

Key issues for Global Share Plans June 2007

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BHP Billiton

40,000 employees globally – located in 35 Countries

Share Plans

Global Share purchase Plan

Global Performance Share Plan – 780 participants – globally consistent award levels and terms of plan

Deferred Share Bonus Plan – 780 participants – restricted share award to match bonus achievement. Consistent Global Share Match value, consistent plan rules

Phantom Plans used on same terms, where needed, no tax integration, globally consistent rules and opportunity.

Why, global mobility, equity, simplicity, team

Cadbury Schweppes

65,000 employees globally – located in 50 countries

Share Plans

LTIP – top 80 employees

Deferred bonus plan – top 160 employees

Performance share plan – 3,000 annual awards in 50 countries

All employee plans covering 40,000 employees in:

UK and Ireland

France, Spain, Netherlands, Portugal,

US, Canada, Mexico

Australia, New Zealand



- 336,000 employees; 189,000 outside U.S.
- Global option and share award program in nearly 100 countries (# of participants)

	Options	Shares
North America	27,000	39,000
Latin America	6,400	3,300
EMEA	5,300	6,600
Asia-Pacific	3,700	5,100
Total	42,400	54,000

- Global headcount eligible for stock purchase program, when offered



GlaxoSmithKline plc

102,000 (approx.) employees globally – located in 117 countries

Share Plans

Global Share Option Plan and Global Share Value Plan (restricted shares) – approx. 12,000 participants

Global Performance Share Plan – approx. 700 participants

Phantom plans used on similar terms, where needed. Local share plans (e.g. savings-related), where appropriate



Key Issues

- One size fits all? Or does your company localise plans, and why? What were the considerations?
- Do you chargeback? What were the reasons for the decision?
- Local regulatory compliance, is it centralised or delegated to the operating subsidiary? Thoughts and considerations about this
- Is administration centralised and are any aspects localised?
- One set of communications globally? or local variations? What medium do you use? Is e-comms the answer?
- Do you have local champions or managers? How active are they? How do you prepare them?



One size fits all?

Key choices:

- one global plan
 - no variations
 - some country variations in Schedule
- global policy
 - rolled out locally, many local plans
- mix 'n' match global plan and schedule for country variations and some local plans to meet tax or cultural issues



One size fits all?

Key considerations

- equality of treatment
 - opportunity to participate
 - opportunity to become a shareholder
 - shared wealth creation
 - leaver reasons; consistency and fairness
- decentralised management and autonomy



Chargeback?

Key considerations

- To chargeback
 - tax efficient in some countries
 - fair allocation of costs
 - transfer pricing issues
- Not to chargeback
 - complex!
 - local resistance if costs hit their income statement (and therefore may have better take up rates if you don't)



Legal regulatory compliance

Key issues

- Centralised or localised?
- Issues to be checked for compliance
 - securities law
 - exchange control
 - labour law
 - data privacy
 - tax
- consequences of non-compliance!



Legal regulatory compliance

Consequence of non-compliance:

- cost to the company, e.g. tax (and not withholding)
- affect the brand, e.g. prosecution for securities law breach
- affect on relationships with regulators e.g. exchange control consents
- where does the buck stop!

One set of communications, or local variations

Issues for consideration:

- consistent messages
- accurate plan descriptions
- messages understood (and should it be in their own language?)
- medium for communications, use of e-comms.

Administration, centralised or localised?

Key issues:

Centralised:

- efficiencies
- reporting
- compliance

Localised:

- qualifying plans
- keeping data current



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Key Issues

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Questions?

Thank you for your
participation



Doc Explore No

