

# Stock & share plan services



## What are stock & share plans?

When designing appropriate employee compensation packages, both privately owned and public companies seek to align the interests of their employees against those of their shareholders. The main way they do this is by providing employees with the opportunity to benefit from the success of the company through ownership of company shares.

Companies have a variety of choices available to them and share awards can take many forms (i.e. options, free shares, jointly owned shares). In their simplest form however, plans are classified as either contributory or non-contributory, approved or non-approved.

To incentivise employees at different levels within their business, many companies operate a range of plans with differing design features. For example, inclusion of performance targets for senior employees.

### Contributory plans

Contributory plans require employees to contribute towards the purchase of shares in the company. In many cases, the shares are available at a preferential price. The company might also contribute towards the purchase of additional shares. On vesting, in addition to receiving the shares acquired with their own funds, employees will also be entitled to receive the shares acquired by the company.

### Non-contributory plans

Non-contributory plans do not require employees to contribute anything upfront. The initial purchase of the shares is funded by the company. Where awards have been granted in the form of options, this cost can be partly offset as employees will pay consideration for shares on vesting.

### Approved plans

In some jurisdictions, for example the UK and the US, certain plan designs carry tax advantageous treatment. These are known as 'approved' or 'qualified' plans and they must be operated in line with strict guidelines in order to receive the favorable tax treatment.

### Non-approved plans

These are any plans which are not explicitly approved and do not carry any favorable tax treatment. They are however extremely flexible from a design perspective.

### Global stock & share plans

Operated by multinationals seeking to establish global plans across a number of countries, in a variety of currencies and under many different tax regimes where plan management can seem an insurmountable challenge.

## Our services

RBC cees is a market leader in stock and share plan administration and we have more than 20 years' experience supporting companies from around the world.

We provide comprehensive administration, plan management and record keeping services for any plan design, in conjunction with trust services, if required.

We administer over 500 share plans for both private and public companies, with participant numbers ranging from 1 to over 100,000.

We provide services for all kinds of share plan, including: share options, restricted and performance shares, stock purchase, joint ownership, phantom and stock appreciation rights.

Specific services include:

### Implementation

- Project management and plan process analysis
- Full trustee services (multiple jurisdictions)
- Employee communication and seminars
- Technical IT infrastructure (including online enrolment and straight through processing)
- Warehouse for unlisted shares.

### Annual management and administration

- Grants of awards and options
- Vesting or exercise (including tax withholding)
- Employee communication
- Comprehensive reporting.

### Additional services

- Access to RBC cees Online for both corporates and participants
- Integrated employee nominee facility
- Access to RBC Wealth Management services, which include specialist investment capabilities, private wealth expertise, tax consultancy and credit facilities.

## Why choose us?

**Strength.** RBC cees is part of RBC Wealth Management, a division of one of the top five banks in North America and Canada's largest bank, RBC. RBC is one of the world's largest financial institutions and is consistently regarded as a stable institution with high quality balance sheet, proactive risk management strategy and a strong liquidity position.

**Expertise.** We have a highly qualified and experienced multi-disciplinary team. Our teams are formed of lawyers, accountants and chartered secretaries, as well as individuals who have extensive practical experience as administrators or project managers. We are able to draw on the broader experience of RBC, including investment and private banking professionals.

**Experience.** We have experience of all types of employee benefit plans, including very bespoke executive arrangements and multi-jurisdictional, complex plans. A number of our team have previously held senior positions in professional services firms and/or in industry, allowing us to add value to our clients through our technical awareness, practical knowledge and experience. Our senior team members have, on average, been with us for over 12 years.

**Flexibility.** Our plan management solutions adapt and develop as your objectives and requirements evolve. We begin by working closely with you to define your needs, and then adapt our processes to best support you wherever possible, without compromising our systems and processes.

**Dedication.** Our specialist team structure provides a personal and tailored service to you and your employees. We work in close partnership with clients and their technical advisers, to develop practical solutions for operating employee trusts, administering benefit plans, and creating value.

**Technology.** We are committed to ongoing investment in technology, and release regular enhancements to our systems. Corporate users and plan participants can access their plan details via RBC cees Online, which offers online reporting, straight-through processing, execution to dealer and secure data collection.

**Credibility.** RBC cees is committed to quality and continuous improvement. We were the first corporate business of our kind to achieve the international quality standard ISO9001:2000. We undergo ISO surveillance visits every six months and/or annual external audits at which we need to demonstrate continuous improvement of our processes in order to retain our accredited status. We are always enhancing our technology, for maximum efficiency, and have been awarded the best practice technology standard, TickIT ISO 9000-3.

**Ethics.** RBC has long believed in the importance of corporate responsibility. Our business is governed by integrity, all employees are encouraged to provide a supportive workplace, contribute to communities and promote environmental sustainability.

We would be delighted to talk to you in detail about how we could help you meet your specific needs. Please feel free to contact us at any time:

- **Call** +44 (0) 8000 566 550
- **Email** [cees@rbc.com](mailto:cees@rbc.com)
- **Or visit** [www.rbccees.com](http://www.rbccees.com)

