADS are often used interchangeably. ADRs were specifically designed to facilitate the purchase, holding and sale of non-U.S. securities by US investors.

What is an ADR ratio?
This is the relation between the number of ADRs and the number of ordinary shares. Every 1 ordinary Ericsson share represents 1 Ericsson ADRs.

What is Ericsson the stock symbol on Nasdaq in New York?
The stock symbol is ERIC.
Where are Ericsson’s ADRs traded?
Ericsson’s ADRs are traded on the Nasdaq Exchange in New York.

What currency are Ericsson’s ADRs denominated in?
Ericsson’s ADRs are denominated in US dollars.

What are the benefits of ADRs to US investors?
Increasingly, investors aim to diversify their portfolios internationally. ADRs offer a number of advantages to particular investors including:
➢ Payment of dividends in US dollars
➢ Diversification without many of the difficulties investors have in purchasing and holding securities outside of their local market
➢ Elimination of global custodian safekeeping charges
➢ Familiar trade, clearance and settlement procedures
➢ Ability to acquire the underlying securities directly upon cancellation
➢ Readily available price, trading information and easy comparison to securities of similar companies

Who is Ericsson’s depositary for ADRs?
Deutsche Bank Trust Company Americas.
The depositary bank plays a key role in issuance as well as cancellation of ADRs. It also maintains the ADR holder register, distributes the dividends in US dollars and facilitates the exercise by the ADRs holders of their voting rights.

Is it easy to get information and updates on Ericsson?
Information is widely available on Ericsson’s website: http://www.ericsson.com/thecompany/investors
Trading information is readily available on the Deutsche Bank’s website: https://www.adr.db.com/drweb/dr_details.html?identifier=2316

Why did you establish an ADR program?
Ericsson established the ADR program to make it easier for US investors to buy the Ericsson share. Trading ADRs simplifies foreign investments for US investors as administrative costs are reduced and capital gains are realized in US dollars.

What effect do you expect the ADR program to have on your shareholder base?
We hope that the ADR program encourages US investors to buy shares in Ericsson as it will now be easier for them to do so.

What types of companies issue ADRs?
ADR issuers are typically large multinational corporations. Any non-U.S. company seeking to raise capital in the U.S. or increase their base of U.S. investor can issue ADRs.

What is the difference between a Registered ADR holder and a Beneficial ADR holder?
A registered holder is one whose name appears on the books of the depositary bank. The registered holder is considered the owner of record. A beneficial holder is one whose holdings are registered in a name other than their own, such as in the name of a broker, bank or nominee.

How liquid are the ADRs where are they traded?
Through Ericsson’s depositary bank, registered broker-dealers can have ADRs issued or cancelled when an investor wishes to acquire or dispose of them. Accordingly, ADR liquidity is generally equivalent to that of the underlying securities traded in the issuer’s home market. Sometimes issuance and cancellation can be advantageous to trading ADRs in the U.S. market.

How do I convert my ordinary shares into ADRs?
Converting ordinary shares into ADRs must be done through a broker investment advisor or for registered holders through Deutsche Bank Trust Company Americas.
You can contact Deutsche Bank broker services desk on +1 212 250 9100 (New York) / +44 207 547 6500 (London)

**How may I check how many ADRs I hold?**
If you do not hold via a broker, bank or nominee, please contact our transfer agent:
Deutsche Bank Shareholder Services
American Stock Transfer & Trust Company
6201 15th Avenue
Brooklyn, NY 11219
Email: DB@amstock.com
Toll-free number: +1 800 937-5449
Direct Dial: +1 718 921 8124

To receive your Ericsson Annual Report, or other shareholder or company information please visit Ericsson's Investors Relations website: [http://www.ericsson.com/thecompany/investors](http://www.ericsson.com/thecompany/investors)

**How may I find out corporate action information on Ericsson?**
For corporate action information, please visit:
[www.adr.db.com](http://www.adr.db.com)
Search for Ericsson and then select Corporate Actions tab.

Alternatively, you may contact Deutsche Bank Trust Company Americas Shareholder Service:
Toll-free number +1 866 706 0509
Direct Dial: +1 718 921 8137.

**How do I obtain historical share prices of Ericsson’s ADRs, for the purpose of completing my tax return?**
Historical share prices for Ericsson’s ADRs can be found on Deutsche Bank website

**How do I change my personal circumstances? (address, name, bank details, death of ADR holder or transfer of ownership)?**
Please contact Deutsche Bank Shareholder Services.

**What should I do if I have lost my ADR certificate, dividend check or tax voucher?**
If you do not hold via a broker, bank or nominee, please contact Deutsche Bank Shareholder Services.

**What are my rights as an ADR holder?** (In terms of voting, who will vote at AGM)
ADR holders are entitled to the same rights as the underlying shareholders, subject to the terms specified on the ADR certificate.

**Where should I keep my ADR certificates?**
In view of the value of your certificates and the expense associated with replacing lost certificates, you should keep them in a safe-deposit box or other secure place. Certificates are negotiable documents and should be signed only in the event of a sale or transfer of ownership.

**Dividend Fee Background**
The Ericsson B-share is listed on NASDAQ New York in the form of ADS evidenced by ADRs. Since 2014, ADS holders who receive a cash dividend have been charged a dividend fee per ADS per distribution. The fees received by Ericsson are used to partly cover Ericsson’s costs associated with maintaining the NASDAQ ADS listing and SEC registration, including Sarbanes-Oxley compliance related expenses and costs related to SEC requirements.
Under the Deposit Agreement, the maximum dividend and/or service administration fee that can be charged is $0.03 per ADS. Ericsson reduced the dividend fee from 2 cents in 2016 to 1 cent in 2017.
Why are shareholders being charged an additional fee on their dividend payment?
There are a number of costs associated with maintaining the NASDAQ ADS listing and SEC registration, including Sarbanes-Oxley related expenses, SEC requirements and administering the ADS facility. Ericsson intends to use the fees it receives to offset, in part, these costs.

How is the dividend fee determined?
The dividend fee is stipulated in the Deposit Agreement between the depositary bank and the company based upon industry standards. The Deposit Agreement is filed with the SEC and is readily accessible by the public.

What do I do if I do not wish to pay the dividend fee but still wish to retain a shareholding in Ericsson?
ADR shareholders can convert their ADRs to B shares denominated in Swedish Krona and quoted on the Nasdaq Stockholm by contacting their broker and requesting a cancellation of their ADRs. A cancellation fee is charged for the cancellation. Shareholders will need to have a local brokerage account in order to custodize the B shares as no physical share certificates are available. Note that future dividend payments will then be made in Swedish Krona so conversion costs into US dollars need to be considered.

Will you charge a fee even if the dividend is reduced?
The charging of a dividend fee and/or service administration fee is not connected to the dividend resolution. The fee is charged for the purposes of covering part of the costs related to the ADR program and for being listed in the US. The fee can also be charged as a service administration fee, totally separate from the dividend. To date, Ericsson has not charged any such service administration fee although it is allowed to do so under the Deposit Agreement.

When are dividends paid?
The dividend payment is subject to AGM approval in the spring. ADR payment date would normally be within 5 business days of the Swedish Payment date. ADS holders are generally eligible for all dividends or other entitlements attaching to the underlying shares of Telefonaktiebolaget LM Ericsson and receive all cash dividends in US dollars.

Service Fee Background
As of October 2017, an annual service fee of $0.02 per ADR share is implemented.

Why is a Service Fee being charged?
The fees received by Ericsson are used to partly cover Ericsson’s costs associated with maintaining the NASDAQ ADS listing and SEC registration, including Sarbanes-Oxley compliance related expenses and costs related to SEC requirements.

Why has a Service Fee not been charged previously / how is the fee level determined?
Ericsson has, since 2014, partly covered the cost of its U.S listing through the collection of dividend fees. The fee level is reviewed annually and Ericsson has determined that a Service Fee is reflective of the higher costs related to the program and for being listed in the US. Ericsson reduced the dividend fee from 2 cents in 2016 to 1 cent in 2017. One example is the new SEC requirement for XBRL financial reporting that is driving additional costs.

Where is it stated that this fee can be charged?
The Service Fee is stipulated in the Deposit Agreement between the depositary bank and the company based upon industry standards. The Deposit Agreement is filed with the SEC and is readily accessible by the public.

How is the Service Fee taken in practice?
A notice will be released to holders through each investors’ bank or broker giving at least 30 days’ notice of the setting of a Record Date. The ADS holders on Record Date will have their accounts debited by the applicable fee per ADS held.

What if I do not want to pay the Service Fee?
All ADS holders on Record Date will be charged the Service Fee. ADS holders who do not want to be charged the fee can cancel their ADS position through their bank or broker and hold B shares denominated in Swedish Krona.
and quoted on the Nasdaq Stockholm. Shareholders will need to have a local brokerage account in order to custodize the B shares as no physical share certificates are available.

**What Company documentation do ADS holders receive?**
ADS holders receive the Annual Review and Summary Financial Statement issued to holders of Ordinary Shares upon request from the Company. A copy of the latest Annual Report can be obtained by

- Ordering hard copy online: [https://app.irdirect.net/company/3969/hotline/](https://app.irdirect.net/company/3969/hotline/)
- Ordering hard copy by calling the following toll-free number: 1-888-301-2504

**For further information:**
Contact details for registered ADR Holders:
- **Deutsche Bank Shareholder Services**
- American Stock Transfer & Trust Company
- Email: [DB@amstock.com](mailto:DB@amstock.com)
- Toll-free number: (800) 937-5449
- Direct Dial: (718) 921-8124
- [www.ericsson.com/](http://www.ericsson.com/)

*Last updated December 2019.*