



18TH ANNUAL CONFERENCE

GEO | ROME | 2017

26-28 APRIL, SHERATON ROMA

When in Rome: Adapting Equity Practices to Specific Markets

Becky Isakson, Equity Manager, Oracle

Barbara Klementz, Partner, Baker McKenzie

Fiona Montgomery, VP SPS Product Management, Fidelity Investments

Nicole Sloane, CEP, Global Stock Plan Manager, Kimberly-Clark Corp.

Company Introductions – Kimberly-Clark Corp.

Company Background

- Consumer products company with #1 or #2 position in 80 countries
- Well-known brands, such as Huggies, Kleenex, Kotex, Andrex, Neve
- Formed in 1872
- World headquarters in Irving, Texas, USA

Award Philosophy

- Grant same/similar award types globally wherever possible
- Eligibility – executives, senior managers, and senior professionals
- No qualified plans or sub-plans
- Regional stock purchase plan (Europe)





Key Statistics – Kimberly-Clark Corp.

Company Statistics

- Net sales 18.2B
- 52% North America/48% global
- 42,000 employees

Plan Statistics

- 2,000 global plan participants
- 65% U.S./35% global
- 50+ countries
- Annual grant: Stock options and PRSUs
- Quarterly grants: time-vested RSUs (retention and sign-on only)



Company Introductions – Oracle

Company Background

- 2nd largest software company in the world
- Develops and markets computer hardware systems and enterprise software products
- Headquarters in Redwood City, CA
- Over 95 acquisitions in the last 10 years

Award Philosophy

- 85% of equity awards granted at annual focal in July
- Prior to July 2014, granted only NQ stock options
- Annual equity grant now allows for choice between options and RSUs
- U.S. VP and above may elect to defer RSU awards



Key Statistics – Oracle

- Annual Revenue \$38.3B
- Total Employees 133K
- Employees Receiving Equity 26K
- Stock Delivered Globally In 49 countries
- % U.S.-Based 60%
- % Global (Non-U.S.) 40%
- Award Types:
 - Stock Options Yes
 - Restricted Stock/Units Yes
 - Performance Yes
 - Employee Stock Purchase Plan Yes



Adaptation of Grant Practices: Legal/Tax Reasons

- Qualified awards (Oracle)

- France



- Israel



- UK



Adaptation of Grant Practices: Legal/Tax Reasons

- Obtaining local tax deductions
 - Korea (cash-settled due to joint venture at K-C)
 - Cash-settled awards to obtain deductions if reimbursement otherwise problematic or tax deduction not available for share-settled awards (e.g., Netherlands, India, Canada)



Adaptation of Grant Practices: Legal/Tax Reasons

- Avoiding negative tax consequences
 - Australia (no retirement provisions)
 - Belgium (no award acceptance within 60 days of grant)
 - Chile and Russia (avoid granting stock options)
 - Israel (forced sale at vest or payment from shares sold through payroll to facilitate tax withholding at sale on RSUs)



Adaptation of Grant Practices: Legal/Tax Reasons

COMPLIANCE

- Avoiding compliance filings/actions
 - Philippines (cash-settled awards to avoid se
 - Italy (door-to-door exemption or cashless e restriction to avoid financial intermediary requirement)
 - India (cash-settled awards to avoid merchant bank requirement)
 - China (cashless exercise restriction to facilitate SAFE compliance)



Adaptation of Grant Practices for Other Reasons

- Translation of award agreements (due to legal requirements and/or English proficiency)
- Different grant acceptance practices (electronic vs. written)
- Are any countries **REQUESTING** certain type of award?



Conclusion

- Adaptation can lead to significant administrative burden
- Balance between adaptation and simplicity (but sometimes there is no choice)



Thank You

Nicole Sloane

Kimberly-Clark Corp.

Nicole.Sloane@kcc.com

Becky Isakson

Oracle

becky.isakson@oracle.com

Barbara Klementz

Baker McKenzie

Barbara.Klementz@bakermckenzie.com

Fiona Montgomery

Fidelity Investments

Fiona.montgomery@fmr.com

FOR GEO ANNUAL CONFERENCE ATTENDEES ONLY.

Baker McKenzie, Kimberly-Clark Corp, Oracle, and Fidelity Investments are not affiliated.
Fidelity Stock Plan Services, LLC.

794858.1.0



Thank You

Thank you for attending **GEO's 18th Annual Conference** in Rome. We hope you enjoyed this session.

- If you require **CPE Credit**, don't forget to Sign Out
- Two ways to give us your **feedback** on this session
 - Mobile app
 - Paper surveys available at the door

