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Successfully Managing Equity Disbursements Around the Globe

Ingrid Freire, CEP, Director Global Equity, HP

Patricia Landry, CEP, SVP Public Markets USA, Solium

Chris Mowatt, Head of Global Stock & Reward Services, Barclays

Agenda

- Current state of affairs around the world
- Local money movement trends
- Moving shares around the globe



Current State of Affairs

- Is money/share movement getting easier or harder?
- Trump factor
- Brexit update



Sample of Tricky Countries

China

- Are you SAFE?
- Should you allow ESPP holding? Can you separate China Nationals?
- How do you handle at employee's termination? Sale?

Russia

- HP issues CSARs
- No cash into Russia to fund program

Hungary

- RSUs settled in Cash; need to separate out funds per entity through our internal billing system

India

- For ESPP, funds need to be wired before we purchase rather than invoicing after purchase

France and Israel

- Third party assistance for transactions, reporting and share holding
- Separate brokers



Local Disbursements

- Low-cost electronic disbursement
- Faster Disbursements
- Everyone generally knows their account
- Most vendors allow for this disbursement type

- No ability to track payments through the system
 - If the amount is larger or tracking is needed, a wire would be better

- Good solution for international higher volume payments



Requesting an ACH

| | |
|----------------------------------|---|
| *Delivery Method: | <input type="radio"/> Direct deposit (Canadian accounts only) <input type="radio"/> Wire to bank account <input checked="" type="radio"/> ACH (US accounts only) <input type="radio"/> BACS (UK accounts only) <input type="radio"/> Direct credit (Australian accounts only) |
| *Bank Account Type: | U.S. Bank Account |
| Financial Institution: | <input type="text"/> |
| Branch: | <input type="text"/> |
| Branch Address: | <input type="text"/> |
| *Account is Domiciled in: | United States |
| SWIFT/BIC Code: | <input type="text"/> |
| *ABA Routing Number: | <input type="text"/> |
| *Account Holder Name: | Test Employee |
| *Account Number: | <input type="text"/> |
| *Account Currency: | US Dollars |

i This example is for U.S. Institutions only.

A SWIFT/BIC code institution number is the preferred method for receiving international wires. If you are not using a SWIFT/BIC code your payment might be delayed.

If you require assistance to enter your banking information for a U.S. bank account, please contact your banking provider.

JOAN SMITH
 #3 1300 S Beverly Dr
 Beverly Hills CA
 90212

DATE _____ \$ 1000

PAY TO THE ORDER OF _____

BANK NAME AND ADDRESS _____

MEMO _____

⑆111000880⑆ 960130629721 1000

ABA Routing Number Account Number Check Number



Money Movement Challenges

Funding and settlement of exercise and holds

- Methods of delivery – wires, checks, cash, brokerage account
- Effective transaction date – at exercise or funding date?
- Settlement time - # of days, extensions
- Exchange rates – exercise cost calculation, wire, internal reporting and recording
- Order cancellations



RSUs - Cash for Tax

Do you allow employees to pay cash for their RSU taxes?

Communication

Broker involvement

Calculations

Time needed



HP – Lost Payments and Shares

Mexico example

- Shareholder receives quarterly dividend checks
- Last quarter the money goes missing
- Stolen checks

Singapore example

- Name on check/wire does not match bank
- Reverse name from HR system to broker

Netherlands shareholder with US holdings example

- Previous employee vendor no longer able to allow shareholder to have an account in the US
- Liquidate shares or move them? Who can hold the stock?
- We used a book entry at our transfer agent

US to Canada lost wire example

- Employee complained of not receiving funds
- No communication from intermediary bank or broker
- Tracked down using Fed Wire number
- Employee's bank was holding funds and did not tell anyone



Moving Shares – Why Would You?



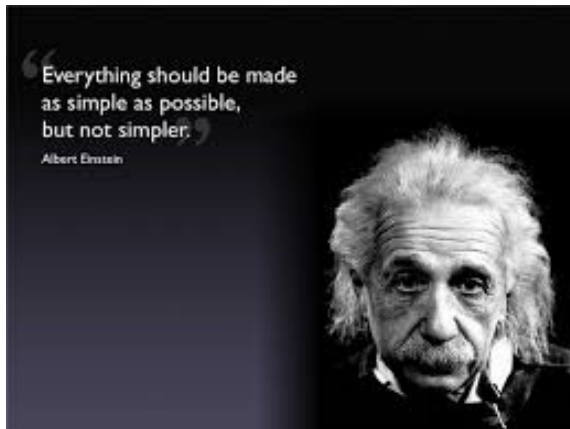
Personal Brokerage Accounts



- “Sophisticated” Investors 1-1
- Private relationship
- Other shares – other vehicles
- International capability?
- More complicated processes...
 - Transfer
 - Dividends
 - Costs?



Nominee / Vested Share Accounts



- Easy – linked to existing awards
- Single Company View - Value
- Easy to deal with dividends and sales



Is There Another Way?

- Alternative Share Classes?
 - Local holdings – same currency
 - How do you convert?
- Is ownership allowed?
 - Legislation
 - FX / Movement



Thank You

Ingrid Freire, CEP

HP Inc.

ingrid.freire@hp.com

Patricia Landry, CEP

Solium

patricia.landry@solium.com

Christopher Mowatt

Barclays

christopher.mowatt@barclays.com



Thank You

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