

Fidelity Stock Plan Services

Unlocking success— for you and your employees



Equity compensation signifies a large investment from a company in their employees, so it's important that the plan meets the company's goals and expectations of the program.

Why do companies offer equity compensation? There are a variety of reasons.*



Attract and retain top talent (87%)



Incentivize and reward top performers (79%)



Align with the interests of shareholders (68%)

*NASPP/Deloitte Consulting 2019 Domestic Stock Plan Design Survey

How can participants and companies get the most from equity compensation plans?

Fidelity has found that when employees have a plan for their awards, it improves the potential outcome for the participants AND the company. In fact, when employees include equity compensation into their financial planning, they are:

<p>2x as likely to value their plan highly</p>	<p>2x as likely to accept their awards</p>	<p>Nearly 3x as likely to feel loyal to their employer</p>	<p>Almost 3x as likely to say their stock plan improves their financial confidence</p>
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Let's take a closer look at the numbers.





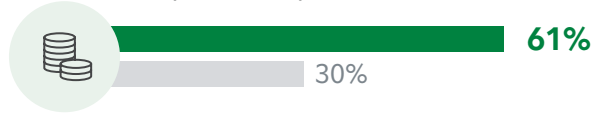
Seeing value

Respondents who include equity compensation in their financial planning are more than **twice as likely** to **value their plan highly** and are much more likely to recognize the tangible value of their equity compensation.

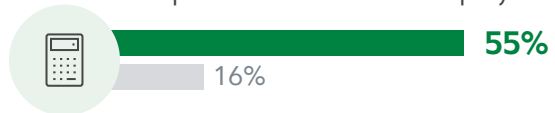
These respondents are more than **three times as likely** to **include the monetary value of their stock plans in their compensation calculation**.

■ Respondents who consider equity compensation in financial planning ■ Respondents who **do not** consider equity compensation in financial planning

Highly value their company's equity compensation plan

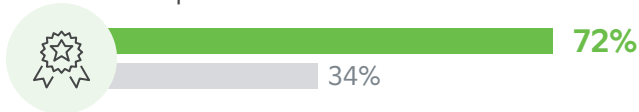


Include the monetary value of stock plan benefits when calculating compensation from their employer

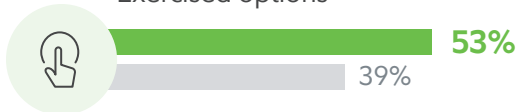


■ Respondents who consider equity compensation in financial planning ■ Respondents who **do not** consider equity compensation in financial planning

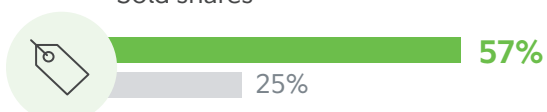
Accepted awards



Exercised options



Sold shares



Taking action

Not only are participants who include equity compensation in their financial plans more likely to have exercised options and sold shares, but they are over **twice as likely** to **accept awards** in the first place.



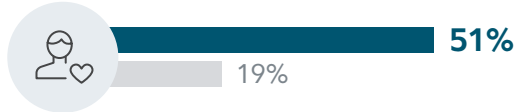
Showing loyalty

Employees who include equity compensation in financial planning recognize the value of what they have and therefore show **increased loyalty to their employer**.

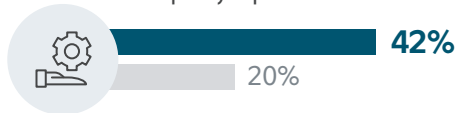
But it doesn't end there. These employees are also **twice as likely** to work harder, feel ownership within the company, and take stock plans into consideration when contemplating a job change.

■ Respondents who consider equity compensation in financial planning ■ Respondents who **do not** consider equity compensation in financial planning

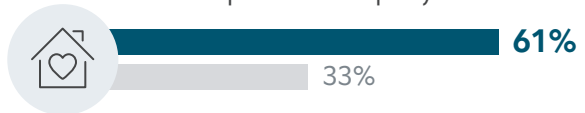
Feel more loyal to their current employer as a result of the stock awarded



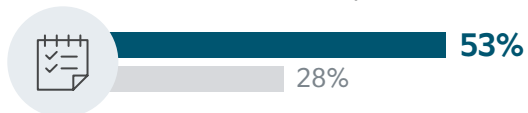
Work harder knowing that stock plan will reward in line with company's performance



Stock plan provides a sense of ownership in the company

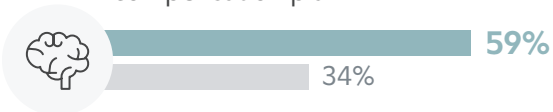


Important that new jobs would offer a similar stock plan

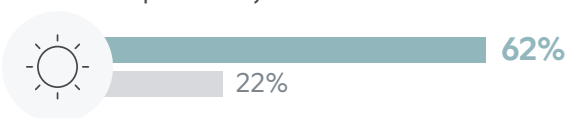


■ Respondents who consider equity compensation in financial planning ■ Respondents who **do not** consider equity compensation in financial planning

Confident in their ability to make good decisions regarding their company's equity compensation plan



Participating in my stock plan improves my financial confidence



Growing confidence



Among participants who incorporate equity compensation into financial planning, not only do they feel more confident about making decisions regarding their awards, but they are also almost **three times as likely to feel more financially confident overall**.

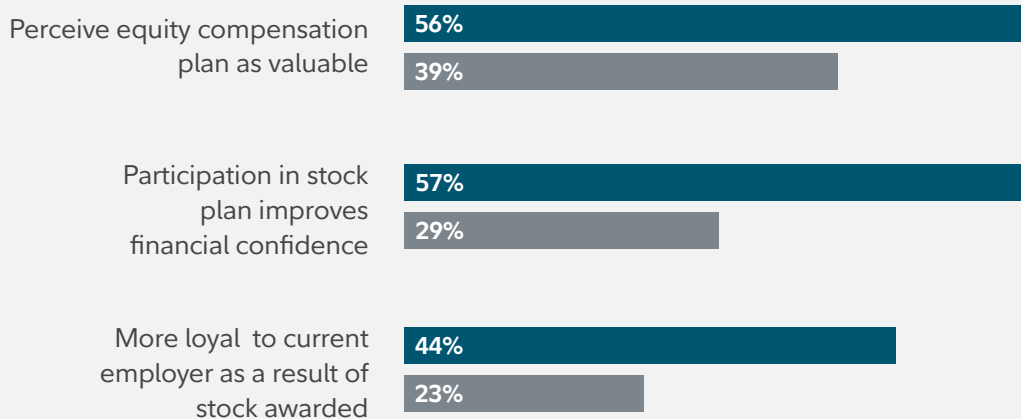
Amplify award value to employees

Understanding how stock plans work can be a necessary tool for participants. However, when they also pull that benefit into their financial plans, even if they aren't fully confident in their knowledge, it can play a key role in their potential financial success and career satisfaction.



Value, confidence, and loyalty are significantly higher among those who include equity compensation in financial planning versus those who understand their stock plan but do not include it in planning.

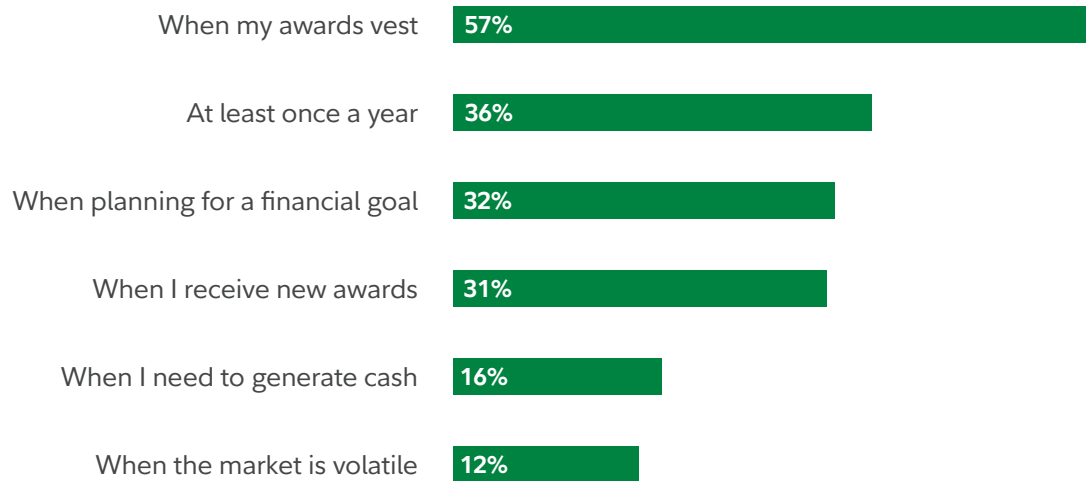
- Respondents who understand their equity compensation plan *somewhat* **and** include it in planning 
- Respondents who understand their equity compensation plan *completely or somewhat* **but do not** include it in planning 



Occasions that help drive inclusion of equity compensation in financial planning

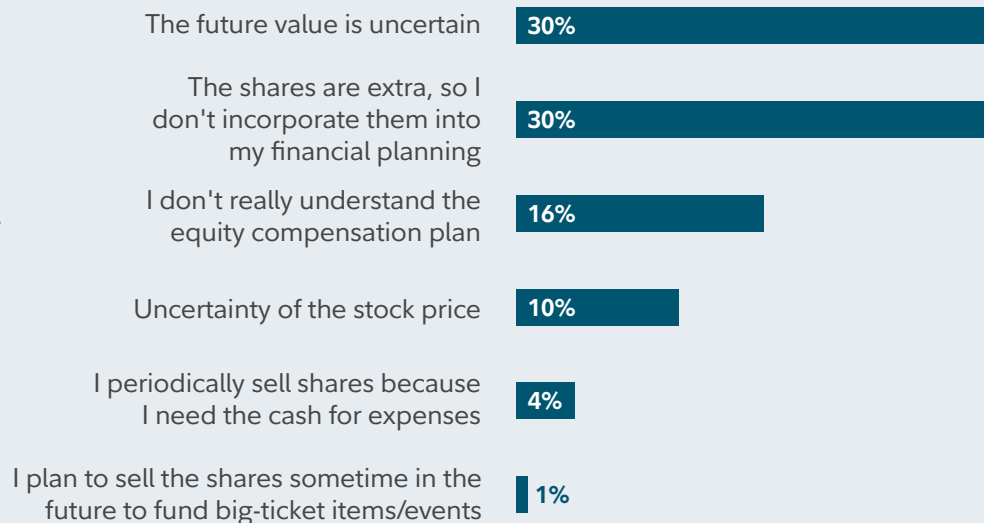


When respondents were asked **when** they take equity compensation into account for financial planning, the most common trigger is **when awards vest**.



Why wouldn't an employee take action?

Respondents who say they **do not** take equity compensation into account in financial planning primarily cite uncertain future value or see the shares as extra. These reasons are twice as likely to result in inaction than a lack of understanding.



Success is more than understanding awards;
it's having a plan for what to do with them.

How can you help your employees, and, by extension, help yourself?



Consider what resources are currently available and easy to implement. Do you have opportunities to make tools available to your employees?



Engage in a planning experience yourself. By understanding the process, you can best know how to engage your employees.

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At Fidelity, we have the tools and guidance to help with your participants' financial planning. We are rated the **highest** for¹:



Programs and tools to support participants' financial wellness



Participant experience (awarded ten years in a row)

Everybody deserves a plan that works for them,
and **Fidelity is here to help.**



¹According to full administration plan sponsors surveyed in the 2020 Group Five Stock Plan Administration Benchmark Study. Group Five Inc is a business-to-business research and consulting firm in Novato, CA.

For plan sponsor use.

Fidelity participant research in June 2020 surveyed employees at publicly traded companies who have received RSUs, RSAs, Options and/or Performance Awards from a U.S. publicly traded company within the last two years. Results indicate top two box responses, unless otherwise indicated.

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