



18<sup>TH</sup> ANNUAL CONFERENCE

**GEO | ROME | 2017**

26-28 APRIL, SHERATON ROMA

## Betting on Change and Banking on Design

**Derek Arisian**, AVP, Compensation Manager-Stock Plan Administration, Wells Fargo

**Garry Harding**, Head of Client Management, Computershare

**Claire Sykes**, Head of executive Reward and Share Plans, Rolls-Royce

# About Wells Fargo

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Wells Fargo & Company (NYSE: WFC) is a diversified, community-based financial services company with \$1.9 trillion in assets. Founded in 1852 and headquartered in San Francisco, Wells Fargo provides banking, insurance, investments, mortgage, and consumer and commercial finance through more than 8,600 locations, 13,000 ATMs, the internet ([wellsfargo.com](http://wellsfargo.com)) and mobile banking, and has offices in 42 countries and territories to support customers who conduct business in the global economy. With approximately 269,000 team members, Wells Fargo serves one in three households in the United States. Wells Fargo & Company was ranked No. 27 on Fortune's 2016 rankings of America's largest corporations. Wells Fargo's vision is to satisfy our customers' financial needs and help them succeed financially. News, insights and perspectives from Wells Fargo are also available at Wells Fargo Stories ([stories.wf.com](http://stories.wf.com)).



## Overview of our plan

- Long Term Incentive Compensation Plan (LTICP)
- To motivate key employees and directors of Wells Fargo
- Provides for various types of equity awards
- Beginning 2010, granted RSRs and performance shares as primary long-term incentive awards instead of stock options

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# Overview of LTICP communications

- Vesting Communications and approach
  - Email
  - Print
  - Intranet
  - Embedded PDF's, frequently asked questions
- Other channels considered

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## Why does this approach work for us?

- Feedback helps shape and guide our communications approach
- Proven, tested methodology to reach participants in user-friendly formats
- Proactively addresses the most frequently asked questions
- Helps control overall administration costs



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# About Rolls-Royce



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# Rolls-Royce®

- Rolls-Royce is a pre-eminent engineering company focused on world-class power and propulsion systems
- We are one of the world's leading producers of aero engines for large civil aircraft and corporate jets and are the second largest provider of defence aero engines in the world
- We have five core business – Civil, Defence, Marine, Nuclear and Power Systems
- 50,000 employees
- Customers in over 150 countries and we operate in over 50 countries





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## An overview of our plan

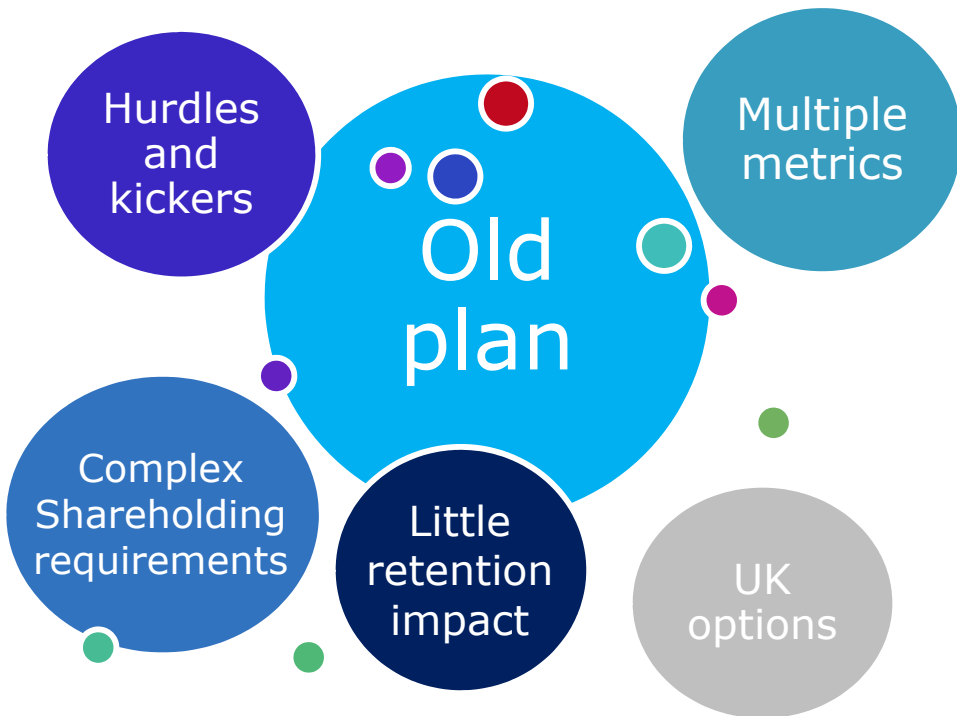
- Long running exec plan, applies to around 800 employees including some HIPO's
- Feedback from employees was that it was difficult to understand
- The design was a mixture of hurdles and kickers and a UK approved option plan in the UK
- Changing business context
- Plan communications were complicated
- Ultimately, the plan wasn't fit for purpose anymore:

To attract, retain and motivate our senior employees to deliver and share in our future success

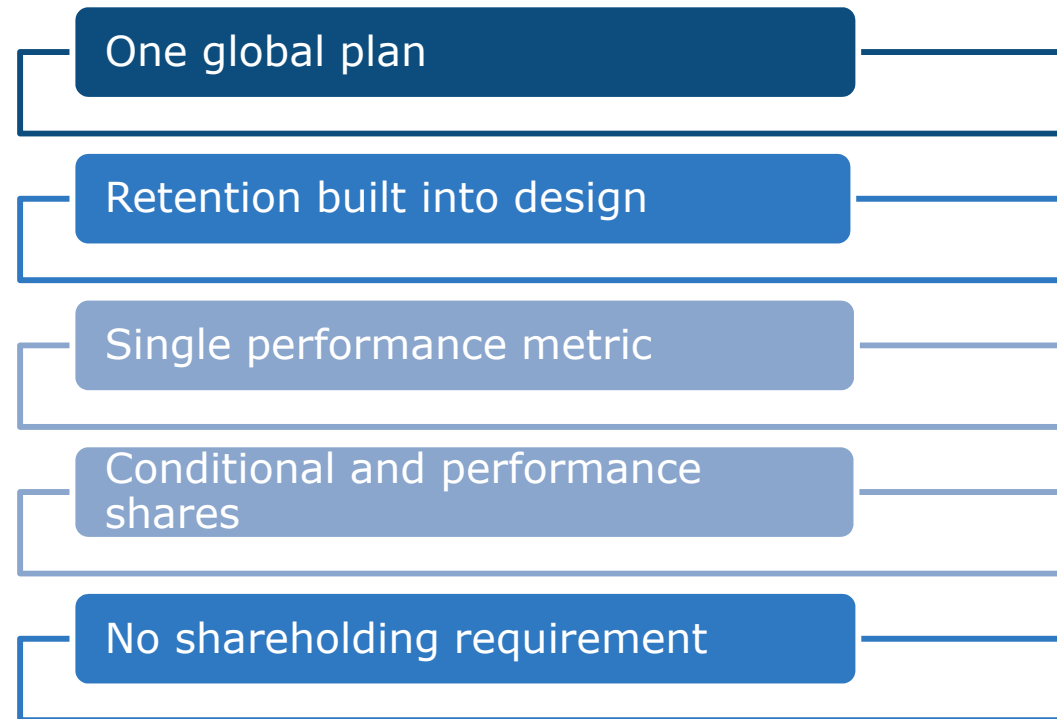


# What did we change?

We went from this:



To this:





And now...

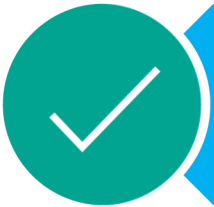


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Our employees understand the plan



They are more motivated and more likely to stay



And are rewarded appropriately for their contribution to our long term success



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Let's discuss –  
to change or not to change?



## In brief...

There is a trend in the industry for change

A full redesign of your plan or communication strategy can be a great way to drive engagement

But don't change for change's sake

Before you consider such a large project, think about what you want to achieve

Any change to your plan design or communication approach should support those objectives and be measured at the end



# Any questions?



# Thank You

**Derek Arisian**  
Wells Fargo  
[derek.arisian@wellsfargo.com](mailto:derek.arisian@wellsfargo.com)

**Claire Sykes**  
Rolls-Royce  
[Claire.Sykes@Rolls-Royce.com](mailto:Claire.Sykes@Rolls-Royce.com)

**Garry Harding**  
Computershare  
[Garry.Harding@computershare.co.uk](mailto:Garry.Harding@computershare.co.uk)



# Thank You

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