

Morgan Stanley

# Global Stock Plan Services

Maximize your return on equity plans



Corporate equity plans may represent a significant investment in your employees — and in your company. But getting them right in an increasingly complex environment is challenging.

With nearly 40 years of experience in equity compensation, Morgan Stanley can help. Everything that has been built—from our proprietary recordkeeping and trading platform, to our global presence, to a service model based on personal attention—was designed to adapt to our clients' changing needs. This is why many of the world's largest, most successful companies choose us to help them get the most out of their equity plans.

Let us help you get the most out of yours.

### FOUR DECADES OF STOCK PLAN

**INVESTMENT** / P3/ Our firm is dedicated to the equity compensation market and to helping our clients apply best practices in a constantly changing environment since 1973.

### YOUR PLAN. YOUR CHOICE. / P7/

Our platform has been created to allow stock plan clients to select the services that work best for them.



### SEAMLESS DELIVERY OF GLOBAL

**SOLUTIONS** / P13/ Our global platform was built from the ground up, to work where, when and how you and your employees need it.

### GOING ABOVE AND BEYOND / P17/

At Morgan Stanley, we know that technology does not replace human interaction. That is why we balance our investments in systems with investments in people.



Commitment

## Four decades of stock plan investment

You are committed to doing what is best for your company and your employees. So are we. We are dedicated to the equity compensation market and to helping our clients apply best practices in a constantly changing environment.

Morgan Stanley has been investing in our technology, our products and our people — year after year, through good markets and bad. When no recordkeeping system could meet our clients' exacting specifications, we designed and built our own. When our clients began expanding globally and granting more varied equity plans, we established service centers around the world and

dedicated multilingual Service Professionals to service participants.

It's an infrastructure that gives us the flexibility we need to meet the administrative and regulatory requirements of today and anticipate what our clients will need in the future.



# Dedication to equity plans

All data as of March 31, 2014

## **Exacting Clients**

Nearly 400 clients, including 20% of Fortune 500 companies, have chosen our experience, systems and flexibility for their complex equity compensation needs.

## **Experienced Professionals**

200+ dedicated equity compensation specialists and Service Professionals in cities, including New York, Chicago and Palo Alto.

## **Executive Financial Services**

Team model comprised of dedicated relationship managers who are contacts for Section 16 insiders and other executives.

## **Capital Commitment**

Nearly 40 years of annual investments in proprietary stock plan recordkeeping and trading platforms.

## **Online Pioneer**

Developed the first stock plan participant website, consistently enhancing our site, resulting in robust multilingual, multicurrency and modeling features.

\*See pages 18 and 19 for details.

### **Executive Services Leadership\***

Consistently ranked first  
in 10b5-1 trading plans and  
Rule 144 transactions.

### **Global Service Centers**

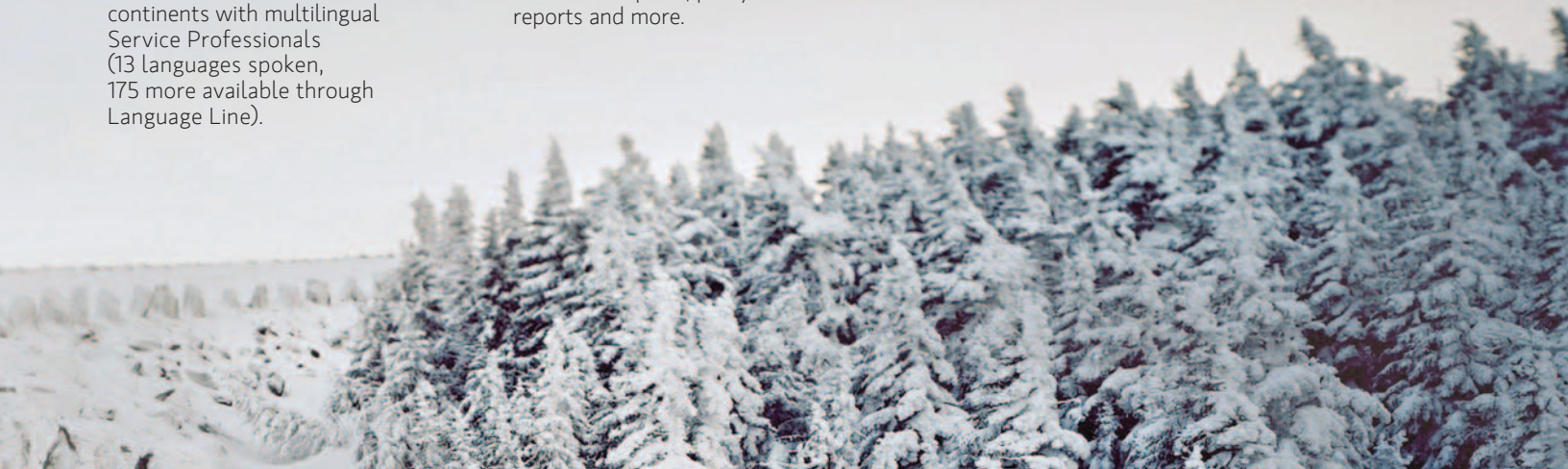
Service Centers on three  
continents with multilingual  
Service Professionals  
(13 languages spoken,  
175 more available through  
Language Line).

### **Financial Reporting Managers**

Experienced professionals  
are available to help clients  
understand our financial  
reporting services, which  
include compensation  
expensing, dilution reports,  
disclosure reports, proxy  
reports and more.

### **Trade Execution**

Morgan Stanley Wealth  
Management can manage  
order flow on both a plan  
level and a participant level by  
leveraging Morgan Stanley's  
leadership in equities trading.



# Solutions





# Your plan. Your choice.

Morgan Stanley's platform allows our stock plan clients to select the services that work best for them. We provide recordkeeping, financial reporting, trade execution, currency conversion, Section 16 services and participant support — all within a service model designed to accommodate a range of plan designs.

For clients who want to fully outsource plan recordkeeping, trade execution and participant services, Morgan Stanley offers a Total Administration model. Total Administration clients may request financial reporting services as well. Our financial reporting service includes compensation expense reporting, dilution reports, disclosure reporting, and support for valuation and deferred income tax accounting. Clients who prefer to perform their own recordkeeping but outsource execution and participant services may take advantage of our Partial Outsourcing program. For

companies seeking a simple solution or whose participants are geographically concentrated, Morgan Stanley offers an execution-only model through dedicated global teams.

We can support:

- Restricted stock awards and units
- Performance awards
- Stock options
- Employee stock purchase plans
- Cash and stock-settled SARs
- Cash plans
- ASC 718 reporting
- Preset Diversification Plans® (10b5-1)
- Share repurchase plans

## Three service models

Clients may choose from one of our three service models: Total Administration, Partial Outsourcing and Simplified Execution. All offer high-touch participant services, including personal support for officers, directors and affiliates, from a local team led by experienced Stock Plan Directors.

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- Global mobility solutions
  - Retirement eligibility services
  - Web-based access to proprietary recordkeeping system
  - Self-service or full-service financial reporting services
  - Dedicated Client Manager
  - Online grant award delivery and acceptance
  - Online, paperless account opening
  - Online W-8BEN and W-9 certification
  - Secure automated file exchange between client TPA and Morgan Stanley

## TOTAL ADMINISTRATION

- Calculate performance shares and store key multiplier and vesting data
- Access to more than 100 standard reports, plus extensive ad hoc reporting
- Manage stock plan records for corporate actions

## PARTIAL OUTSOURCING

- Multiple proceeds delivery methods, including check, payroll, US and foreign currency wire (additional fees apply)
- Strict adherence to pre-clearance protocols for executive trades
- Online modeling and trading through multilingual participant website
- Load all award, vesting and expiration records

## SIMPLIFIED EXECUTION

- Preclearance protocols for Section 16 executives
- Proceeds conversion into multiple currencies
- Personal handling of employee transactions
- Phone support from a Financial Advisor
- Online multicurrency trade settlement
- Multilingual Service Centers provide answers to participants in their geographic regions
- Participant email notifications for vestings and other upcoming events

# Direct Access to the Market

Stock-based compensation must work hand in hand with the global trading market to ensure that your employees are making the most of their awards. Morgan Stanley can provide fast and efficient market entry, manage the pace of execution, and strive to balance market impact with market risk.

## **Morgan Stanley leverages its global leadership in the origination, distribution and trading of equities.**

When evaluating participant orders and assessing which markets offer the most favorable terms of execution, our trading desks rely on:

- Proprietary trading systems for routing, monitoring and executing orders.
- Regular and rigorous examination of overall execution quality and performance of various market venues.

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Morgan Stanley can help manage order flow on both a plan level and an individual level. For larger orders requiring special handling, typically from officers and directors, our Equities Trading Desk will work with your Stock Plan Director to handle the order. The desk will route orders through our trading engines, seeking the best execution while attempting to minimize market impact in adherence to the participant's instructions.



## Execution Services

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Algorithmic Executions

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Block Trading

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Restricted Stock Liquidations

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Options Order Handling

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Special Handling





Global

# Seamless Delivery of Global Solutions

We built our global platform from the ground up, to work where, when and how you and your employees need it — helping you attract and retain employees around the corner or around the world.

Whether your employees are in New York or Amsterdam, Morgan Stanley provides them with a consistent participant experience.

We serve millions of participants in countries across the globe through multilingual Service Centers and a multilingual, multicurrency website. But the participant experience is only one piece of the puzzle. When you have a

global workforce, you naturally have complex mobility-related tax issues. In conjunction with our partner tax advisors and payroll vendors, we can help your employees apply individual country tax rates to their equity compensation. Mobility solutions mean tax liabilities no longer have to limit mobility—maximizing your firm's talent reach and potential.

# Around the globe. Around the clock.

With Morgan Stanley, client service doesn't end at five o'clock. You and your participants can always access plan or account information, regardless of time zone or location.

## Customer Service

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Service Centers on three continents (US for North and South America, Europe for the EMEA Region and Australia for the Asia-Pacific region) give plan participants access to multilingual Service Professionals (13 languages available — with another 175 supported as well).

## Unlimited Access

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At any time, participants can view holdings, model trades and much more through our multilingual and multicurrency website.

## Settlements your way

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Online, participants can view and model their proceeds in 117 currencies. They may have their proceeds delivered, in 30 currencies, via check or wire using IBAN and SWIFT.

## Client website

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Corporate clients can view participant information, upload and download employee data and retrieve reports online at any time.



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**service centers** on  
three continents

1

**account** across global  
employee base

13

**languages** available via Service  
Professionals: Cantonese, Danish,  
Dutch, English, French, Finnish,  
German, Hebrew, Italian, Japanese,  
Mandarin, Spanish, Swedish

4

**touch points** for participant  
service and trade execution (web  
portal, voice response system,  
CSRs Service Professionals and  
Financial Advisors)

117

**currencies** in which  
participants may view and  
model their proceeds online

30

**currencies** available  
for online, paperless  
conversion

10

languages available for  
translation on website



Service



## Going Above and Beyond

At Morgan Stanley, we know that technology does not replace human interaction. That is why we balance our investments in systems with investments in people—and take a local approach to providing service.

Our Stock Plan Director program is a network of more than 50 of the most experienced Financial Advisors in the industry, each with many years of experience and each uniquely dedicated to Global Stock Plan Services clients. Your Stock Plan Director will get to know you, your company and your executives. He or she will be your

main contact to ensure your experience lives up to your — and our — expectations. From personally handling the trades of your most valued executives to tracking your implementation process, your Director ensures that your voice is heard and your needs are met throughout the life of your relationship.

# Services for Your Most Valued Executives

Morgan Stanley's global presence, online capabilities and service center platform have distinguished us in the area of participant services. But your most important executives need even more. They need to work with a firm that knows not only how to manage equity plans, but the wealth they can create.

## Custom Wealth Management

Often, executives find themselves with a great deal of equity compensation wealth, and little idea of the strategies that exist to manage or preserve it. Your Stock Plan Director has access to the full resources of Morgan Stanley to help your executives create an overall wealth management strategy.

## Rule 144 Filing

Our Executive Financial Services Group will help your Stock Plan Director with restricted, control and shelf-registered securities. We conduct due diligence, file Form 144 and other forms, interact with transfer agents and provide trading assistance and execution.

## Section 16 Support

Stock Plan Directors handle pretrade clearance, filing assistance and wealth management for your Section 16 insiders and Rule 144 executives. Directors will help your executives comply with all SEC and company trading policy rules when selling, buying, pledging or hedging restricted, control or shelf-registered securities.

## Securities-Based Lending

Clients have access to a securities-based lending platform that may allow them to borrow against eligible securities.

\* Source: The Washington Service tracks insider trade information filed with the Securities and Exchange Commission. The above data is compiled by the Washington Service from Form 144 filings in the period from 2/1/2005 to 12/31/2013. Data from the period 2/1/2005 to 5/31/2009 reflects the formerly separate PDP businesses of the Global Wealth Management Group of Morgan Stanley & Co. LLC and the Smith Barney division of Citigroup Global Markets Inc. that now form Morgan Stanley Smith Barney LLC. The above data also includes transactions from Morgan Stanley & Co. LLC. Information contained herein was obtained from sources believed reliable but the accuracy and completeness thereof cannot be guaranteed. Information contained herein is subject to change.

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## International Preset Diversification Programs

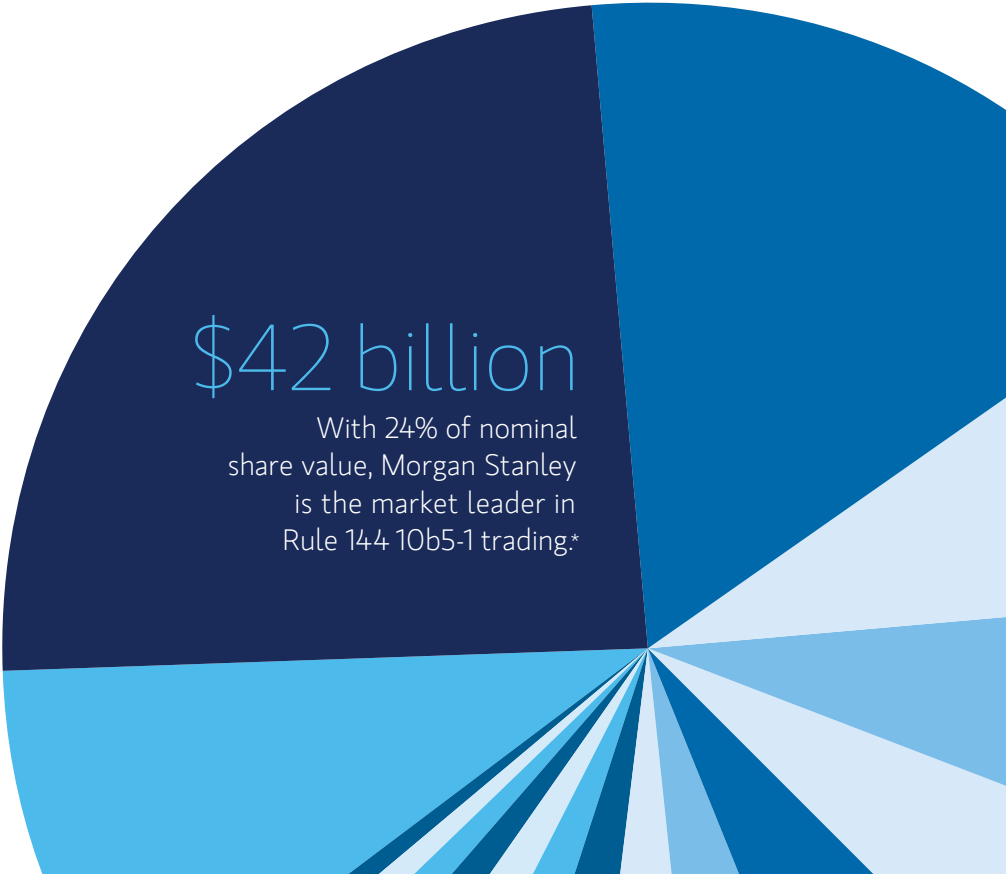
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Based upon the complexity of international regulatory requirements, the EFS Group will handle these requests for predetermined trading plans on a country-by- country basis. Such programs may enable corporate executives to sell stock under a predefined plan while removing the suspicion of insider trading.

## 10b5-1 Preset Diversification Program®

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We will design and implement trading plans under SEC Rule 10b5-1 to sell or buy company stock, all protected by an affirmative defense against insider trading charges, then invest the proceeds to meet the executive's broader ownership concerns.



## Contact us

Morgan Stanley has been successfully setting industry standards and meeting the equity compensation needs of corporations around the world for nearly 40 years.

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Phone: 212-783-2404

Email: [gpsinfo@morganstanley.com](mailto:gpsinfo@morganstanley.com)

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<http://stockplans.morganstanley.com>

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Borrowing against securities may not be suitable for everyone. You should be aware that securities-based loans involve a high degree of risk and that market conditions can magnify any potential for loss. Most importantly, you need to understand that: (1) Sufficient collateral must be maintained to support your loan(s) and to take future advances; (2) You may have to deposit additional cash or eligible securities on short notice; (3) Some or all of your securities may be sold without prior notice in order to maintain account equity at required maintenance levels. You will not be entitled to choose the securities that will be sold. These actions may interrupt your long-term investment strategy and may result in adverse tax consequences or in additional fees being assessed; (4) Morgan Stanley Bank, N.A., Morgan Stanley Private Bank, National Association or Morgan Stanley Smith Barney LLC (collectively referred to as “Morgan Stanley”) reserves the right not to fund any advance request due to insufficient collateral or for any other reason except for any

portion of a securities-based loan that is identified as a committed facility; (5) Morgan Stanley reserves the right to increase your collateral maintenance requirements at any time without notice; and (6) Morgan Stanley reserves the right to call securities-based loans at any time and for any reason.

**The proceeds from certain securities-based loan products may not be used to purchase, trade or carry margin stock (or securities, with respect to Express CreditLine); repay margin debt that was used to purchase, trade or carry margin stock (or securities, with respect to Express CreditLine); and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account.**

The contents of this document should not be construed as a commitment to lend. All loans are subject to application and approval. Other restrictions or limitations may apply. Please contact your Financial Advisor for more details.

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