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The View from the Valley—What Drives Global Share Plan Design and Implementation in Silicon Valley and Does it Lead to Company Success?

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Agenda

- Company Program Design and Scope of Offerings
- Equity Design and Offerings Drivers
- Business' Impact on Equity Programs
- Success Measurements
- What is it about Silicon Valley?
- The Future of Awards in the Valley
- Questions



Current Equity Program Design and Scope of Offerings



HP

- Number of Employees:
60,000
- Types of Equity Offered:
RSUs, Options, Performance Options and Units,
and Long Term Cash
- Number of Countries Offered In:
Currently in 63 countries



GoPro

- Number of Employees:
1,300
- Types of Equity Offered:
RSUs, ESPP & Stock Options (US Executives only)
- Number of Countries Offered In:
Currently 16 countries



eBay

- Number of Employees:
12,600
- Types of Equity Offered:
ESPP, RSUs & PBRs
- Number of Countries Offered In:
Currently in 35 countries



How Has Program Design and Offering Evolved Over Last 5 Years?



How Has Program Design and Offering Evolved Over Last 5 Years?

- Award Types / Programs
- Broad-based / Key Managers
- Vesting
- Termination Provisions
- Restrictive Covenants



What Drives Equity Design and Offerings at Your Company?



What Drives Equity Design and Offerings at Your Company?

- Company Culture
- Comp Consultants / Market Practice
- Changes to Board / Management
- Costs / Complexity of Administration
- Employee Demand
- US Considerations vs. Non-US Considerations
- Tax Changes & Government Restrictions



How Does the Nature of Your Company's Business Impact its Use of Equity Programs? (if at all!)



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- Robust Intranet Site
- Use of videos / online training materials vs. printed materials
- Need to manage burn rate and ISS considerations outweighs other considerations
- Desire to customizing communications to work force and nature of programs



To What do You Contribute the Success of Your Equity Programs?



To What do You Contribute the Success of Your Equity Programs?

- Unique Features
- Share Value
- Effective Communication & employee feedback
- Customizing equity forms to fit demands
- Annual total compensation statement approach
- Broker one-on-one trainings
- Luck?



What do You Think Would be Different About Your Equity Programs if You Were Not Headquartered in Silicon Valley?

Or, what about Silicon Valley makes equity plan design different or innovative?



What do You Think Would be Different About Your Equity Programs if You Were Not Headquartered in Silicon Valley?

- Different view of (24-month) ESPP / broad-based plans?
- Competition for talent – Start-ups/IPOs and use of restrictive covenants and non-completes
- Employee communications - responding to questions of “engineers”?
- Managing US governance - blackout periods / insider trading restrictions



What Changes do You Anticipate Over the Next 5 Years?



What Changes do You Anticipate Over the Next 5 Years?

- Self-sufficient workforce
- Budgetary constraints
- New US Administration – Anticipating changes to US tax rules, SEC disclosure, immigration, etc.
- Brexit/EU – Workforce movement and headquarters may change



Thank You

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