

Employee Stock Purchase Plan (ESPP): Teammate FAQs

Get answers to your questions about how it works, when to enroll, timeline summary, and more.

- [How it works](#)
 - [Enrollment window and offering period](#)
 - [Timeline summary](#)
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What is an ESPP?

Truist created its Employee Stock Purchase Plan to provide you with an affordable, convenient, innovative method to purchase stock, become an owner and share in Truist's potential future success.

The Truist ESPP allows you to:

- Invest 1 - 15% of eligible compensation through after-tax payroll deductions
- Purchase Truist stock at a 10% discount
- Become a shareholder in a convenient manner

How does the ESPP work?

An employee stock purchase program is a benefit that allows teammates to use after-tax payroll deductions to acquire shares of company's stock, usually at a discounted price. If eligible, a teammate must enroll in the plan during the semi-annual enrollment window. Once the offering period starts, payroll deductions start to accumulate in preparation for the purchase date (i.e., the last trading day of the offering period). On the purchase date, shares are purchased for Truist teammates at a discounted rate of 10%.

What is considered Eligible Compensation?

Eligible Compensation includes nearly all elements of your gross wages received (base pay, paid time off, overtime, bonus, etc.). Eligible Compensation does not include non-cash compensation under our LTI plan (RSUs, stock options, etc.).

Who can participate in the ESPP?

U.S. teammates of Truist and Participating Subsidiaries (i) with 12 months of service, and (ii) who are scheduled to work 20 hours or more per week are eligible to participate in the ESPP. Teammates who are officers subject to Section 16 of the Securities Exchange Act of 1934, as amended, non-employee directors, and holders of five percent (5%) or more of the total combined voting power or value of all classes of stock of Truist or any of its subsidiaries are not eligible to participate in the ESPP (Generally, this impacts only Executive Leadership).

If you are a Truist teammate on LTD, an intern, temporary, or contract worker, you are not eligible to participate in the ESPP.

When can I enroll in the ESPP?

The enrollment window is a predetermined time frame when you can enroll in your ESPP. During the enrollment window, eligible teammates can enroll in the ESPP through Fidelity NetBenefits®.

What is an offering period?

During the offering period, Truist will deduct after-tax payroll contributions and hold the money until it's time to purchase company stock.

Enrollment Dates	Offering Period
December 1 – December 15	January 1– June 30
June 1 – June 15	July 1– December 31

If I decide not to join right now, will I have another opportunity?

Yes, you may join during any future semi-annual enrollment window. Once open enrollment closes, you will have to wait for the next enrollment window. For each future open enrollment, Fidelity will send an email letting you know that you are in an open enrollment window.

Do I need to re-enroll in the ESPP for each Offering Period?

Once you enroll for an offering period, you will automatically be re-enrolled for subsequent offering periods at the same contribution level, unless you withdraw. You also have the ability to change your contribution percentage for each offering period during each open enrollment window.

May I change my contribution rate during an offering period?

You cannot increase or decrease your contribution rate after the enrollment window closes. However, you can elect to withdraw from the ESPP during the offering period by completing a withdrawal election with Fidelity. Please see below regarding withdrawal.

Can I withdraw from the Plan and have my money refunded?

You may withdraw from the ESPP by completing and delivering a withdrawal notice through Fidelity at least fifteen (15) days prior to the purchase date. If your withdrawal notice is received prior to the deadline, any accumulated payroll deductions credited to your account will be refunded to you without interest within 1-2 payroll cycles. You may not withdraw less than all of your payroll deductions. After withdrawing from the plan, if you choose to participate again, you will need to re-enroll during the next enrollment window.

What can I do with my shares?

Any shares that you purchase through the ESPP are yours. You may choose to hold those shares, or you may sell the shares at any time, unless prohibited under the company's insider trading policy. Shares will be deposited in a brokerage account at Fidelity at the end of each offering period. Purchased shares are yours to keep even if you choose to leave the company. Selling shares prior to the expiration of the holding period can have negative tax consequences.

Are there any restrictions on my shares?

Yes. Truist's ESPP does administer a 2-year transfer restriction on shares purchased through the plan, to encourage preferential tax treatment. This restriction will automatically be in place upon shares being deposited into your Fidelity Account. The 2-year transfer restriction is based on the start date of the Offering Period (January 1st or July 1st) as opposed to the date in which shares are deposited.

What is a discounted purchase price?

On the purchase date, Truist Financial Corporation and Fidelity will work together to take your payroll deductions and purchase Truist Financial Corporation stock at a 10% discount based on the closing price of the stock on the purchase date.

Does the ESPP use a lookback provision for determining the discounted purchase price of the stock?

No. The discounted purchase price under the ESPP is based on the price of the stock on the purchase date.

How many shares can I buy?

The maximum annual purchase of shares under the plan in a calendar year is \$25,000 per IRS guidelines. If you have reached the \$25,000 contribution limit, any excess funds will be refunded to you and you will be unable to participate in the plan for the remainder of the calendar year.

How do I calculate the contribution maximum?

While \$25,000 per year is the statutory maximum, the highest amount you can actually contribute to purchase shares is less than that because the calculation of the maximum is based on the undiscounted purchase price at the start of the offering period (i.e. it does not matter that the purchase-price calculation is based on the ending-date price).

Example:

- The stock price at the start of the offering period is \$10 per share.
- The stock price is \$11 on the purchase date.
- Your purchase price is \$9.90 (after the 10% discount).
- The maximum number of shares you can buy is 2,500 (\$25,000 divided by \$10), not 2,525 shares (\$25,000 divided by \$9.90).
- To purchase these shares, you pay \$24,750 during the year (2,500 shares multiplied by \$9.90).

Learn more about how the annual contribution limit is calculated [here](#).

What happens if I terminate my employment?

If your employment terminates during an offering period (at least fifteen (15) days prior to the purchase date), you will be withdrawn from the plan and all contributions made during the offering period will be refunded to you. If you have any shares already purchased through the plan, those are yours to keep even if you leave the company.

As a registered teammate, do I need special permission before purchasing stock through the ESPP?

If you have a Fidelity brokerage account and work with one of the three companies below, then you are likely already setup for the reporting described below. If you are a new user of Fidelity and are setting up an individual brokerage account for the first time, you should follow the below steps.

- Truist Securities (broker-dealer): Check the FINRA association section in the online application and select Truist Securities as the FINRA associated firm.
- Truist Investment Services (broker-dealer): Check the FINRA association section in the online application and select Truist Investment Services as the FINRA associated firm.
- Truist Advisory Services: Disclose the new account number to your compliance team. Once the account is coded, you will receive an email requesting that you log on to www.fidelity.com and complete the electronic consent form.

What are the commissions/trading fees for the purchase or sale of shares?

There are no teammate commissions/trading fees for the purchase of shares. For the sale of shares, it depends on how the shares are sold.

1. If ESPP shares are sold on-line, there are no commissions/trading fees.
2. If ESPP shares are sold through a Fidelity phone team representative, there is a commission/trading fee of \$32.95.

Are there tax consequences to selling my shares?

Any difference in the price paid for your shares and any amount received upon sale in excess of the price paid for your shares is considered gain and may have tax consequences to you, depending on how long you held your shares. Depending on sale date, the gain may be considered Form W-2 compensation or capital gain. Please contact your individual tax advisor with questions regarding your specific tax situation.

What is a qualifying or disqualifying disposition?

The word “disposition” is just another way of saying that you have sold, gifted, or transferred ownership of your shares.

1. Qualifying dispositions occur when shares are held for the required holding periods—which means they’ll receive a more preferential tax treatment.
2. Disqualifying dispositions occur when shares are not held for the required holding periods—which means they won’t receive preferential tax treatment.

What are the holding periods?

To receive preferential tax treatment, shares must meet both of these two holding periods when they’re sold:

1. More than one year from the purchase date.
2. More than two years from the offering date (the date the offering period begins).

Timeline Summary:

- Shares are purchased two times per year and deposited to the teammate’s brokerage account at Fidelity based on the following:
 1. There are two enrollment windows each year, June 1 – 15 and December 1 – 15.
 2. Teammates can select a deferral percentage of 1 – 15% in the Fidelity NetBenefits system during the enrollment window.
 3. Payroll deductions will begin July 1 or January 1 based on the current deferral election.
 4. The plan will purchase shares at a 10% discount off the closing price on December 31 and June 30.
 5. Shares will be deposited to the teammate’s brokerage account at Fidelity.
 6. In order to avoid unfavorable taxation, teammates must satisfy two holding periods.
 - While you can sell the stock at any time, if you sell it before holding it for 18 months, you will be taxed on the discount Truist provided to you.
 7. If a teammate wishes to sell shares, they can initiate that trade in Fidelity’s NetBenefits system.

Investing involves risk, including risk of loss.

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A summary of the ESPP (the "Prospectus" is available at Benefits.Truist.com and on Fidelity NetBenefits® under Plan & Grant Documents. Benefits described in the current ESPP plan document for all benefits will prevail where any discrepancies between this FAQ, the Prospectus, and the current plan document conflict.

Fidelity does not provide legal or tax advice. The information herein is general in nature and should not be considered legal or tax advice. Consult an attorney or tax professional regarding your specific situation.

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