



SOS Solutions Webcast: SOS Stock Plan Outsourcing

Since this webcast deals with SOS services and products, no continuing education is available for attending

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Materials Slides

http://www.sos-team.com/pdfs/outsourcing_solutions.pdf

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Agenda

Learn what makes SOS Outsourcing TRUE Outsourcing

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Why?

- According to the NASPP:
 - 50% of companies with fewer than 750 participants do not have someone dedicated to stock plan administration
 - 35% for all public companies

Managing Equity Compensation IS Hard

Internal Stock Plan Management

- Need to understand:
 - Equity Compensation
 - Legal
 - HR
 - Accounting
 - Payroll
 - Tax
 - International Considerations
 - Communications



Don't Forget

- While also being able to:
- Manage special stock plan-related projects (M&A, option exchanges, new vendor implementations, systems automation, etc.)
- Assist in the development and updating of internal controls, processes and procedures
- Promote the equity comp plans with effective communication and education strategies
- Stay current on regulatory and industry changes affecting equity compensation



YET...

Stock plans are the hot potato, passed around the company

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OR THEY CHOOSE TO “OUTSOURCE”

Thinking that the hot potato will be in someone else’s hands now

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But outsourcing has never lived up to its name

What they do

Database Management

Some Employee
Communication

System Updates

What you do

Manage a new team

Trade your processes for their
box

Audit/Review

Section 16/Proxy

Financial Reporting

IT WORKS GREAT FOR SOME

Large companies, especially

BUT PROBABLY NOT FOR YOU

And they might not want to work with you either

True Outsourcing from SOS

- Complete management of client-side stock plan responsibilities
- Full expensing solutions
- Comprehensive Section 16 and Proxy Services
- Special projects
- Fully integrated, Client-side solution

The hot potato is in our hands now

True Outsourcing: A better way

- Proactive
- Well-defined processes, checklists, and responsibilities
- Expert
- Communicative
- Full-time administration at a part time cost



What we do

An outsourcing relationship can provide the specialized expertise and service of several full time employees at a much lower cost

We have the staff to provide full time service without the worry of who will cover when your full time employees are on vacation or out of the office

We have the flexibility to adopt your processes and reporting styles to fit in with your company culture

We have experts in every area of equity compensation so we can always answer your questions and handle your special projects



Core Administration

You will be assigned a dedicated Account Manager (AM) to ensure you receive the highest quality service processing your day to day transactions, just a few of the areas we cover are:

- Day-to-day/Participant Transactions
- Liaison w/ brokers, transfer agents, legal
- Participant Support
- Basic Reporting
- Load grants, vesting schedules and expiration dates
- Process terminations
- Update payroll and tax information



Legal/Proxy/Cap Table Management

Your account manager working with our equity experts can take on additional services for your company and work closely with your legal team to ensure that your filings are complete and accurate

- Section 16 reporting
- Proxy Statement – Executive Compensation Disclosures
- Update and track Section 16 holdings



Financial Reporting and Accounting

We have staff that can provide answers to questions and assistance with your financial reporting and accounting needs

- Option valuations
- Performance award accounting
- Nonemployee accounting
- Expense reports
- Forfeiture rate analysis
- Modification accounting
- Narrative footnote disclosures
- ESPP accounting



Implementation

When you become an Outsourcing client you will be assigned a dedicated Implementation Manager (IM) to guide you through the transition

Your IM will spend time with you learning all of your processes and procedures

These processes and procedures will then be documented for your AM to use when processing your transactions

Implementation is when we get to know each other and develop our working relationship with each other



Team – Account Managers

When you become an Outsourcing client you will be assigned a dedicated AM

We make every effort to match you with an AM that will be a good fit within your company and that you can feel comfortable with

Our AM's have the knowledge, skills and abilities to take care of you and provide high quality, professional service at all times

Our AM's have access to some of the leading experts in the field, if an unusual situation arises they have the resources to available to help manage the situation



Team - Administration

We have a team of administrators whose sole function is to ensure your database updates are timely, complete and accurate

We have audit processes in place to ensure that all updates are audited by at least two people

Our administrators are trained to know and understand your database and the best methods for making updates



Specialists

Going through a split? Acquiring another company?
Changing service providers?

We have the specialists on staff that can assist you with these special projects

You can sit back and relax confident in the knowledge that we have the experience and know how to complete your special project



True Outsourcing from SOS

Differentiating Factors



Expertise

- Highest ratio of Certified Equity Professionals in the industry
- 17 years in stock plan administration
 - Administration is our only business
- Subject matter expertise
 - Accounting
 - Section 16
 - Best Practices
 - Communications
 - Systems/Technology/Automation
- Industry Beacon for Education



Quality

- Driven by consistent, best-practice driven processes
- Thorough audit procedures
- Responsive and accountable
- Built-in redundancies on our service teams
- SOS KnowledgeBase
- Deliberate focus on improving Client stock plan-related operations and communications



Flexibility

- You don't need to fit into our box, we will fit into yours
 - Private or Public
 - 2 participants or 2,000
 - All plan types
 - Mirror your "job description" for Stock Plan Administrator
 - Unique circumstances
- Functional Outsourcing
- Full time administration, part-time cost



Cost Model

Fixed fee Annual Pricing

- 3 year contract
- Based on number of participants, plan features, and levels of services
- Give us 30 minutes, we will give you a proposal



Contact Information

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