



Item 17 The Board of Directors' proposal for resolution on transfer of treasury stock to employees and on an exchange in relation to the earlier resolution on the Long-Term Variable Compensation Program 2020 ("LTV 2020")

Background

The Annual General Meeting 2020 resolved to implement LTV 2020. The Annual General Meeting 2020 resolved to secure the Company's undertakings under the program through equity swap agreements with a third party. The Board of Directors considers that transfer of treasury stock is the most cost efficient and flexible method to secure the undertakings under LTV 2020, and therefore proposes that the Annual General Meeting resolve as follows.

Proposal

a) Transfer of treasury stock under the LTV 2020

To secure the delivery of Performance Shares in accordance with the terms of the LTV 2020, the Board of Directors proposes that the Annual General Meeting resolve that the Company shall have the right to transfer no more than 1.9 million shares of series B in the Company on the following terms and conditions:

- The right to acquire shares shall be granted to such persons within the Ericsson Group covered by the terms and conditions pursuant to the LTV 2020. Furthermore, subsidiaries within the Ericsson Group shall have the right to acquire shares, free of consideration, and such subsidiaries shall be obligated to immediately transfer, free of consideration, shares to employees covered by the terms and conditions of the LTV 2020.
- The employee shall have the right to receive shares during the period when the employee is entitled to receive shares pursuant to the terms and conditions of the LTV 2020, i.e. in 2023.
- Employees covered by the terms and conditions of the LTV 2020 shall receive shares of series B in the Company free of consideration.

b) Transfer of treasury stock on an exchange

The Company shall have the right to, prior to the Annual General Meeting in 2022, transfer no more than 600,000 shares of series B in the Company, in order to cover certain expenses, mainly social security payments. Transfer of the shares shall be effected on Nasdaq Stockholm at a price within the, at each time, prevailing price interval for the share as disseminated by Nasdaq Stockholm.



Majority rules

The Annual General Meeting's resolution on transfer of treasury stock according to item 17 a) above requires that shareholders representing at least nine-tenths of the votes cast as well as the shares represented at the Annual General Meeting approve the proposal and the Annual General Meeting's resolution on transfer of treasury stock according to item 17 b) above requires that shareholders representing at least two-thirds of the votes cast as well as the shares represented at the Annual General Meeting approve the proposal.

Stockholm, February 2021

**Telefonaktiebolaget LM Ericsson (publ)
The Board of Directors**