



Maximizing the Benefits of Your Equity Plans

How EQ works with you to bring your plan to life



How can selecting the right solution be essential to effectively managing the complexities of your equity plan administration needs?

Look for leading solutions that provide tools for robust reporting, enhanced user experience, data-driven analytics, process efficiency and other capabilities you need to reach your employee equity plan program goals.

At EQ, we understand how important your employees are to you. With an average of 20 years of industry experience, our team of **equity plan solutions** (EPS) experts take a data-driven and collaborative approach to understand your business and your employee equity compensation plan goals. EQ provides:

- Financial reporting
- Employee stock purchase plans
- Long-term incentive plans

EquiTrax™: Insightful. Flexible. Actionable.

We work to bring your employee plan program to life through **EquiTrax™**, our flexible employee equity plan solution. This platform provides actionable insights, advanced reporting tools and the support of an expert team to give you the information you need to make impactful business decisions.





EQ provides robust financial reporting

Our robust reporting system minimizes transition risks, lowers audit costs and eliminates the need for offline support files, providing a solution for:

- Managing equity expense reporting on a single platform
- Maintaining an audit trail of any changes by authorized users
- Managing valuation, expense, diluted EPS and tax-accounting capabilities for all equity award types
- Performing tranche-based valuation for fair value calculations to comply with International Financial Reporting Standards (IFRS) 2 requirements
- Configuring allocation templates for graded, straight-line and retirement eligibility

Transfer agent services

EQ acts as a transfer agent to about three quarters of our equity plan solution clients

Source: Based on EQ proprietary data as of June 2024.

Benefits of using a transfer agent for your equity compensation services needs



Transfer agents simplify processes

From a share movement and reconciliation perspective, having one provider act as both the transfer agent and the equity plan solution provider improves efficiency.



Transfer agents focus on your success

Transfer agents will not solicit your employees for extraneous brokerage services or contact your executives about switching to a different wealth advisor. Instead, we focus on what's best for your company.



Transfer agents are equity experts

Transfer agents can help you manage your equity compensation plan by leveraging their specialized equity expertise to make sure you stay compliant and your shareholders' assets are protected.



Transfer agents elevate your participant's experience

Transfer agents encourage communication between all participants in the equity process so that client needs can be effectively met.



Transfer agents provide solutions and support

Transfer agents serve shareholders on behalf of issuer clients. This includes providing an expert support team to ensure quick and thorough inquiry resolution for issuers and a call center staffed with trained professionals for plan participants.

EQ solutions provide ownership data accessibility

When it comes to your equity plan, getting timely, accurate data may not be a simple task. Some companies struggle with data efficiency, relying on outdated methods like spreadsheets and paper to manage their plans. They may also be relying on manual processes like inked signatures, paper checks, and mailed letters – inefficient methods that restrict transactional data from easy digital access.

To ensure effective communication and overall compliance, consider:

- Who has access to plan data?
- Is it a single administrator or multiple department heads?
- Who is responsible for compiling data and sharing that data when you need it?
- Is the data real-time?

EQ streamlines critical administrative tasks through automation, providing the structure needed for accessing data that can be used to drive strategic decision making.



Compliance: An integrated component of financial reporting

Beyond traditional plan administration, public companies must comply with reporting requirements outlined in the Securities and Exchange Commission's Accounting Standards Codification (ASC) Topic 718—commonly referred to as ASC 718.

For some companies, this can be a recordkeeping nightmare. For EQ clients, ASC 718 compliance is a completely integrated component of our financial reporting services.

EQ's EquiTrax platform includes an array of financial reporting tools that satisfy all Financial Accounting Standards Board (FASB) reporting requirements for share-based payment. Some of the functions our tools support include:

- Online access to a suite of fully compliant reports that include expense, disclosures, earnings per share dilution, annual statistics and pay versus performance
- Support for all grant types, multiple amortization methods, liability and fixed accounting treatments
- A dedicated team to offer training to new clients and provide answers to any reporting questions
- Assistance with reconciling reports from a previous vendor





Implementing a Strong Onboarding Strategy for Rapid Migration Success

Client challenge

An EQ transfer agent client of 16 years reached out to their relationship manager with a situation that needed immediate attention. The client needed **long-term incentive plan** (LTIP) management guidance. They were being asked by their current equity plan administrator/broker to move their equity plans business to another platform because their broker at the time was going to stop trading for them.

Solution

EQ's transfer agent and equity plan solution teams were able to quickly collaborate to create an onboarding team. Alongside the equity plan solution relationship manager, members from the operations, onboarding, executive services and client service teams worked together to provide a short-term solution for this client that allowed their participants to continue to be able to sell their shares, whilst the team also determined a long-term solution that allowed for a full data implementation onto our platform.

In phase one of this process, EQ met the immediate need to move the client's employee data from the broker onto EQ's **EquiTrax™** platform, which included stock options and restricted stock units from their LTIP plan. In phase two, EQ onboarded the client's entire plan, which included their restricted awards and financial reporting needs. For most of this client's participants, this was the first time they were viewing their awards on a software platform. EQ therefore conducted several participant training webinars, as well as a customized training session for the client's executive and board members.

Result

The migration of employee participants' data onto the EquiTrax platform was done seamlessly and within a third of the normal required onboarding time. The client was very satisfied with EQ's efforts to find a quick solution, implement that solution and provide excellent service throughout the process.

Help your employees feel invested in your company's success

Equity compensation programs can help companies attract and retain talent, deepen employee commitment and foster a culture where everyone feels invested in the company's success. EQ brings extensive experience in administering all kinds of employee stock purchase plans (ESPPs).

Our solutions strengthen workplace loyalty by supporting your employees' ability to purchase company stock through a payroll deduction service. Almost all employee transactional needs can be met via web self-service with a real-time connection to the markets or via our expert full-service call center.

Enhanced User Experience

EquiTrax's intuitive dashboard was built to enhance the user experience and streamline the execution of transactions. EquiTrax's easy-to-use, intuitive dashboard provides quick access to information with the click of a button. Shareholders have real-time 24/7 access to a consolidated view of all their plan shares, as well as online educational tools.



A man in a light blue button-down shirt and khaki pants is standing in a modern office, looking down at a tablet computer he is holding with both hands. In the foreground, there is a white desk with a laptop, a smartphone, and some papers. The background shows large windows with a view of a city skyline.

Enhance employee retention and motivation with long-term incentive plans

Companies should design compensation programs that make employees feel valued and motivated to stay long-term. Long-term incentive plans (LTIPs) can help to retain top talent by aligning your employee awards with long-term company goals. By tying incentives to performance milestones, LTIPs can motivate employees to drive business growth and stay committed over time.

Regardless of the plan currently in place, companies should work with administrative plan experts to develop a customized solution that provides seamless execution from plan education to premium, professional service for all participants. Once the right LTIP is selected, an experienced provider can offer insightful recommendations, proactively address needs and refine strategies.

Long-term incentive plans provide benefits and empower your employees by establishing rewards for retention while demonstrating a commitment to their long-term success. EQ's expertise can provide oversight from the initial grant process (including online award acceptance), tax election, vesting to disposition stages, etc.

Companies work with EQ for full administrative service of every type of stock plan, including:

- Incentive and Non-Qualified Stock Options
- Restricted Stock Awards and Units
- Performance Awards and Units
- Stock Appreciation Rights – Cash and Stock Settled
- Cash Awards
- Phantom Awards

[Click here](#) for more information about our LTIP services

Experience seamless execution

No matter the type of plan your company has in place, we collaborate with you to build employee equity plan solutions designed to reflect your needs and help you meet your objectives – from plan inception to execution.

Executives benefit from high-touch service that provides optimal handling of their awards and navigation of the regulatory and reporting hurdles in the industry. EQ provides senior executives and officers with a full suite of flexible

solutions (including form 144 filings, pre-clearance procedures and selling stock under a 10b5-1 plan), while providing white-glove service to ensure satisfaction.

Should you consider a 10b5-1 plan?

A 10b5-1 plan offers a straightforward way for executives to manage their shares while retaining an affirmative defense against insider trading. With proper communication between the participant, broker and issuer, the plan can be a tool that lets employees make the most of their **equity compensation benefits**.

Learn more about
10b5-1 plans





The EQ difference

With EQ's expertise in ownership, our experienced team works with you to administer employee equity plan solutions that fit within your budget and reflect your employee engagement objectives to deliver your plan with seamless execution. If you are considering a new provider to help you bring your employee equity plan program to life, let our **equity plan solution** experts answer your questions and offer insights. Our relationship, client service, onboarding and executive services teams all average more than 20 years of experience, giving you confidence that we can help you navigate regulatory complexities. **Connect with an expert.**

ABOUT EQ

EQ are specialists in helping you better understand and manage the ownership of your company through critical events across the corporate lifecycle. As trusted advisors, we provide strategic insight and operations expertise through our core business units in Private Company Services, Transfer Agent Services, Employee Plan Solutions and Proxy Services. Globally we serve 6,700 clients (49% of the FTSE 100 UK and 35% of the S&P 500), with over 40 million shareholders, through 6,500 employees in 5 markets around the world.

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