

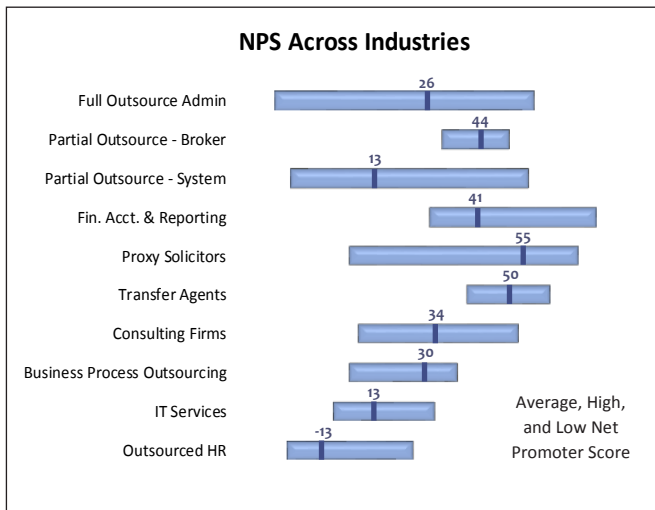
GROUP FIVE STOCK PLAN ADMINISTRATION STUDY

SEPTEMBER 2014

The 2014 Group Five Stock Plan Administration Benchmarking Study includes 1,103 survey responses from 885 public U.S. companies. The Group Five study, which, in its 16th year, continues to have the highest participation of any study in the stock plan industry, measures plan sponsors' opinions of industry service providers.

Plan sponsor ratings drive improvements in stock plan administration services

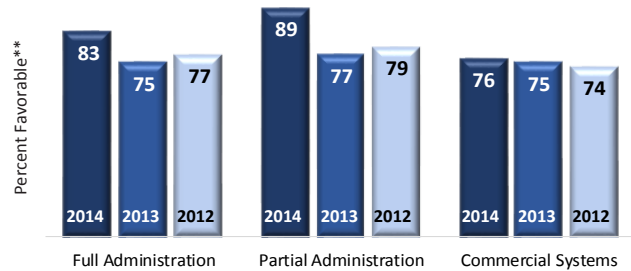
In this year's study, plan sponsor loyalty is measured using the Net Promoter Score* methodology which has gained acceptance as an industry standard and which allows comparisons with other service industries. Full-outsourced stock plan service has an NPS of 26, partial-outsourced service has an NPS of 44, and commercial



systems has an NPS of 13. The chart above shows that stock plan administration services have about average loyalty but full-outsourced services and commercial systems have a wider range of loyalty than most.

* NPS®, Net Promoter® & Net Promoter® Score are registered trademarks of Fred Reichheld, Satmetrix, and Bain & Company. Net Promoter Scores range from -100 to +100 based upon the difference between the percent of promoter and the percent of detractor scores.

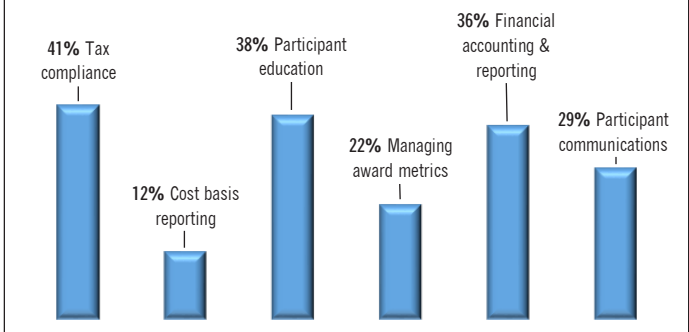
Plan Sponsor Overall Satisfaction



As shown in the chart above, in 2014 overall satisfaction with full administration services increased 8 points to 83% favorable. Overall satisfaction with partial administration (brokerage services) increased 12 points to 89% and overall satisfaction with commercial systems used to self-administer stock plans is essentially unchanged at 76%.

The study asked plan sponsors to identify the three most significant issues they face in administering their stock plans. Most plan sponsors said that tax compliance is the biggest issue they face, plan participant education is second most important, and financial accounting and reporting is the third biggest issue. The chart below shows the six major issues identified by study participants.

Top Issues Facing Stock Plan Administrators



** A favorable rating is a rating of 7 to 10 on an eleven point scale with 10 being completely satisfied and 0 being not at all satisfied.

INDUSTRY OVERVIEW

Plan sponsor satisfaction with stock plan administration services increased significantly in 2014 as service providers responded to issues highlighted in previous years' studies. The challenge for service providers continues to be the development and delivery of systems and processes to support the administration of ever-changing, increasingly complex forms of equity compensation. Variations in plan types and characteristics, adherence to changing rules and regulations, intricacies of accounting, international issues, and increasing plan participant support present a never-ending challenge to service providers.

For the industry as a whole, corporate loyalty and satisfaction with stock plan administration services rate about average for outsourced business services. As service providers deliver on improvements in systems and support, plan sponsor loyalty and satisfaction should continue to improve.

FULL OUTSOURCED ADMINISTRATION

Fidelity Stock Plan Services received the highest loyalty rating for full administration services with an NPS of 60. Fidelity also received the highest overall satisfaction rating for the fourth year in a row at 94% favorable. Bank of America Merrill Lynch Equity Award Services has the second highest loyalty rating with an NPS of 46 and the second highest overall satisfaction at 90% favorable. UBS Corporate Equity Plan Advisory Services is third highest with an NPS of 27 and an overall satisfaction rating of 87%.

PARTIAL OUTSOURCED ADMINISTRATION

BROKER SERVICES

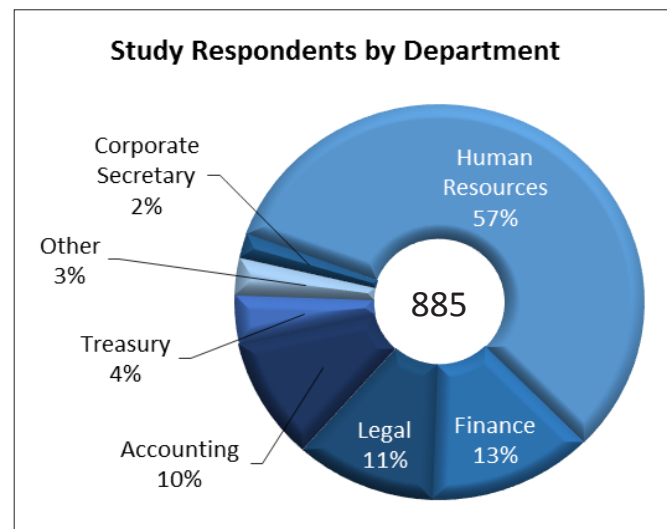
E*TRADE Financial Corporate Services received the highest loyalty rating for broker services with an NPS of 52 and an overall satisfaction rating of 95% favorable. UBS is second highest with an NPS of 50 and an overall satisfaction rating of 93%. Morgan Stanley Global Stock Plan Services is third highest with an NPS of 30 and an overall satisfaction rating of 79%.

SYSTEMS

E*TRADE's Equity Edge Online received the highest loyalty rating for commercial administration systems with an NPS of 58 and an overall satisfaction rating of 94% favorable. This is the third year in a row Equity Edge Online has received the highest overall satisfaction rating. Solium's Transcentive has the second highest loyalty rating with an NPS of -9 and an overall satisfaction of 69%. EASi is tied with Transcentive as the second highest rated system with an NPS of -9 and an overall satisfaction rating of 69%.

FINANCIAL ACCOUNTING AND REPORTING

Plan sponsors cited financial accounting and reporting as one of the top three issues for stock plan administration. Equity Methods, for the second time, received the highest ratings with an NPS of 80 and an overall satisfaction rating of 98% for financial accounting and reporting services. Fidelity has the second highest ratings with an NPS of 67 and overall satisfaction of 92%. E*TRADE is third highest with an NPS of 49 and an overall satisfaction rating of 96%.



2014 Stock Plan Administration Services Ratings*

Service Offering		Service Provider	Loyalty	Overall Satisfaction	Study Responses
Full Outsource Model <i>Administration and Transaction Execution Outsourced</i>		AST Equity Plan Solutions	-24	62	29
		Bank of America Merrill Lynch	46	90	109
		Charles Schwab	-9	74	35
		Computershare	6	80	88
		E*TRADE	26	83	35
		Fidelity	60	94	159
		Global Shares	**	**	6
		Morgan Stanley	24	82	122
		Solium	**	**	16
	UBS	27	87	63	
Partial Outsource Model <i>Transaction Execution Outsourced and Administration Internally using System</i>	Broker Services <i>Transaction Execution</i>	Bank of America Merrill Lynch	**	**	15
		Charles Schwab	**	**	3
		E*TRADE	52	95	101
		Morgan Stanley	30	79	56
		UBS	50	93	30
	Systems <i>Administration Internally using System</i>	EASi	-9	69	64
		E*TRADE Equity Edge Online	58	94	86
		Global Shares	**	**	1
		Solium Shareworks	**	**	8
	Solium Transcitive	-9	69	88	
Financial Accounting and Reporting		AST Equity Plan Solutions	**	**	5
		Bank of America Merrill Lynch	38	81	32
		Charles Schwab	**	**	10
		EASi	40	95	40
		Equity Methods	80	98	45
		E*TRADE	49	96	49
		Fidelity	67	92	36
		Morgan Stanley	**	**	15
		Solium Shareworks	**	**	15
		Solium Transcitive	30	83	30
		UBS	**	**	19

* Loyalty is the Net Promoter Score which ranges from -100 to 100. Overall satisfaction is the percent of favorable ratings and ranges from 0 to 100.

** Rating not shown due to small sample size.

2014 STOCK PLAN ADMINISTRATION STUDY

The chart below shows the characteristics of the stock plans administered by the plan sponsors who participated in the 2014 study. With 885 public companies participating, the Group Five Stock Plan Administration Study continues to have a higher participation rate, by far, than any other studies and surveys conducted in the industry.

2014 STOCK PLAN ADMINISTRATION STUDY PARTICIPANTS

SERVICE PROVIDER	NUMBER OF PLAN SPONSORS BY SERVICE MODEL			PERCENT OF RESPONDENTS WITH AWARD TYPE					PERCENT OF RESPONDENTS BY NUMBER OF PARTICIPANTS				PERCENT OF RESPONDENTS WITH INT'L PARTICIPANTS
	Full Outsourcing	Partial Outsourcing - Broker	Partial Outsourcing - System	Options	Restricted	Performance	SARs	ESPP	1-100	101-1,000	1,001-5,000	> 5,000	
AST	29	NA	NA	45	59	41	7	52	61	25	10	3	34
BAML	109	15	NA	88	96	80	14	0	33	46	14	6	61
Charles Schwab	35	3	2	89	100	92	8	45	26	46	19	9	64
Computershare	88	NA	NA	32	32	24	2	90	25	38	25	11	50
EASi	0	NA	64	90	86	56	10	19	42	51	7	0	48
E*TRADE	35	101	109	94	94	65	10	67	29	45	18	9	72
Fidelity	159	NA	NA	84	90	77	23	47	32	39	19	10	64
Morgan Stanley	122	56	NA	85	84	62	19	36	34	45	15	7	67
Solium	8	NA	96	91	88	64	20	8	47	42	6	4	39
UBS	63	30	NA	90	97	76	17	27	31	41	20	8	67
Average				90	94	73	17	47	34	42	17	8	62

Note that plan sponsors may use more than one service model for their stock plan administration and that plan sponsors who partially outsource may or may not use a broker who also provides the administration system.

About the study . . .

The Group Five study of client satisfaction with stock plan administration services and systems is based on responses from public companies from May through June 2014.

The sample of companies was taken from Group Five's databases and public sources. Clients of the largest service providers to public companies were targeted for the survey. At each company, the survey was to be completed by the person most familiar with the performance of the service provider. For example, job titles of participants included VP Human Resources, Employee Benefits Manager, Senior Benefits Administrator, and Stock Plan Administration Manager. The study included 1,103 responses from 885 public companies. Each response received equal weighting regardless of the number of plan participants. Multiple responses from the same company are combined.

In theory, in 95 cases out of 100, overall industry results based on such samples will differ by no more than three percentage points in either direction from what would have been obtained by receiving responses from all companies. The potential sampling error for smaller sub-groups is larger. In addition to sampling error, the practical differences of conducting any survey can introduce other sources of error. Differences in wording and ordering of questions, for instance, can lead to somewhat varying results.

The information in this report is not an intended as an endorsement of any company by Group Five. Service models and capabilities vary widely among service providers. Any evaluation of service alternatives requires information beyond the scope of this report. For more information contact Group Five.

For comments, questions, or additional information contact the study director, Kathy Huston, at 415.785.7983 or Kathy@groupfiveinc.com or see our website at www.groupfiveinc.com.