

GLOBAL EQUITY ORGANIZATION



THE
GEOaward
The Judges' Award

Global Equity Organization
Who award the Globe

Award Recipients for
2005

Dear Equity Compensation Professional,

The second annual GEO Awards gala celebration was held on Tuesday, 8 April 2003. Over 250 international practitioners from fourteen countries attended our largest awards event to date. Awards programs both educate and entertain. During our evening event we celebrated the success of exceptional companies using global employee stock plans while acknowledging the growing importance, acceptance, and development of our industry.

The GEO Awards were born from an old idea – we can all learn from those who have gone before. Our winners are both large and small companies that represent various industries and cultures. We have asked our independent panel of judges to look closely at the submissions and determine which deserve to be celebrated. Each has a story to tell – all have lessons we can learn from. As professionals, we are given an opportunity to share the successes and the lessons learned from our colleagues. This booklet provides a short synopsis of these stories.

The awards also give us an opportunity to stop and think about our work in the industry. It's easy to get lost in our daily tasks of staying compliant, processing reports, communicating with colleagues abroad, and managing our workload, forgetting the basic intent behind what we do. Our work gives millions of employees around the world the opportunity to participate in the successes and failures of the companies they work for. It provides a dream for employees who previously saw only the owners and executives participate in the equity upside of their companies. The debate on whether ownership is good or not will continue long after we are all retired. For now, we work for companies that believe in what we all do.

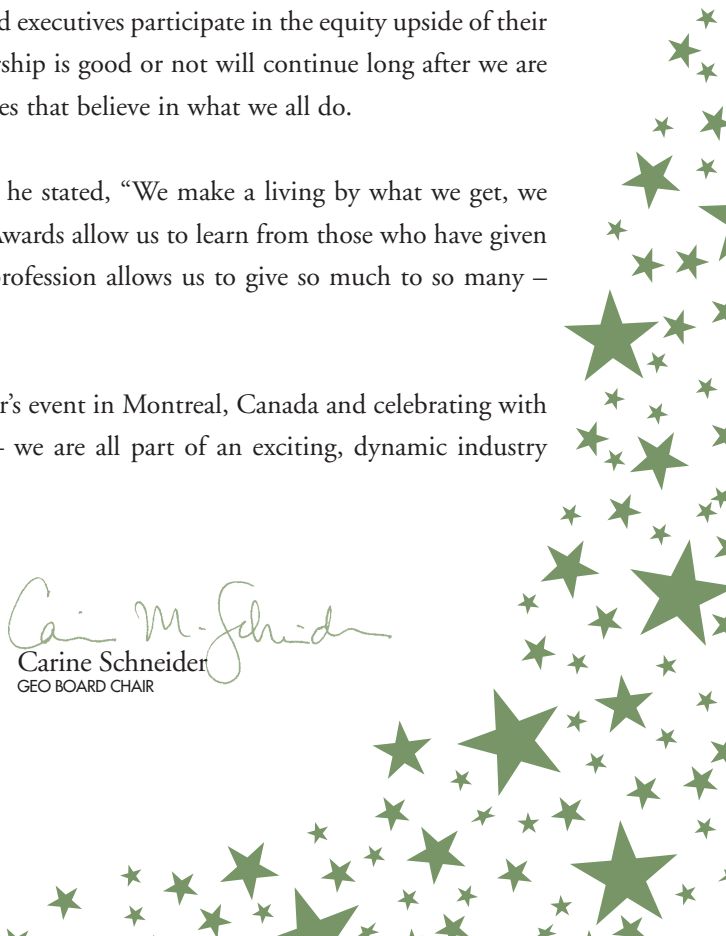
Winston Churchill said it perfectly when he stated, “We make a living by what we get, we make a life by what we give.” Our GEO Awards allow us to learn from those who have given information about their programs. Our profession allows us to give so much to so many – and for that, we can all celebrate.

We look forward to seeing you at next year's event in Montreal, Canada and celebrating with your colleagues, peers, and new friends – we are all part of an exciting, dynamic industry changing the world.


Ryan Weeden
GEO EXECUTIVE DIRECTOR


Carine Schneider
GEO BOARD CHAIR

A Message from GEO



The GEO Awards have been developed to acknowledge outstanding achievements by companies operating international employee stock plans. Our awards distinguish applicants based on their employment size and on the type and category of plan they are applying. The following are the 2003 GEO Award divisions and categories:

Company Divisions:

- ★ *less than 35,000 employees*
- ★ *between 35,000 – 75,000 employees*
- ★ *over 75,000 employees*

Categories:

- ★ *Communication*
- ★ *Use of Technology*
- ★ *Innovative and Creative Plan Design*
- ★ *Plan Effectiveness*

The awards are only granted to companies that submit applications to GEO for consideration. An international panel of four impartial equity compensation professionals were selected as GEO Award Judges and were chosen on their demonstrated experience in the equity compensation profession. The judges review all submissions and meet for a two-day assessment of the candidates. Candidates are evaluated solely on submitted materials.

The GEO Awards recipients are not announced until the GEO Awards gala dinner event.

Please visit www.geoawards.org for the latest information about the GEO Awards and application.



What Are

PLAN COMMUNICATION

Communication is key to the successful operation of any employee stock plan and operating plans internationally presents special geographic, linguistic, and cultural challenges. Judges look for the most effective and appropriate communication methods and materials used in a plan. In addition, judges consider a company's size and the number of employees to whom the company must communicate the plan. For instance, awards were not based on the amount of money spent on a communications program but based on the content, message delivered, coherency, and style.

The Judges determined the following criteria important in evaluating these awards:

- ★ *Technique/Mean of communication*
- ★ *Clear and concise language*
- ★ *Single/Two-way communication*
- ★ *Localization and personalization*
- ★ *Consistency*
- ★ *Link of communication to corporate branding*
- ★ *Local intermediaries used to deliver message*

Further considerations of the Judges in evaluating the quality of a Communication submission were the use of humor, the demographics of the employee population (education, language skills, etc.), and the type, level, and detail of information. A critical element of designing a winning Communication submission was having meetings to evaluate local viewpoint, opinion, and consideration.

USE OF TECHNOLOGY

The best designed and communicated global stock plans can be prohibitively expensive and time consuming if not properly managed and operated. The use of paper/print confirmation, enrollment, account management forms, and communication materials inherently slow the implementation and management of these plans. Corporate stock plan administration departments have thus found websites, intranets, and other electronic tools invaluable and cost effective in managing, communicating, and administering international equity compensation plans. The GEO Award for Best Use of Technology is granted to companies that

The GEO Awards

INNOVATIVE AND CREATIVE

PLAN DESIGN

Share plans can be created to meet a multitude of corporate objectives that must be balanced with the legal, regulatory, and tax issues both in the headquarter country as well as in jurisdictions across the globe. An equally challenging obstacle is to create a single global plan that maintains the core corporate philosophy and addresses local cultural concerns. This category allows applicants to demonstrate how inventive and creative they were in working around potential stumbling blocks in developing and implementing global share ownership plans. Measurements in this category include how well the plan was creatively adapted to local tax and regulatory laws, innovative ways to increase employee participation and excitement, and how their plan differs from competitors or industry norms.

The Judges determined the following criteria important in evaluating these awards:

- ★ Global reach (must be a plan operated in multiple countries)
- ★ Ground breaking solutions
- ★ Closely tailored to meet local needs whilst maintaining all critical corporate objectives (weighing on the largest employee base more substantially)
- ★ Promotes ownership behavior
- ★ Employee input to plan design
- ★ Multiple goals - multiple plans
- ★ Staged rollout

have developed innovative, appropriate, and comprehensive technological solutions to share plan administration, communication, and internal project management.

Given the multitude of technological alternatives, the 2003 Judges focused on the following three, but equally important, areas of technological function:

- ★ Participant access – use and design for decentralized employee groups to access share plan information, manage their account, enroll in a plan, and exercise/sell their shares.

PLAN EFFECTIVENESS.....

Share plans are key elements in helping a company achieve its corporate mission and goals. This award category is to highlight companies that have spent time and energy developing an employee equity compensation plan that works well toward those various corporate objectives.

The criteria for this category are based on an assessment of employee participation, significant "take-up" levels among employees (taking into account the type of plan), and other ways of involving employees in the operation of the company. An essential component of assessing effectiveness is a clear statement of the goals of the plan in addition to a demonstrated measurement technique.

The Judges determined the following criteria important in evaluating these awards:

- ★ Take-up rate
- ★ Voluntary plan
- ★ Employee turnover rate
- ★ Employee attraction rate
- ★ High employee stock retention rate
- ★ Company performance issue
- ★ Achievement of company goals
- ★ Clear statement of plan objectives
- ★ Economic 'effect' on employee finances
- ★ Support of the corporate culture

Fundamentally, a company needed to operate a plan that was more than a 'paragraph in a brochure.' An effective share scheme sustainably integrates and links plan communications, launch, plan design, and plan revision on a regular basis.

- ★ Administration – internal stock plan management to record and track transactions, create and analyze reports, and provide real-time support to employees
- ★ External linkage – integration with third-party vendors, access to communication materials for in-country project managers, and linkage with government regulatory and reporting agencies.

The 2003 GEO Awards Judges

The GEO Awards Judges are chosen on their demonstrated experience in the equity compensation profession and in consideration of their independence from possible award candidates. For obvious reasons we prefer our Judges to be impartial and to have minimal connection to any of the applicant companies. However, we realize that there are few, if any, individuals within the stock plan community who do not have connections or personal relationships within or among the applicant companies. We try and minimize these conflicts and where they do arise that judge is excused from the evaluation of that submission. Judges receive no compensation for their time – only travel expenses are reimbursed.

This Year's Judges

ED CARBERRY

Ed Carberry is a PhD student in sociology and organizational behavior at Cornell University, New York, US, with research interests in the sociology of work and organizations, including employee ownership and new workplace practices. Previously, Ed was Senior Equity Compensation Leader at the National Center for Employee Ownership (NCEO) in Oakland, CA for eight years. During his tenure at the NCEO, he co-developed the Center's stock option and stock purchase activities, including research studies, publications, seminars, and media outreach. He is the author and co-author of five books and has authored dozens of articles on employee ownership for business and trade publications.

MAOILÍOSA Ó CÚLACHÁIN

Maoilíosa Ó Cúlacháin has been the eircom ESOP Manager since 1998, when he led the establishment and implementation of the ESOP. As company secretary to the eircom ESOP Trustee, he advises and supports the trustee and manages the day-to-day business of the ESOP. Prior to joining eircom, Maoilíosa was a consultant with PricewaterhouseCoopers (formerly Coopers & Lybrand) in London, where he worked in personal tax, employment law, profit-related pay, employee share schemes, and HR consultancy. A barrister by qualification, he is a member of Lincoln's Inn, London. Before moving to London, he served as an officer in the Irish Army for seven years, including a six month tour with the UN in Lebanon in 1987. He was the Chairman of the Irish Pro Share Association (IPSA) from 2000 to 2003, and remains an active member of the Council.

NIGEL TURNER

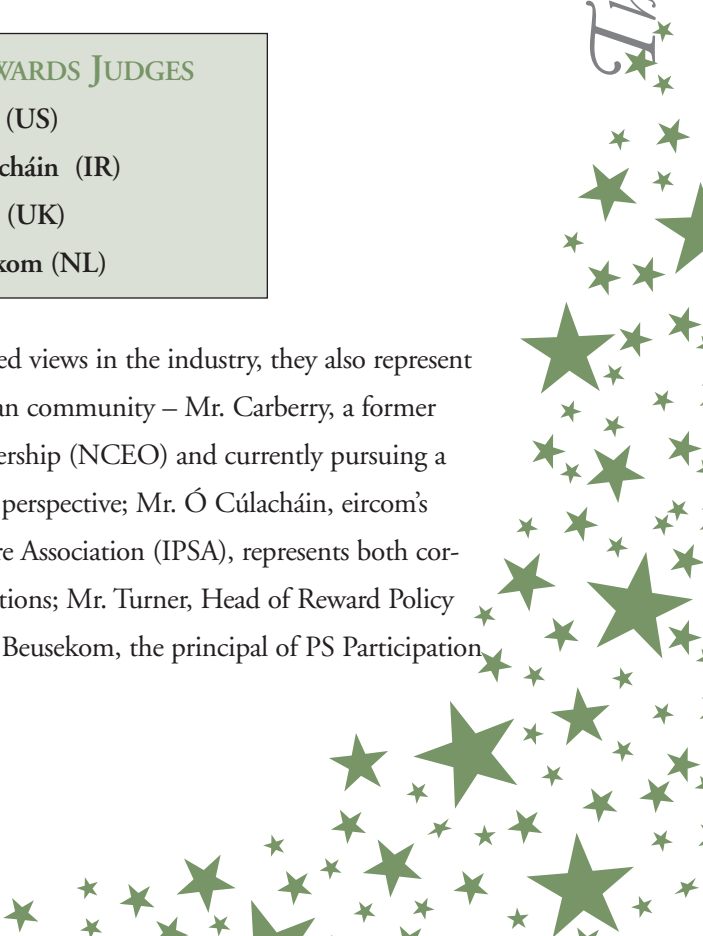
Nigel Turner is Head of Reward Policy for BP plc and is responsible for equity plans and reward policy generally. Past responsibilities have included the implementation of BP's global share plan and managing executive and professional reward for the global Marketing and Refining business stream. Prior to joining BP's Executive Reward team in London, he was Compensation and Benefits Manager for BP Oil Europe based in Brussels. He joined BP in 1996 from Mobil Corporation where he was Compensation and Benefits Consultant Europe/Africa and previously Compensation and Benefits Manager UK. BP won two GEO awards in 2002 and Nigel is a member of GEO's Advisory Council.

MARK VAN BEUSEKOM

Mark van Beusekom is the founder of PS Participation Solutions and a former director of the Netherlands Participation Institute (NPI). PS Participation Solutions works closely with clients and specializes in assisting in the design, implementation, and maintenance of employee ownership plans. Mark is author and co-author of many books and articles about employee participation and ownership published in the Netherlands in recent years.

THE 2003 GEO AWARDS JUDGES
Ed Carberry (US)
Maoilíosa Ó Cúlacháin (IR)
Nigel Turner (UK)
Mark van Beusekom (NL)

These judges not only represent the most experienced views in the industry, they also represent the four main professional roles within the stock plan community – Mr. Carberry, a former director of the National Center for Employee Ownership (NCEO) and currently pursuing a PhD at Cornell University, represents the academic perspective; Mr. Ó Cúlacháin, eircom's ESOP Trustee and former chair of the Irish ProShare Association (IPSA), represents both corporate issuers and third-party independent organizations; Mr. Turner, Head of Reward Policy at BP plc, represents corporate issuers; and Mr. van Beusekom, the principal of PS Participation Solutions, represents service providers.



**Best Plan
Communication**
Less than 35,000 Employees



**COMPANY
HIGHLIGHTS**

- ★ Two of the eight largest Xansa shareholder groups are employee trusts - holding over 36 million shares collectively
- ★ 2002 plan changes allowed Xansa to match every employee share purchase with at least 2.5 options per share
- ★ 2002 revenues - £518 million

Xansa

Xansa is a leading global technology company assisting clients in three core areas: business consulting, information technology, and outsourcing. The company has a long history of using employee share schemes. At the time of floatation on the London Stock Exchange in 1996, employees owned 40% of the company through the Employee Trust. Today, employees still own 28% of Xansa shares through the trust - despite four major acquisitions.

In July 2001, after thorough consideration of alternate plans, Xansa launched a new UK SIP and an All Employee International Share Option Scheme (for non-UK employees) to address its growing international presence. The 2001 share scheme launch coincided with a roll out of a new corporate brand and identity. Through acquisitions and corporate activities, many employees were new to the Xansa team and the internal share plan committee was charged with using the share scheme to deliver the message that there was 'One' Xansa and all employees belonged.

The company is being recognized for its communication campaign particularly due to its integration of a singular message, theme, and 'feel' for its global share plan – despite operating plans in 10 countries. Xansa's communication strategy was to develop core template materials that included all necessary legal, technical, and procedural information and then allow for local and country specific issues to be easily integrated. All employees received standard information on how the scheme works, leaver policies, withdrawal provisions, option exercise procedures, enrollment instructions, and local tax information.

Xansa's communication materials were exceptionally inviting and pleasant to read. The language used in the materials was concise and appropriately written (given employee education and experience). A core visual theme used throughout the communication materials was flowers native to countries where employees worked. The native flowers of six countries/regions were integrated with all global communication materials and subtly conveyed the global distribution of Xansa's employees.

Xansa was also one of the only applicants to communicate information about participating in share schemes in an economic downturn. While this is a difficult message to convey, Xansa used the opportunity to explain the position of its primary business within the economy and how employees contribute to its success.

The notable communication processes and materials listed above may, however, understate what the GEO Awards Judges found most impressive of Xansa's communication strategy – the ability to communicate a 'below the line' connection to the company. Xansa truly created a 'One' message for all its employees and did so in a manner that engaged and involved employees in the operation of the company.

Abbott Laboratories

Abbott Laboratories is a global health care company developing, manufacturing, and marketing pharmaceuticals, nutritionals, and medical products. As a diversified company, employees work in five reporting segments, including: pharmaceutical products, diagnostic products, hospital products, Ross products, and international activities. The company employs approximately 70,000 people and has a market presence in over 130 countries.

Abbott launched its Affiliate Employee Stock Purchase Plan in January 2002 targeting employees in 71 countries. Abbott launched the plan to create a broad-range of employee shareholders, deliver a cost effective savings plan, and provide employees an introduction to the stock market. The plan was specifically designed and directed at Abbott's global employee population with the exclusion of its US, UK, Puerto Rican, and Canadian employees, who have their own, tax-favored employee stock plans.

The Affiliate ESPP communication strategy stands out for its exceptional involvement of in-country managers to develop customized communication styles and messages. Technical resources were developed by corporate headquarters and a comprehensive and user-friendly intranet site was created to store all documents. Country managers were provided access to the Affiliate ESPP intranet and asked to devise a communication message appropriate for their local employee population.

These local contacts (who were known and trusted to employees in that region) were provided general guidelines of what must be communicated, however they were provided latitude in how that material was developed. Local managers delivered the specific details of the Affiliate ESPP through customized print and electronic materials, engaging giveaways and games, and through individual and group employee meetings.

The communication process was organized, tracked, and managed by an innovative, easy to use Intranet intranet where corporate materials were stored. The entire communication budget of Abbott's Affiliate ESPP was significantly lower than industry averages as the company was able to avoid costly printing and distribution costs, centrally manage the process, and use technology in an innovative way.

Best Plan Communication

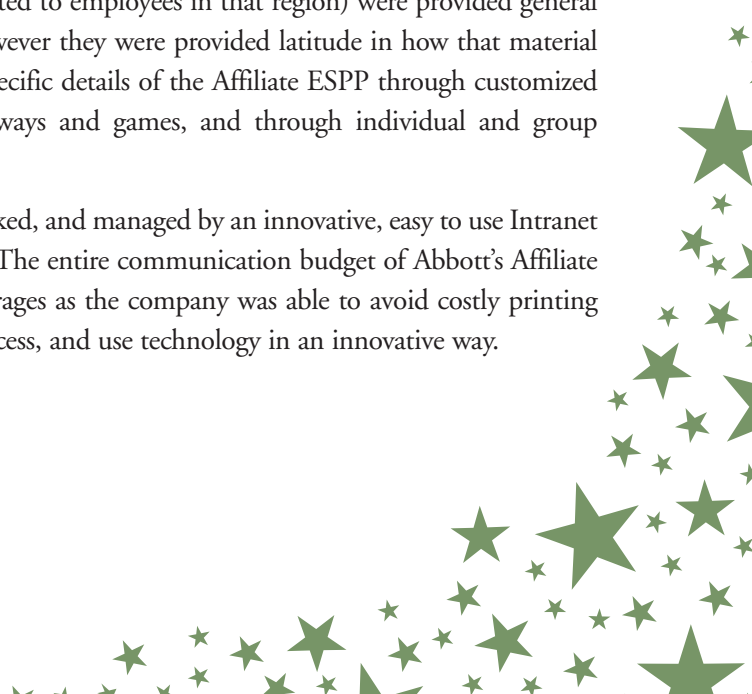
35,000 – 75,000 Employees



COMPANY HIGHLIGHTS

- ★ Experienced 47 consecutive years of sales increases
- ★ Has made 315 consecutive quarterly dividend payments since 1924
- ★ 2002 Market capitalization more than US\$85 billion – 27th of Fortune 500
- ★ R&D expenditures of US\$1.6 billion in 2002
- ★ 2001 voluntary employee turnover was 5.1% - significantly lower than industry norms

Communication Category



**Best Plan
Communication**
Over 75,000 Employees



**COMPANY
HIGHLIGHTS**

- ★ World tire market leader – 19% of global marketplace
- ★ Daily production – 761,000 tires, 42,000 inner tubes, 81,000 wheels, 74,000 maps
- ★ Used a pre-launch and post-launch survey to determine employee opinion and campaign effectiveness
- ★ ‘Michelin man’ (Bibendum) born 1898.

Michelin Group

Michelin is one of the largest tire manufacturers with a 19% global market share and offers over 36,000 products in 170 countries. It has 80 production sites in 19 countries with over 130,000 employees and has been in operation for over 100 years.

Michelin launched its BIB'Action plan in two phases – phase one launched in 2001 to 95,000 employees in 16 countries and phase two to the remainder of employees in 2003. The BIB'Action plan is fairly complex and the GEO Award Judges were confident this plan would have had a much lower take up rate if it were not for the company's extensive communication efforts. In fact, Michelin used so many techniques, so well, the GEO Award Judges found it difficult to highlight just a few core details.

Michelin faced a difficult communication task from the beginning, as seven of the initial sixteen countries required significant plan modification (see Innovative & Creative Design Category - Over 75,000 for more details). The plan modifications complicated the use of a singular communications campaign; therefore, the project management team utilized an extensive network of in-country managers and volunteers to discuss this message with

its international contacts. For every country or geographic region, a project leader was appointed to manage the communication and implementation process. Project leaders assigned over 100 site and local project leaders who then selected 1,100 volunteer 'Communication Relays' who were trained to inform their colleagues of the plan. Relays were primarily weekly-paid employees with no previous presentation experience and little to no knowledge of stock markets or share schemes. A maximum ratio of one Relay to ninety employees was established and Relays delivered a total of 7,800 one- to two-hour presentations to all 95,000 participating employees.

Communication materials were distributed through in-person meetings, video, brochures, posters, newsletters, employee TV, company magazines, intranet, and telephone support lines. Materials were translated in eleven languages and several Chinese dialects. All employee participants received shareholder materials three times a year delivered to their home. Materials used simple language and graphics to communicate a complex plan. Various techniques were used to obtain feedback on employee reaction, concerns, and questions regarding the share plan.

Further, Michelin is commended for explaining the position of the company in the larger global economic environment. Senior management participated in video presentations explaining the uncertainty of employee involvement in share schemes. Michelin is granted this award not only for its exceptionally thorough communications campaign, but also for the most involved and well designed communications process.

Cisco Systems

In granting a stock plan 'technology' award to a leading technology company, the GEO Award Judges carefully considered whether Cisco was just 'doing its job' or whether they were using their skill and background to develop innovative processes to address an inherently complex data management task. The Judges clearly believed the latter.

The time-saving and efficiency-generating technologies used by Cisco's stock plan department are clear leading examples of how to manage and operate a global stock plan. The overriding philosophy of Cisco's stock plan department is to do 'more with less.' By constantly revisiting this axiom, Cisco manages three primary stock plans (and dozens of restricted stock and 'one-off' stock plans of acquired companies) for over 30,000 employees with a 10 person staff. To a large extent this has been accomplished by automating and developing on-line, Internet-based tools to eliminate the need for most manual transaction tasks.

Cisco has achieved these efficiencies through leveraging technology in three main stock plan administration functions/areas:

Employee Self-Service – All employees have on-line instant access to their stock option and stock purchase plan accounts, including: grant agreements, stock summary details, enrollment forms, and historical account information. Cisco's preferred brokers are linked directly through their employee web portal allowing employees a single site to visit for all stock transactions. Employees may also view the value of their stock options in a variety of share-pricing models as well as print a formal report that provides account value for obtaining loans and mortgages.

Management of Stock Option Grants & Exercises – To handle its large number of employee stock option grants (over 112,000 in FY 2002), Cisco has designed a custom backbone application called SABRINA (Stock Administration BRoker INterface Agent). This complex data management tool provides seamless 'end-to-end' notification, reporting, documentation, and account verification for all aspects of stock option administration. SABRINA not only includes features to handle confirmations, vestings, exercises, and all associated brokerage reports it also allows managers across Cisco to input targeted employee option grants and consolidates management input for board approval.

ESPP Management – Cisco has developed a similar stock purchase plan management tool called SPA – Stock Purchase Agent. This integrated tool captures employee enrollment, withdrawals, terminations, leaves of absences, and transfers from one country to another. SPA also provides necessary file reports, calculates actual share purchase (and the residual deferral to be returned), and links with Cisco's local payroll offices to ensure coordinated and consistent data on international employees.

Cisco estimates a savings of US\$5 million per year due to its technology solutions. While the GEO Award Judges acknowledge that not every company will be able to model their stock plan department on Cisco's, the Judges did feel every company could benefit from the type of thorough examination of how technology may be used to address every day tasks that Cisco has undertaken.

**Best Use of
Technology**
Less than 35,000 Employees



COMPANY HIGHLIGHTS

- ★ All new employees receive stock options
- ★ Over 112,000 grants to nearly 32,000 employees in 75 countries in 2002
- ★ Acquisitions of 79 companies during past 10 years
- ★ Over 27,000 employees in 52 countries participated in ESPP in 2002

Use of Technology Category

Best Use of Technology

35,000 – 75,000 Employees

NOKIA

COMPANY HIGHLIGHTS

- ★ Approximately 2 million shareholders – half in US, half in Europe. Nearly 10% of shares owned by Finnish shareholders
- ★ 2002 annual sales €30 billion
- ★ R&D spending 2002 - €3.1 billion
- ★ Five largest markets – US, UK, China, Germany, Italy
- ★ Five largest employee locations – Finland, US, China, Germany, UK

Nokia

Nokia is the world's largest mobile phone manufacturer and a leader in mobile, broadband, and IP network infrastructure and related services. The company has also developed a joint venture entity to invest in new, unrelated business ideas. Nokia has over 54,000 employees in 119 countries and the average employee age is 34, with approximately 73% of employees working for the company for two or more years.

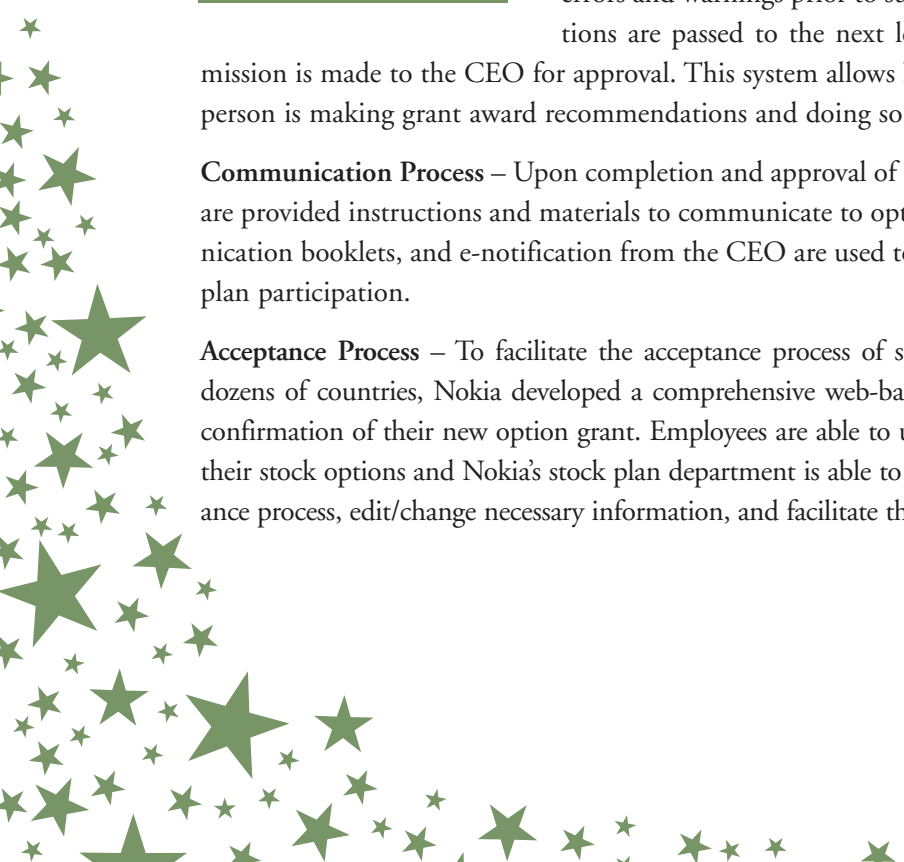
Nokia uses a broad-based employee stock option plan and extensively employs various e-tools to assist its optionees, global managers, and communications department in operating its option program. The company is being recognized for using e-tools to effectively address the following three specific stock plan operational processes:

Nomination Process – Through a customized web-based tool, Nokia has developed an innovative technique for over 6,000 managers to recommend and nominate employees for its stock option programs. During an annual seven-week period, managers use the online tool to calculate grant targets, eligibility, and participation. The system automatically flags any business rule errors and warnings prior to submission. Manager recommendations are passed to the next level management until final sub-

mission is made to the CEO for approval. This system allows Nokia to ensure the most relevant person is making grant award recommendations and doing so in a time-efficient manner.

Communication Process – Upon completion and approval of the nomination process, managers are provided instructions and materials to communicate to optionees. Email, electronic communication booklets, and e-notification from the CEO are used to efficiently discuss the benefits of plan participation.

Acceptance Process – To facilitate the acceptance process of stock options among employees in dozens of countries, Nokia developed a comprehensive web-based tool that provides an optionee confirmation of their new option grant. Employees are able to use the confirmation tool to accept their stock options and Nokia's stock plan department is able to run reports to monitor the acceptance process, edit/change necessary information, and facilitate the administration of the program.



International Paper

International Paper (IP) is the world's largest paper and forest products company. The company was established in 1898 and has steadily increased its global operations through acquisitions and joint ventures in over 40 countries. The company employs more than 100,000 people and its products are exported to over 130 countries.

IP operates its management stock option plan in more than 23 countries and grants options to key employees in positions able to influence IP's financial success. The company undertook an extensive, comprehensive communications campaign in 2001 to introduce their new global stock option plan and inform participants of plan provisions, vendors, and program details. To support its campaign, IP developed an extensive technological network to streamline administrative, communication, and plan roll-out/coordination processes.

From the initial announcement of its stock plan (a 45-second electronic 'teaser' presentation at the closing ceremony of its global internal HR conference) to using imaging technology (storing all stock plan documents, communications, grant agreements, and other paper materials on a globally accessible corporate intranet), IP has, ironically, shown the lengths a company can go to reduce paper documents to achieve maximum efficiency and cost effectiveness.

IP has also done an exceptional job of developing both an electronic front-end access point for employees and a customized in-house database that over 100 global HR managers can access for all stock plan transaction documents. The 'My IP' corporate intranet allows all optionees, local stock option coordinators, and IP's designated broker to store and retrieve data for various uses. Documents are saved in various formats (HTML, PDF, and Microsoft Excel) in order to facilitate the greatest access and allowed IP savings on reproduction of documents for a limited number of employees in various countries.

While IP has a relatively small number of optionees – approximately 5,000 – it has shown that key employee stock option plans can benefit from an integrated use of Internet, on-line tools to communicate, manage, and coordinate a share plan. Not only has the company attributed significant duplication, mailing, and travel cost savings to its innovative technology solutions, it also acknowledges that their plan rollout would have been much longer, more difficult, and less consistent without the coordination derived from these technologies.

Best Use of Technology

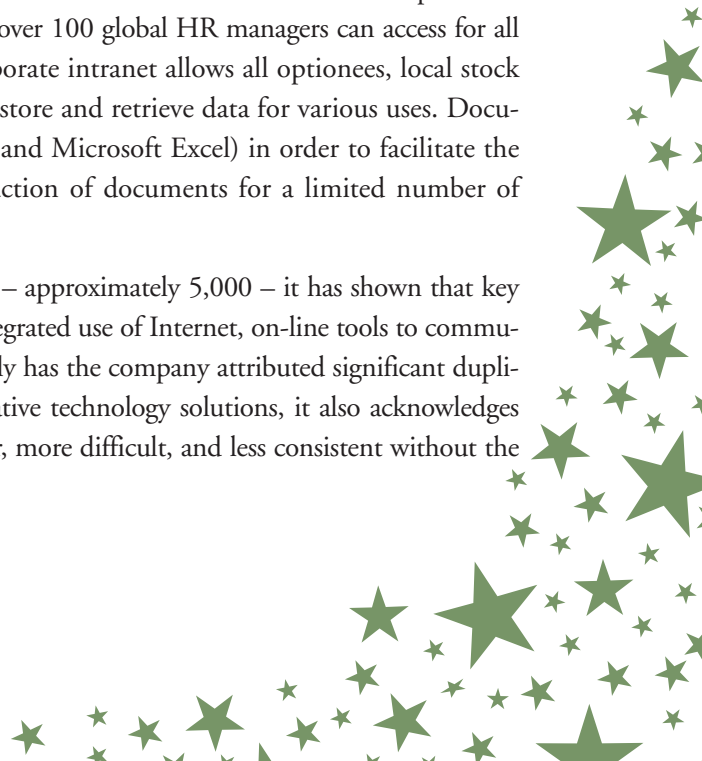
Over 75,000 Employees

INTERNATIONAL  PAPER

COMPANY HIGHLIGHTS

- ★ One of world's largest private landowners – over 20 million acres worldwide with 10.4 million acres of forestland in US alone
- ★ Company produces 500 million plant seedlings annually, has planted over 7.5 billion since its founding, and in 2002 planted its six millionth acre
- ★ First listed on the NYSE in 1941 – shortly after incorporation
- ★ Annual sales of over US\$30 billion

Use of Technology Category



**Most Innovative
and Creative Design**

35,000 – 75,000 Employees



**COMPANY
HIGHLIGHTS**

- ★ 22 million customers
- ★ 93 million shares under option
- ★ 81,000+ grants processed in FY 2002
- ★ 36,000 participants in Sharesave – 21% save maximum amount
- ★ 95% of employees have a beneficial ownership interest

HBOS plc

HBOS is a diversified banking company headquartered in Scotland. The company was created in September 2001 following the merger of Bank of Scotland and Halifax. The company has over 62,000 employees in 2,400 work locations in 14 countries and has 33 employing companies offering a wide and varying range of financial service products.

HBOS has received the 2003 Most Innovative and Creative Plan Design award for its thorough, multi-dimensional suite of employee share plans. The HBOS employee ownership plans include: a broad-based, all-country sharesave (stock purchase) plan; a broad-based, all-country share option plan; an annual bonus plan (Sharekicker); an UK-Approved SIP; and discretionary, conditional awards made to executives.

The combination of these plans provides HBOS the ability to meet a wide range of corporate objectives and employee ownership benefits, including:

- ★ The Sharesave plan allows employees to save for a designated period of time and then offers them an opportunity to buy company

shares. Employees are offered enrollment periods of 3, 5, and 7 years as well as a 20% share price discount. Amazingly, the HBOS Sharesave Plan was designed, implemented, and launched within 42 days following the merger of Halifax and Bank of Scotland.

- ★ The Employee Share Option Plan covers 95% of HBOS employees and provides employee automatic enrollment in the plan. Option targets are 20% of salary with a minimum of 60 share options. The plan has UK Inland Revenue ‘approval’ and the company is seeking similar, favorable tax treatment in Australia, Isle of Man, and Jersey. An unapproved share option element is also used to award grants above the maximum £30,000 ‘approved’ plan annual limit.

- ★ HBOS provides an annual bonus to qualified employees. While employees can receive cash bonuses, they also may keep their bonus in an employee trust. By leaving their bonus amount in the trust for 3 years HBOS will provide a 50% match. The company is reviewing the use of a SIP in conjunction with their annual bonus plan.

- ★ The Long Term Executive Bonus Plan conditionally provides shares to executives. Shares are released upon meeting defined performance measures (TSR performance over a period of time) following a lock up period (3 to 5 years).

The HBOS share plan suite stands out for its integrated use of multiple plans. The GEO Award Judges were especially impressed by the fact that HBOS was able to create a diversity of effective plans while maintaining necessary simplicity and coherence. The company avoided the ‘tax tail wagging the dog’ and instead developed a truly integrated concept of employee ownership.

Michelin Group

Michelin's BIB'Action plan is primarily a stock purchase vehicle available to nearly all Michelin employees. While the core 'standard' plan is uniquely designed, Michelin is receiving this award for its well-considered, comprehensive, and flexible approach of providing the most tax-effective benefit to employees while maximizing participation. Michelin has operations in 19 countries and in designing its BIB'Action plan, the company provided its country managers the autonomy to design the most appealing local share scheme, following three core concepts – direct share ownership, encourage participation, and relative comparability among plan attributes across countries (terms, minimum investment, etc.). Michelin is receiving this award for its well-considered, comprehensive, and most of all, participative approach in designing and implementing a truly global stock plan that provides the most tax-effective benefit to employees in different countries while maximizing global participation.

Under the 'standard' BIB'Action plan, employees must make a minimum one share investment. The company provides a 50% match for the first 10 shares, a 33% match for shares 11 – 20, and a 20% discount on the first 20 shares. If employees can not afford to participate in the plan, they may elect to enroll in a company sponsored interest-free loan program for share purchase. Participants face a 5-year lock-in period and the company provides subsidized brokerage fees. Employee account management is provided by a local or global custodian that allows maximum efficiency and access.

Michelin further modified its standard plan to meet the tax efficiency vehicles in the UK (SIP), China (indexed bonus plan), Columbia (FCPE), the US (a mandatory DRIP), and Italy and Germany (minor share match modifications).

The core objectives of the BIB'Action plan were to increase employee involvement in the group's growth and progress, improve the bond between Michelin and its personnel, increase employee economic awareness to better understand the Group's objectives, and encourage the alignment of employee and shareholder concerns. The GEO Award Judges felt Michelin overwhelmingly met its corporate objectives through its thorough, comprehensive, and integrated share plans.

Michelin is to be commended for creating a plan that is participative, flexible, accommodating, and for using a variety of implementation tools and techniques that made it possible for the highest participation among all employees. While the plan itself is somewhat complicated, by involving country managers in the design process, Michelin ensured that its plan was not only locally appropriate, but also locally understood.

Most Innovative and Creative Design

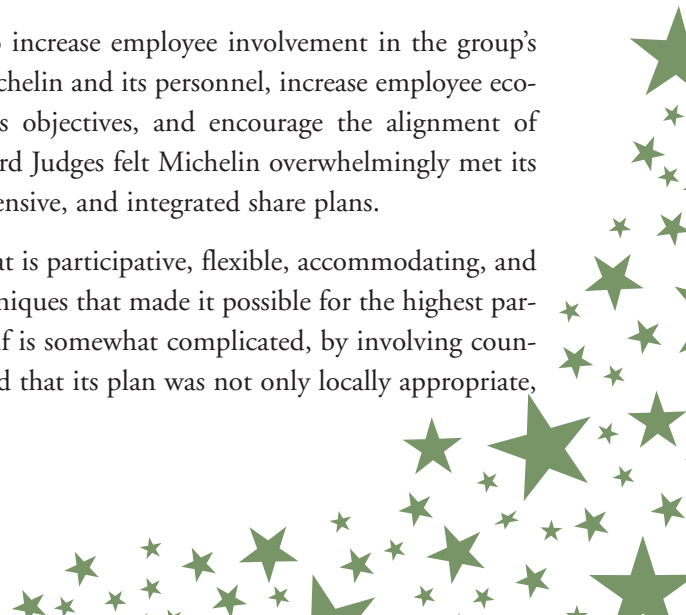
Over 75,000 Employees



COMPANY HIGHLIGHTS

- ★ Company began 1832
- ★ Edouard Michelin takes over management in 1889 after leaving his painting studio
- ★ Listed on the 'Premier Marché' of Paris Stock Exchange
- ★ 130,000 employees of all educational and cultural perspectives
- ★ Owns 6 natural rubber plantations
- ★ 64% average plan participation rate

Innovative & Creative Design Category



Best Plan Effectiveness
Over 75,000 Employees

P&G

COMPANY HIGHLIGHTS

- ★ In 2002 – over 5 billion consumers items sold in 160 countries
- ★ Started in 1837 as soap and candle factory
- ★ Pioneered the use of broad-based employee profit sharing – first plan late-1800's

Procter & Gamble Company

Procter & Gamble is one of the world's best known consumer products manufacturing and marketing companies. It has over 300 household and consumer baby care, beauty care, health care, snacks, and beverages products. Its 105,000 employees work in over 80 countries and there are over 1 million current shareholders (including employees participating in company sponsored share plans).

P&G launched its broad-based international matched savings plan in 1992. It was one of the pioneers in seeking widespread employee share ownership outside its home country. In fact, P&G began its first profit-sharing plan for its US employees since 1887 and has consistently expanded its plan to include all employees.

Under its International Stock Ownership Plan (ISOP) P&G employees may make payroll deductions to purchase company stock. Employees may contribute up to 10% of salary and contributions up to 5% of current salary are matched by the company on a 50% basis. The ISOP is used as an umbrella plan to address other local regulatory issues limiting or prohibiting employees from participating in other employer sponsored benefit plans. The ISOP is modified in several eastern European countries (to meet defined benefit pension plan issues), Saudi Arabia (to address existing savings plan), Germany (to accommodate a locally approved tax-free program), and Canada (to include a flex plan). US-based employees do not participate in the ISOP but are involved in a similarly featured employee ownership plan.

The company has taken remarkable steps to ensure all its employees are provided an affordable entry point to own corporate shares. P&G uses a transaction 'pooling' system to allow participants in countries with few employees to participate in larger volume stock settlement transactions thereby benefiting from reduced brokerage fees.

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The plan objectives include encouraging employee ownership, involving employees as shareholders, and providing a flexible plan to support P&G's evolution as a global company. The company has been extremely successful in meeting those objectives, in part by modifying its plan numerous times over its decade long use. The company now has 40,000 non-US employee participants in over 60 countries – 79% of eligible employees – and the ISOP holds over 6.5 millions shares on behalf of participants. During the first available sell period, less than 1% of shares are sold.

The rationale for selecting Procter & Gamble can be effectively captured by the following message by P&G's CEO, A.G. Lafley, who noted in the company's 2002 annual report: 'The reason that things work well at P&G is because employees are owners.' The sustainability of employee share ownership, the constant reference and integration of share ownership linked to the core corporate culture, and P&G's innovative and expansive use of a long term share plan all demonstrate why the 2003 GEO Award is being granted to Procter & Gamble.

GEO Stars

Beginning this year, the GEO staff and Board of Directors designated a new series of awards that recognize and thank some of our volunteers around the world. GEO has relied on the voluntary efforts of dozens of people since its creation. Without the insights, viewpoints, energy, and time of these dedicated individuals, GEO would not have been created nor would the breadth of issues and dialogue have been developed.

All of our volunteers deserve special recognition; however, the new 'GEO Star' awards go to a few individuals who have been exceptional and outstanding contributors to the organization in the past year. We specifically are recognizing the work of four individuals and one chapter that have changed the way the organization manages its work.

Harshu Ghate – India Chapter Coordinator

Harshu has dedicated countless hours to the coordination of GEO's Indian events including outreach to new members and the development and implementation of GEO's March 2002 events in Mumbai, Bangalore, and Delhi.

Sue Mannion – New York/New Jersey Chapter Coordinator

Sue has served as the NY/NJ chapter coordinator since the inception of GEO. She has consistently planned and hosted informative GEO events in the New York/New Jersey area including the very successful regional New York one-day event.

Barbara Seta – Deutschland/Austria/Confoederatio Helvetica (DACH) Chapter Coordinator

Barbara has been instrumental in coordinating local and regional events for the DACH chapter, including local outreach, coordination of the GEO one-day regional DACH event, and numerous local chapter meetings.

Javed Rahman – Asian Liaison and Coordinator

Javed was instrumental in the planning, coordination, and outreach for our first conferences in Beijing and Shanghai, China in December 2002. His energy, commitment, and passion for leading GEO into a new and important market was key to our very successful meetings.

The UK/Channel Islands Chapter

The UK/Channel Islands chapter has both the largest and most consistent meetings of all our chapters. Under the leadership of Lindsey Doud, Janet Cooper, and Nicholas Greenacre, this chapter has organized the most well attended, comprehensive, and highest quality events that have benefited all GEO members. As we could not pick any one person to award, we consider all UK/Channel Island chapter volunteers "GEO Stars."





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Wipro – INDIA

Cheryl Spielman
Ernst & Young – US

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BP – UK

**Dominique
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Stuart Forman
Stuart Forman, Global HR
Consulting
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GEO wishes to acknowledge and thank our 2003 table sponsors.

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UBS

THE GEO AWARDS WILL BE HELD IN MONTRÉAL, CANADA ON 20 APRIL 2004 • WE ENCOURAGE ANY COMPANY OPERATING AN INTERNATIONAL EMPLOYEE STOCK PLAN TO APPLY FOR THE GEO AWARDS • THE SUBMISSIONS DEADLINE FOR THE 2004 GEO AWARDS IS 15 DECEMBER 2003 • PLEASE CONTACT GEO IF YOU ARE INTERESTED IN SUBMITTING AN APPLICATION FOR THE 2004 GEO AWARDS BY SENDING AN E-MAIL TO AWARDS@GEOAWARDS.ORG •



MONTRÉAL



18-21 APRIL

ANNUAL CONFERENCE



t h e **GEO**
awards

Application Process

1 COMPLETE APPLICATION Please complete the application form, attach any supporting documents, and mail two copies of your submissions to GEO. Please keep a copy of your submitted materials in case there are any complications in the shipping of the documents to GEO. Materials will not be returned.

Closing date is 15 December 2003.

PLEASE VISIT
www.geoawards.org/sample
FOR A COMPLETE DESCRIPTION OF
APPLICATION INFORMATION AND FORMAT

2 ATTACH SUPPORTING DOCUMENTS

Provide a copy of your plan document(s). Include any materials received by your participants:

- ★ Sample enrollment forms and/or agreements
- ★ Communication brochures
- ★ Summary of the principal terms/features
- ★ Award/option certificates/statements or other information
- ★ We would prefer that all documents be submitted in printed form. If the documents are in electronic format, we can view them if you provide us with a CD-ROM or the Internet/intranet site address where the documents reside.
- ★ Your company's latest published share ownership account information and a sample of any financial statements you have distributed to participants.

Tell us in no more than 2000 words about your company:

- ★ How long has your company been traded
- ★ Where is the stock traded
- ★ Which countries does it have employees
- ★ What do you do/make
- ★ What challenges do you face (briefly)

Tell us in no more than 2000 words about your company's plan(s):

- ★ The names of the plan(s)
- ★ What type of plan(s), and please give us a brief summary of the key features
- ★ How many employees are eligible to participate, actually participate, and are employee shareholders
- ★ In which countries do you operate the plan(s)
- ★ What are your objectives for the plans, how well did they meet your objectives

Tell us why you feel this plan(s) qualifies for the award not more than 1,500 words for each award applied for. You can apply for one or all of the awards categories.

- ★ Communication Category
- ★ Use of Technology Category
- ★ Innovative and Creative Design Category
- ★ Plan Effectiveness Category

3 SUBMISSION DATE – 15 DECEMBER 2003
All applications and supporting material must be received by 15 December 2003. Materials should be sent to:

Ryan Weeden, Executive Director
Global Equity Organization
6501 Raymond Street, Suite 1
Oakland, CA 94609 USA

North America (US): (+1) 949-292-4592
fax: (+1) 253-423-8390

Europe (UK): (+44) 20-77-48-2350
fax: (+44) 20-77-48-2351

rweeden@globalequity.org www.geoawards.org

4 LOGO UPLOAD

Please upload a high resolution electronic version of the nominated company logo in a .jpg, .tif, or .eps (Adobe Illustrator/Photoshop) format at www.geoawards.org/logo.

If you are a finalist for the categories mentioned above, the logo will be used in the awards materials.

2004



GEO Award APPLICATION

.....
COMPANY NAME

.....
COMPANY'S HEADQUARTER LOCATION

.....
CONTACT PERSON

.....
CONTACT ADDRESS

.....
CONTACT PHONE NUMBER

.....
CONTACT E-MAIL

.....
NAME OF SHARE PLAN

.....
SIZE OF COMPANY (NUMBER OF EMPLOYEES)

.....
NUMBER OF PLAN PARTICIPANTS

.....
NAME OF STOCK EXCHANGE(S) LISTING YOUR COMPANY

.....
AWARD CATEGORY (PLEASE CIRCLE ALL THAT APPLY)

- ☆ **COMMUNICATION CATEGORY**
- ☆ **USE OF TECHNOLOGY CATEGORY**
- ☆ **INNOVATIVE AND CREATIVE DESIGN CATEGORY**
- ☆ **PLAN EFFECTIVENESS CATEGORY**

.....
AWARD DIVISION

Various facets of stock plan design, operation, and communication are determined by the number of plan participants and corporate resources; therefore, the GEO Award judges assess and grant Awards to companies of different size (determined by number of employees). Annually our judges determine the relative peer-to-peer comparisons from the submissions. Companies of all size are encouraged to apply for GEO Awards.

Which outside providers/advisors were part of your team In designing and implementing your plans? This section will only be seen by GEO staff and mentioned for finalists and winners of the awards.

Administrators	..... COMPANY NAME	..... CONTACT PERSON
Brokers	..... COMPANY NAME	..... CONTACT PERSON
Consultants	..... COMPANY NAME	..... CONTACT PERSON
Lawyers	..... COMPANY NAME	..... CONTACT PERSON
Tax/Accountants	..... COMPANY NAME	..... CONTACT PERSON
Others	..... COMPANY NAME	..... CONTACT PERSON

*Please visit
www.geoawards.org
for the latest
information about
the GEO Awards
and application*