

TRENDS IN ESPP DESIGN

CERTAINTY

INGENUITY

ADVANTAGE

Computershare

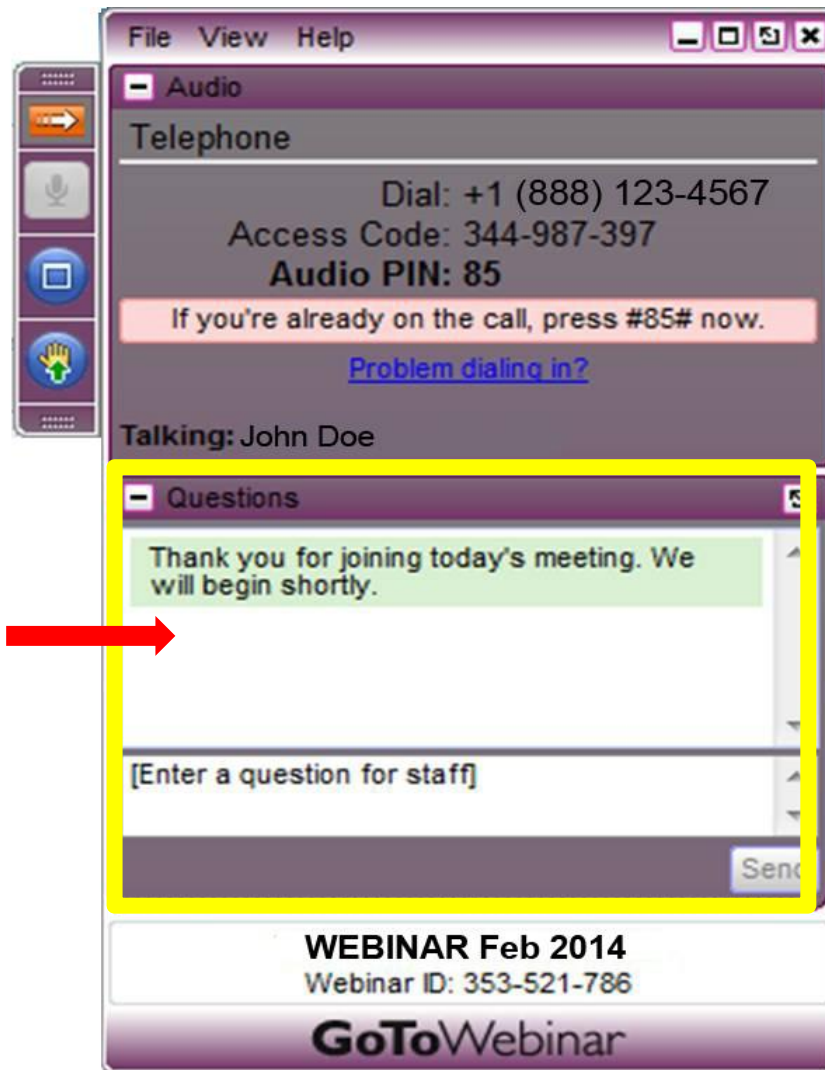
ESPP Offerings

- > All Things ESPP Webinar Series
www.computershare.com/allthingsespp
- > ESPP Day Conference
February 8, 2018 | New York, NY
www.computershare.com/esppday

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Asking Questions



Enter your question into the Questions pane on the GoToWebinar Control Panel.

Introductions

Julia Franke, CEP
Associate Director, AON Equity Services

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Trends in ESPP Design

Julia Franke, CEP – Aon Equity Services
August 2017

Prepared by Aon

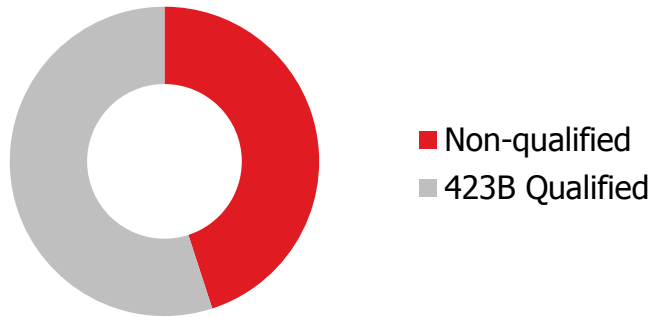
Aon is part of Aon Hewitt, a business unit of Aon plc.

Introduction

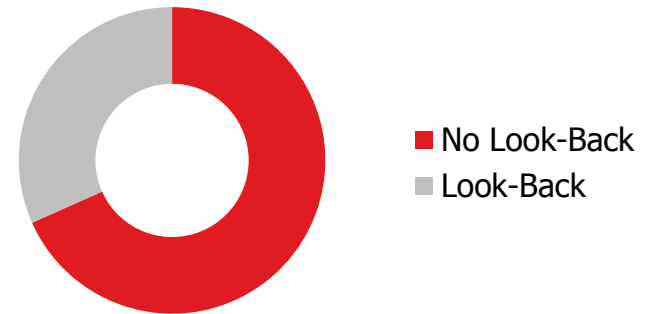
- Data
- Plan Design Summary
- Plan Design Details
- Participation

Plan design features

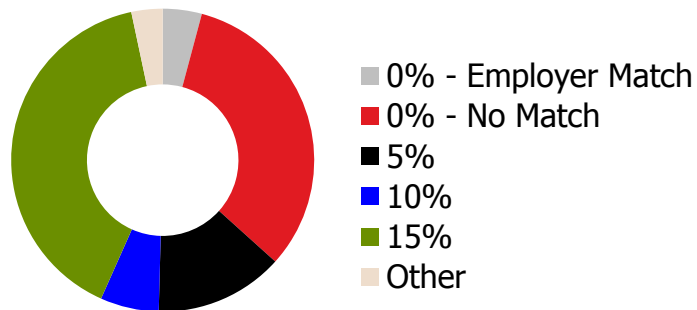
Plan Type



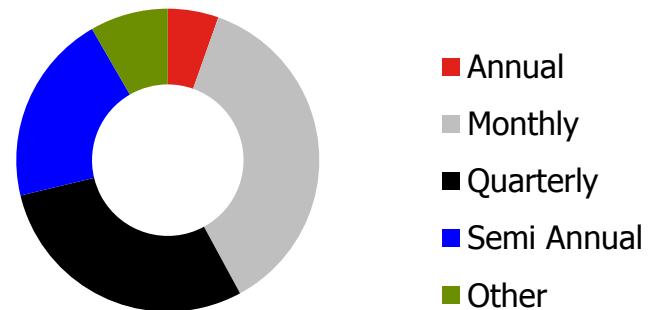
Look-Back



Discounts

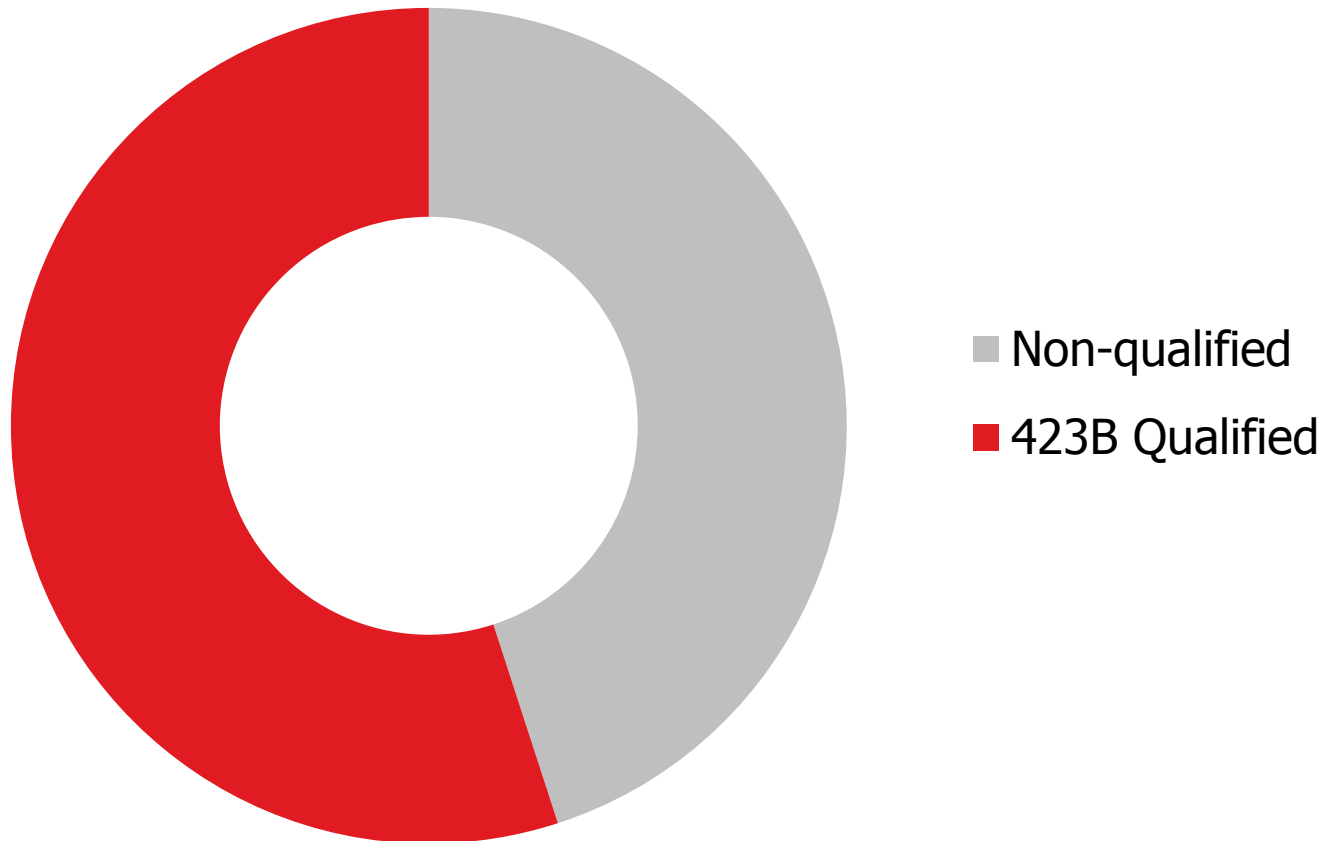


Length of Purchase Period



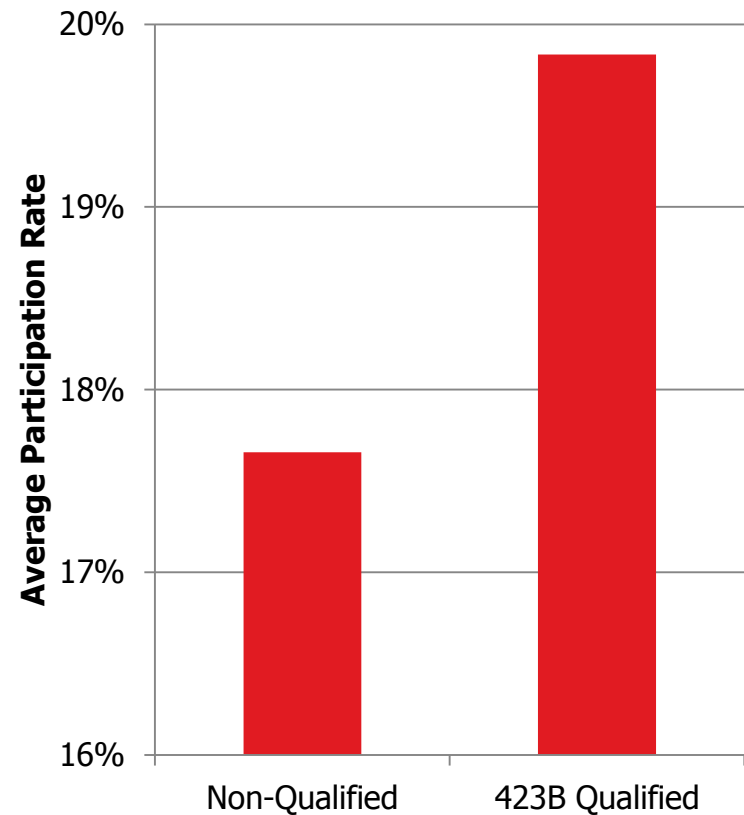
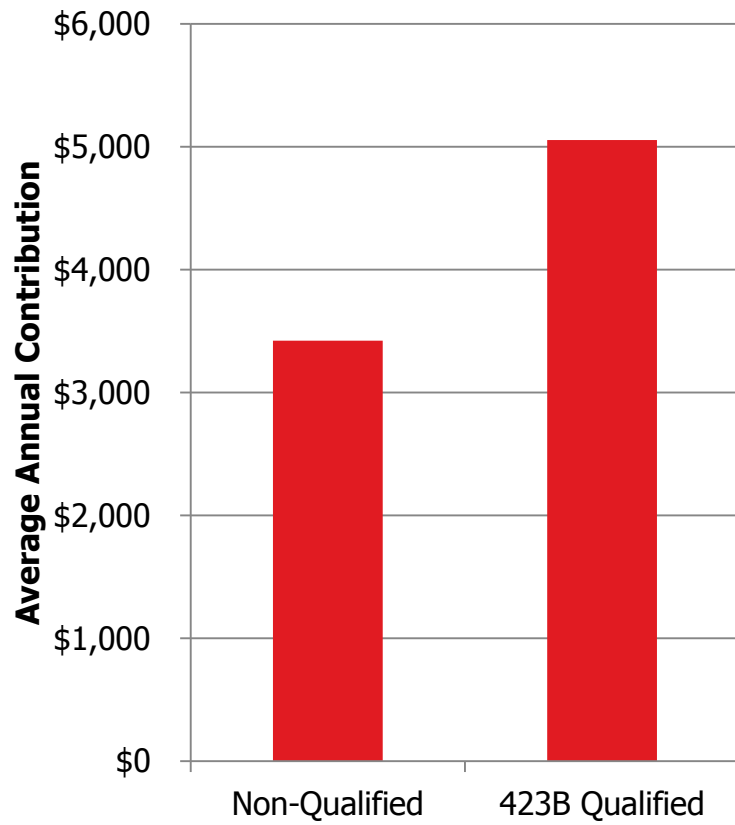
Plan Type

- 423B Tax-Qualified plans showed higher average annual contributions and higher participation rates

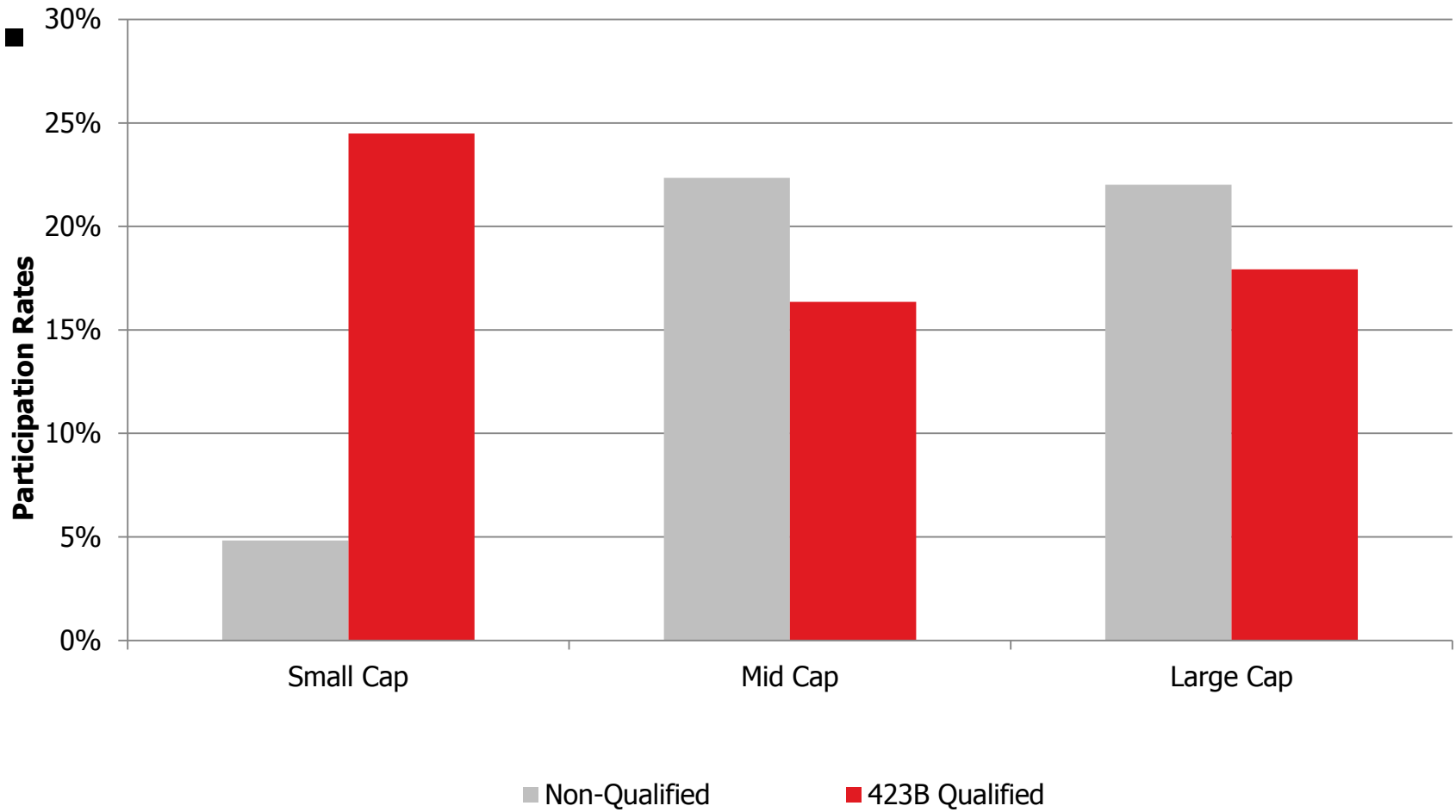


Plan Type

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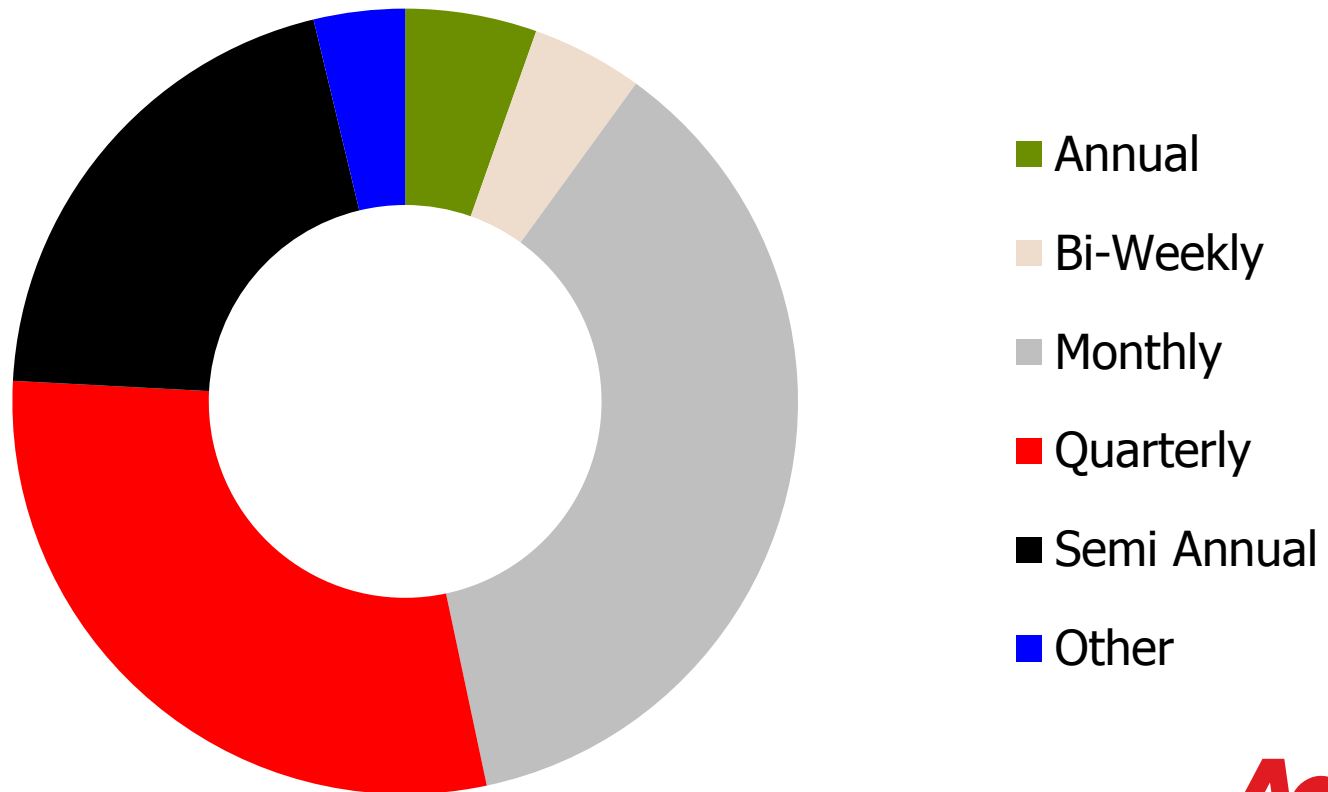


Plan Type by Market Cap



Length of Purchase Period

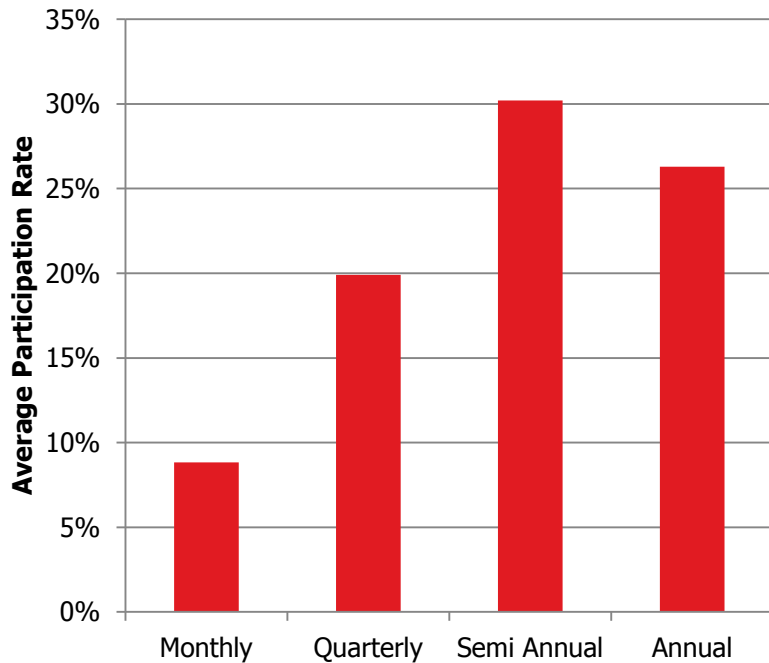
- Longer purchase periods lead to higher contributions and participation up to a point (semi-annual), after which longer periods lead to lower contributions and participation



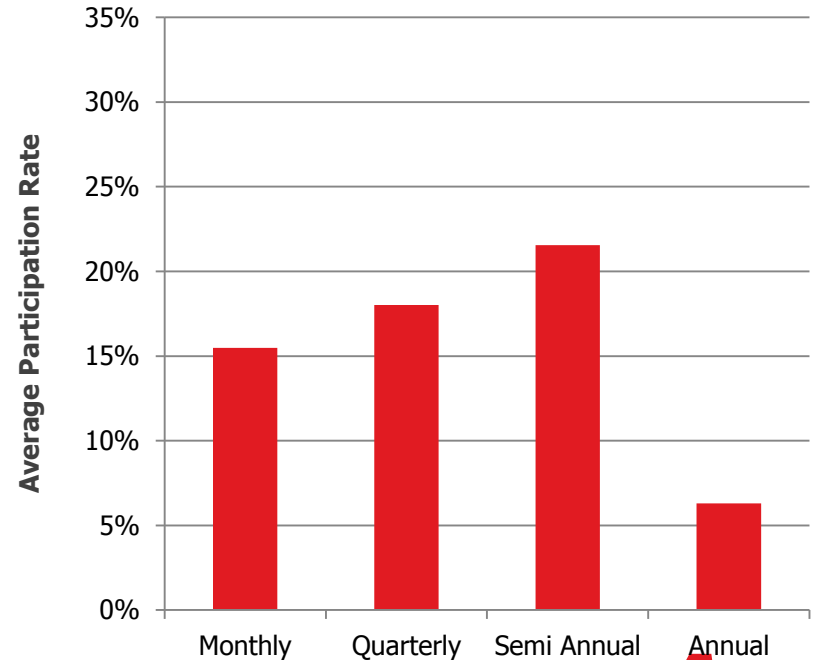
Length of Purchase Period

- Annual contribution amounts follow a similar pattern as the participation rates

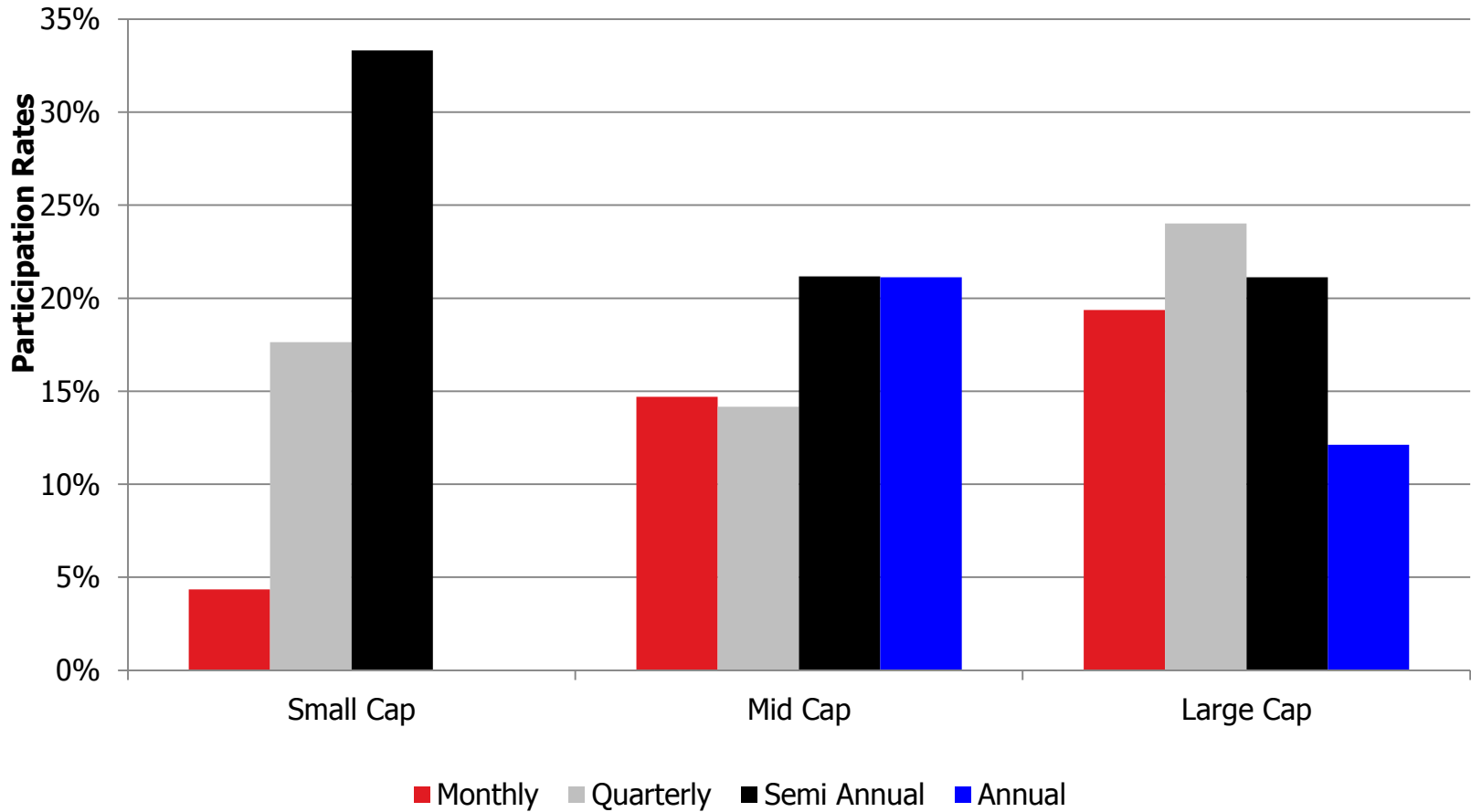
Average Participation Rate w/ Look-Back



Average Participation Rate w/o Look-Back

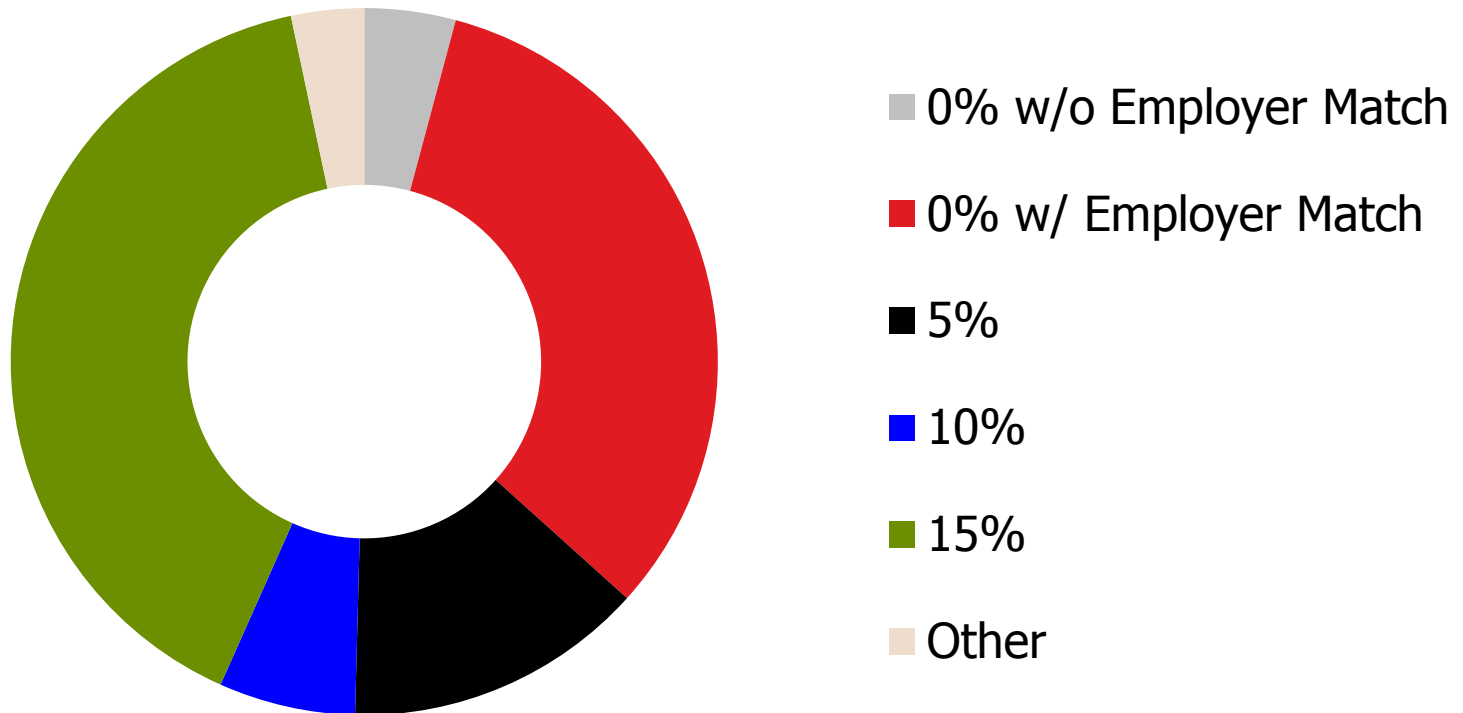


Length of Purchase Period by Market Cap

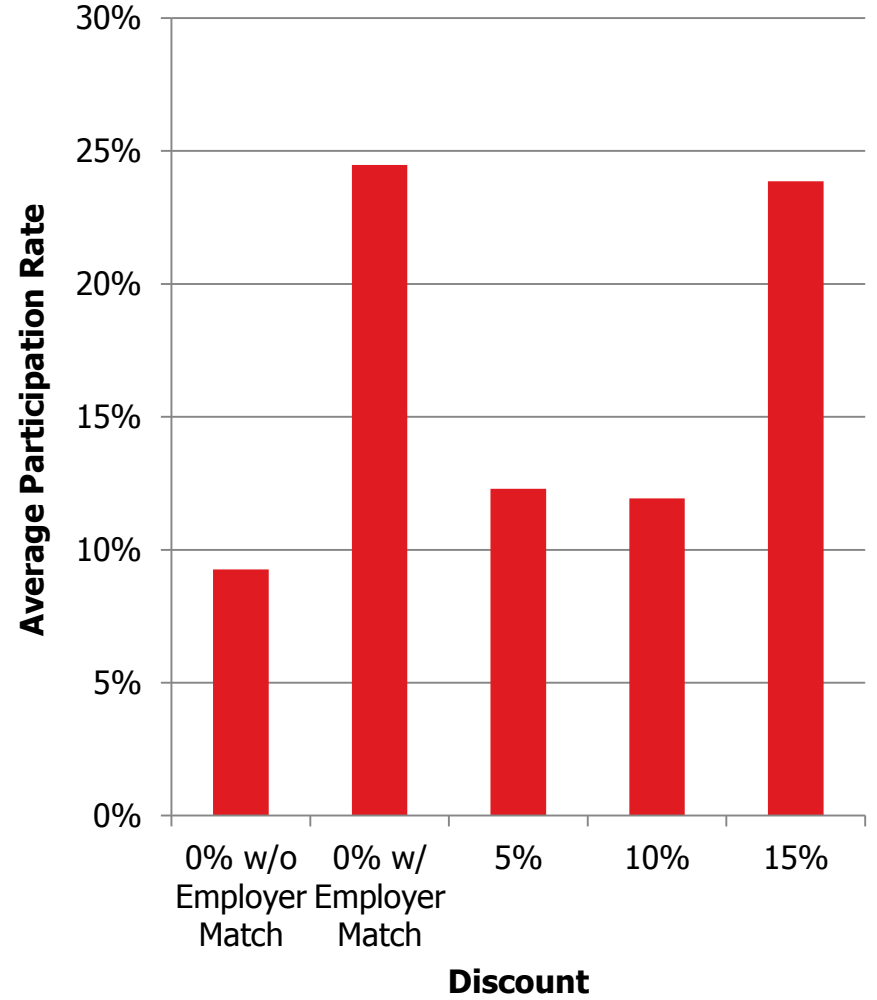
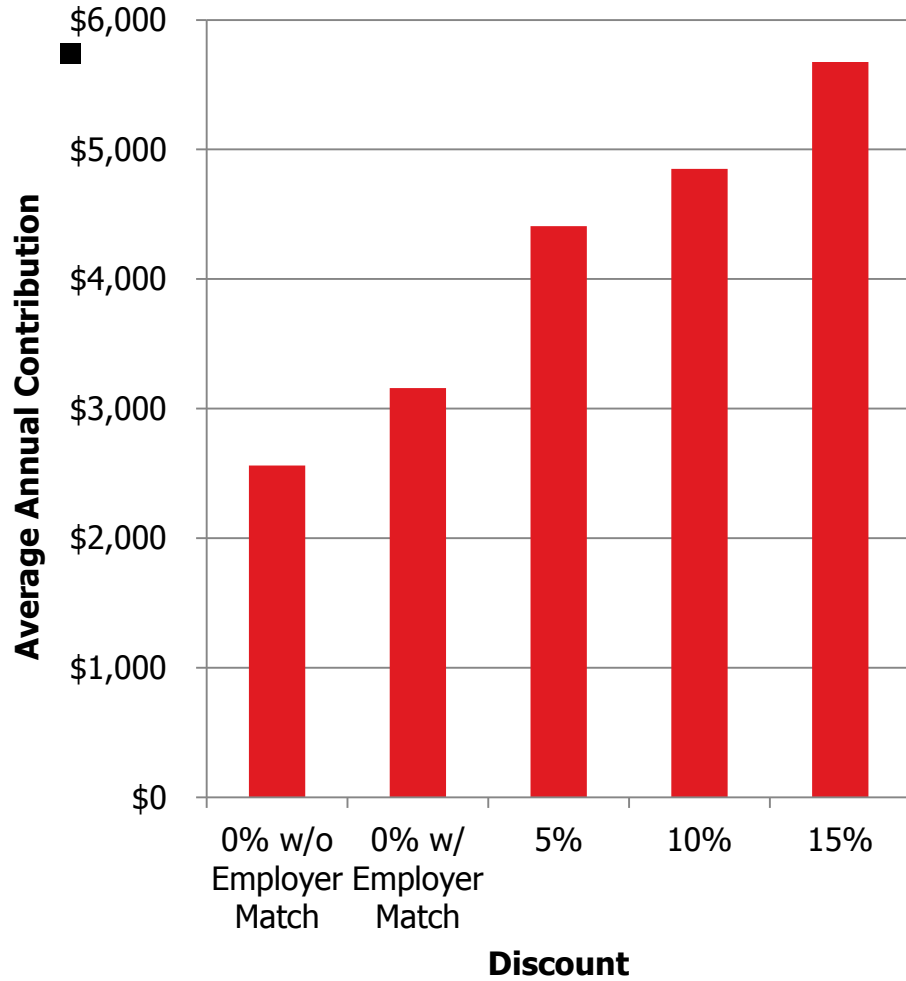


Discount

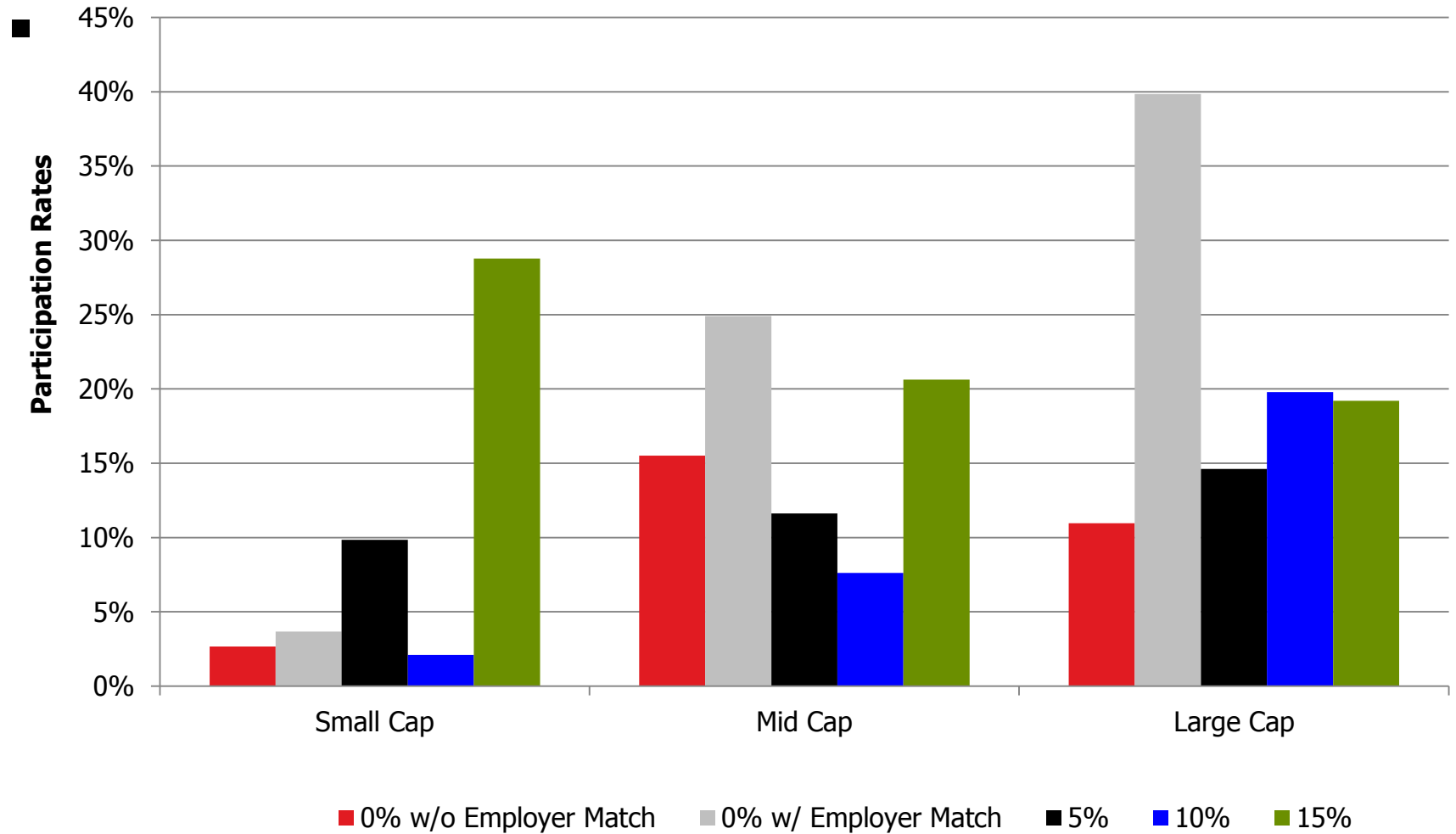
- Larger discounts lead to higher contribution rates and participation rates
 - Employer match features drives participation, but not contribution levels



Discount

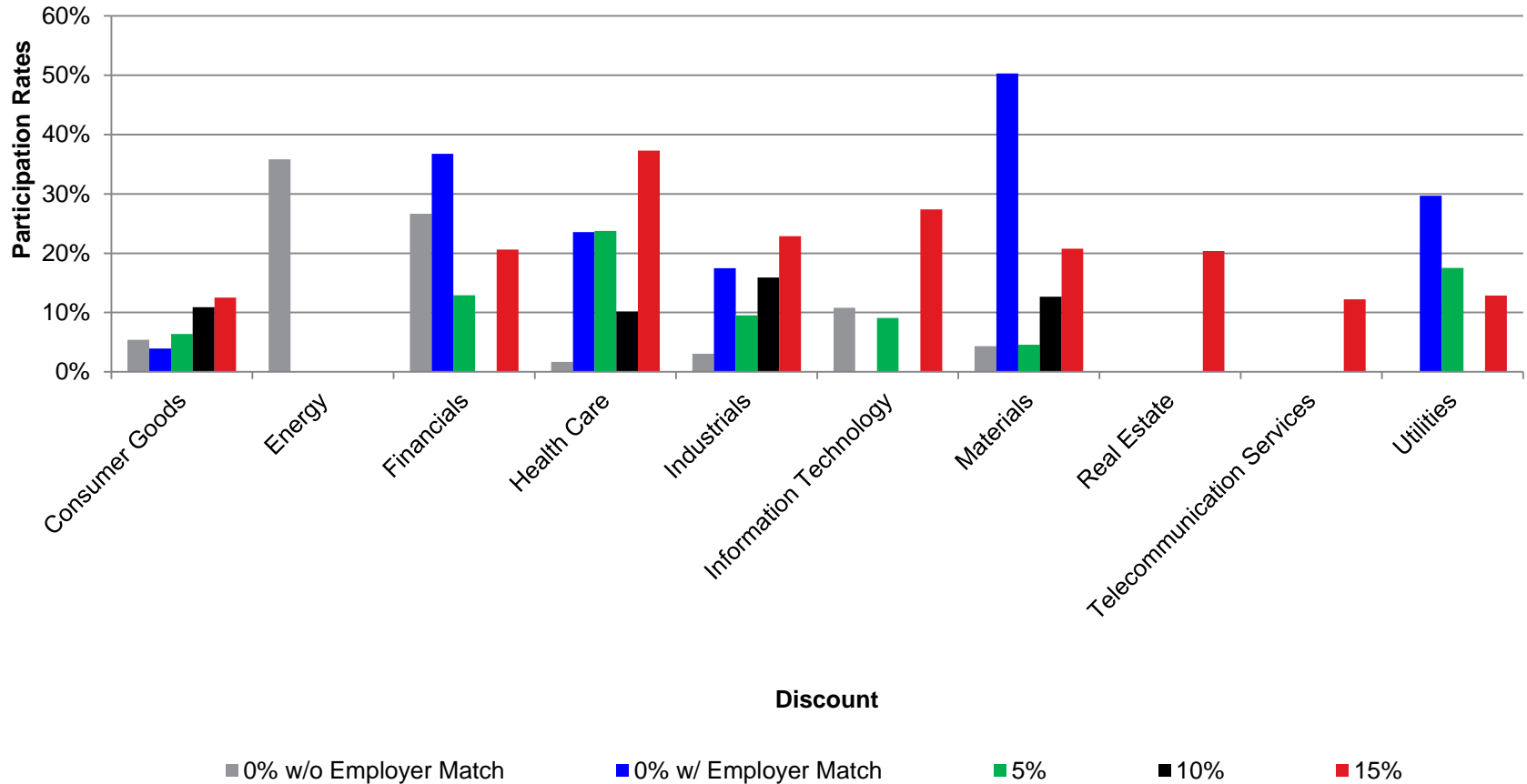


Discount by Market Cap



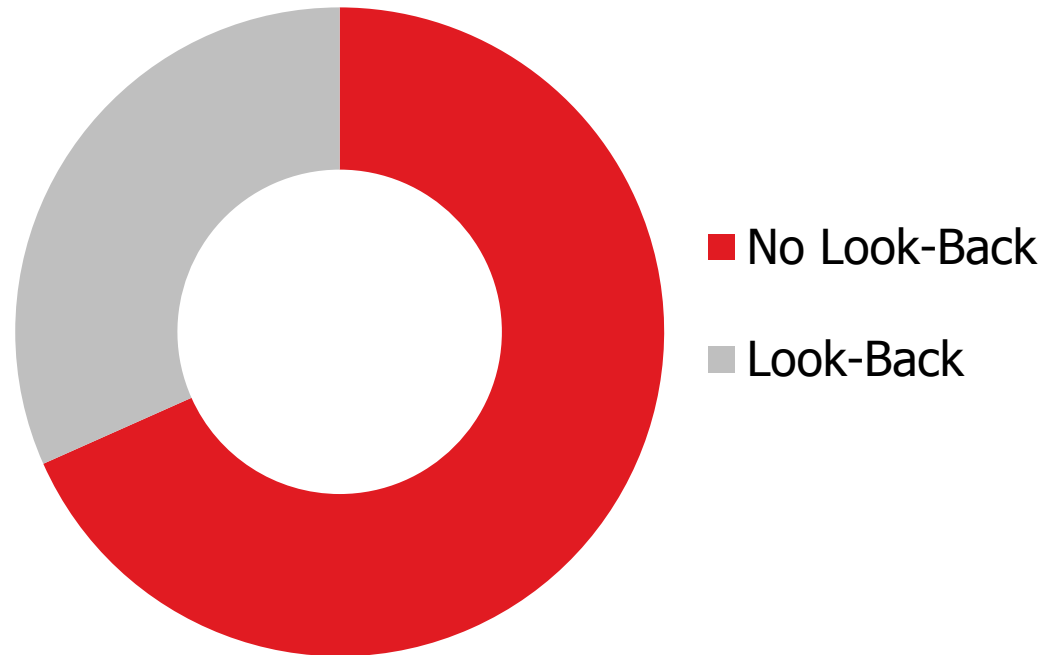
Discount by Industry

Participation Rates vs. Discount by Industry

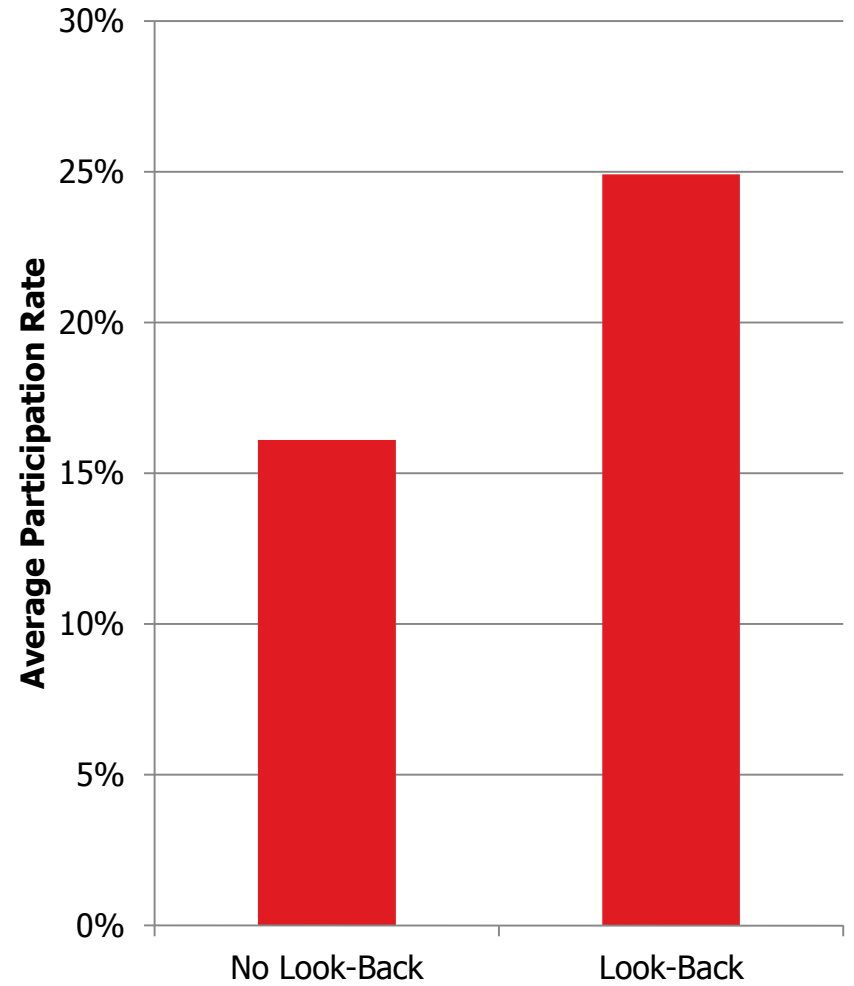
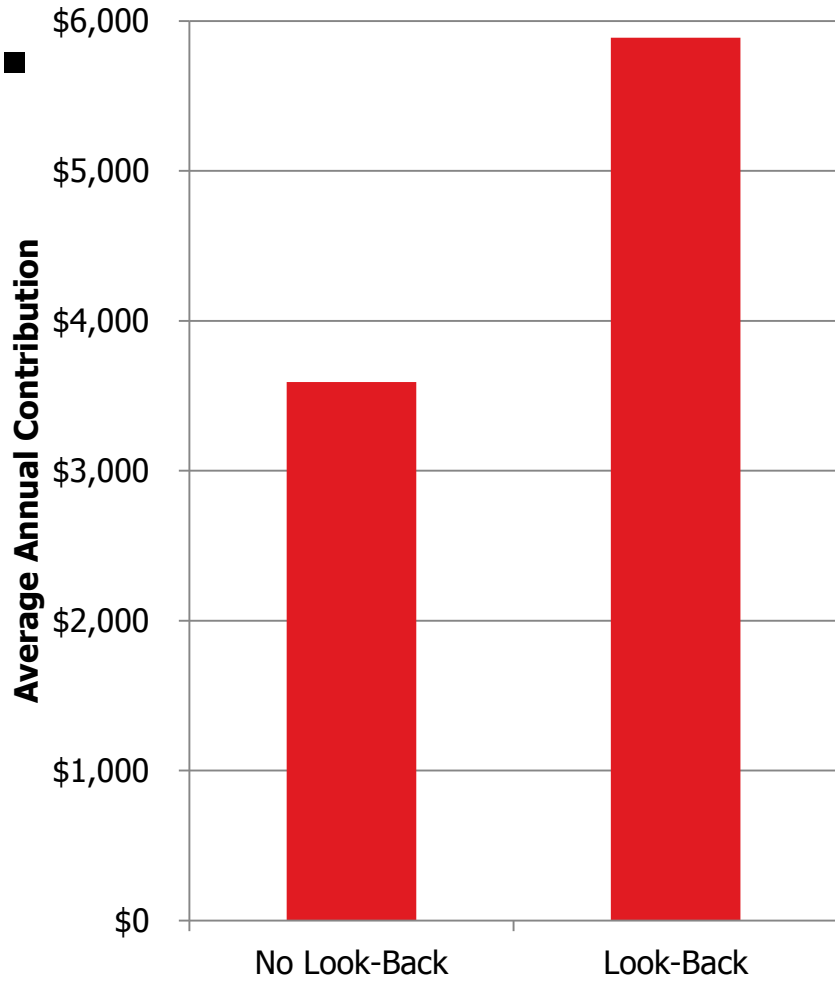


Look-Back

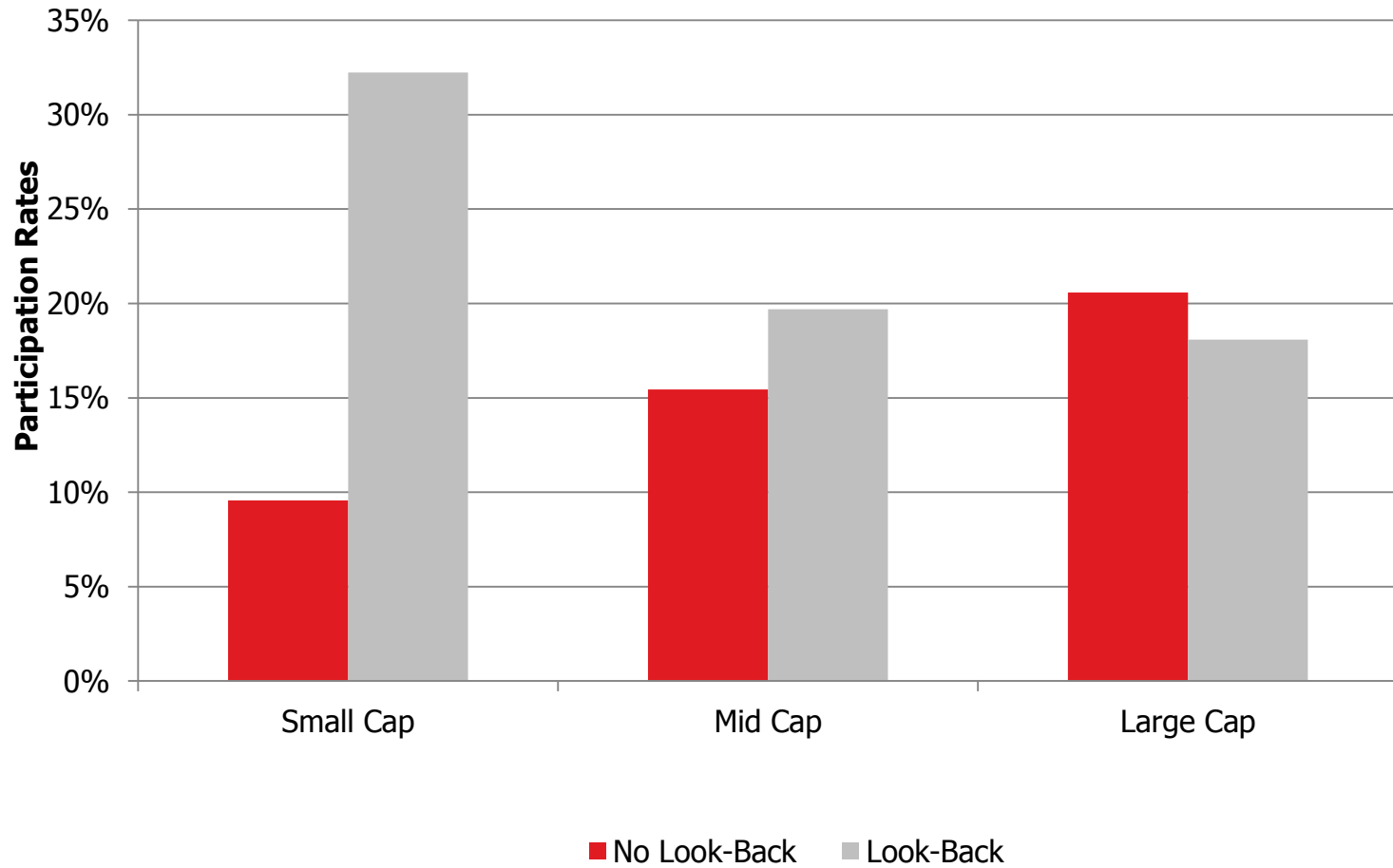
- Approximately 32% of companies offer a plan with a Look-Back feature
 - Companies which offer plans with a Look-Back period see higher average contributions and participation rates



Look-Back

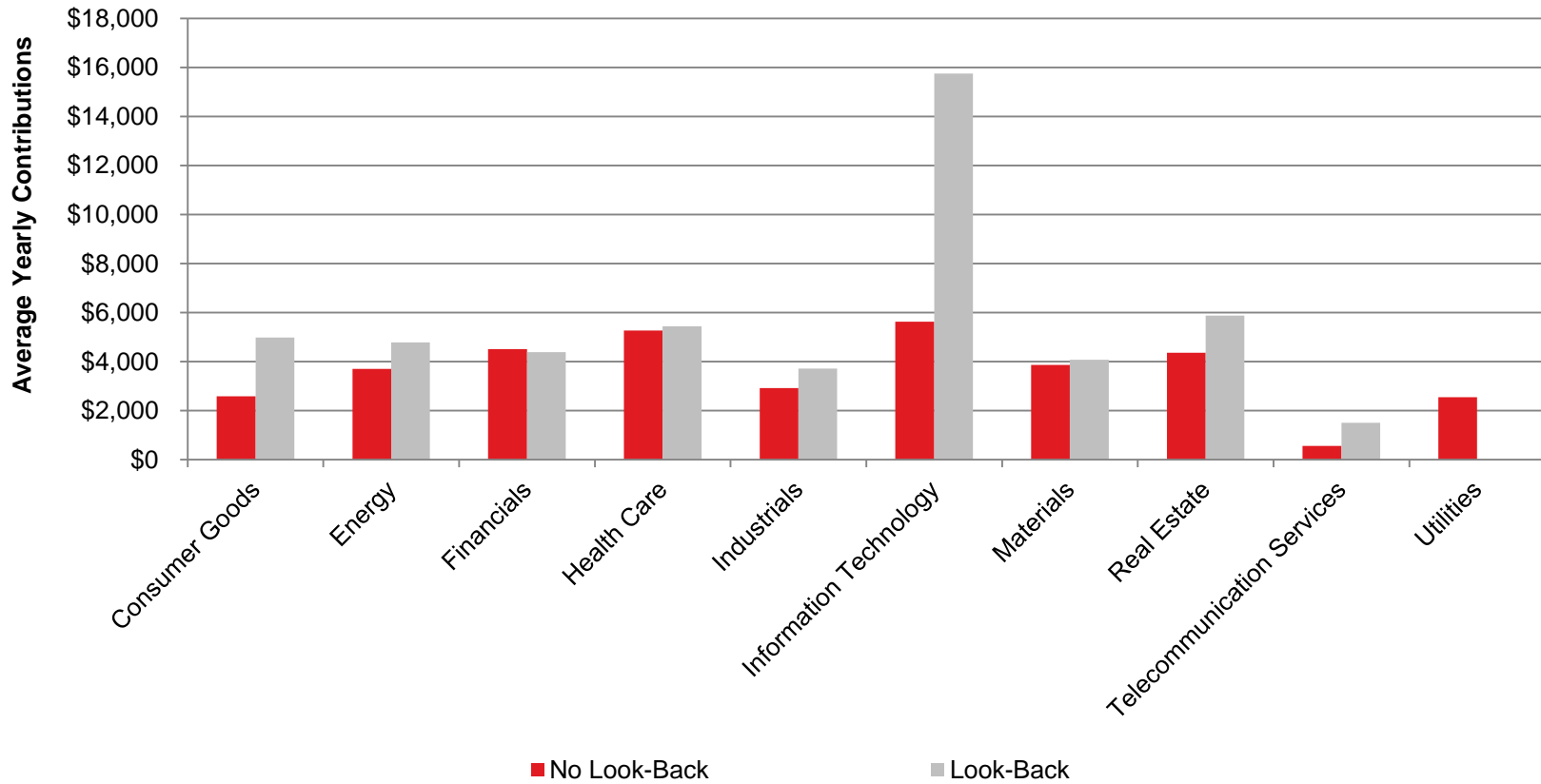


Look-Back by Market Cap



Look-Back by Industry

Average Yearly Contributions vs. Look-Back by Industry

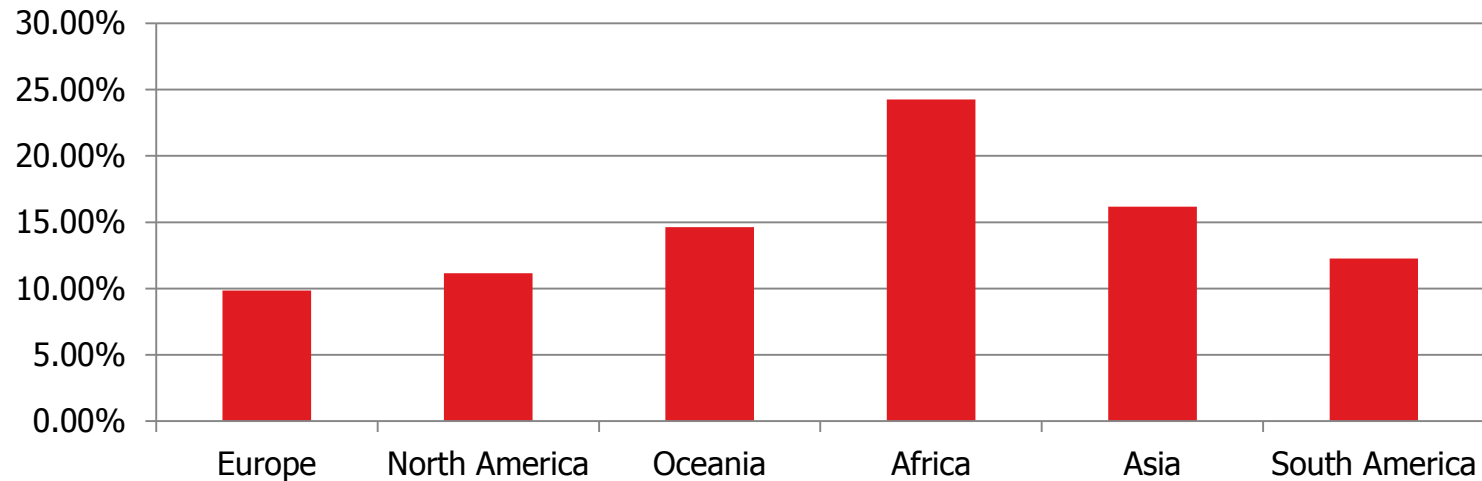


Participation by Domicile

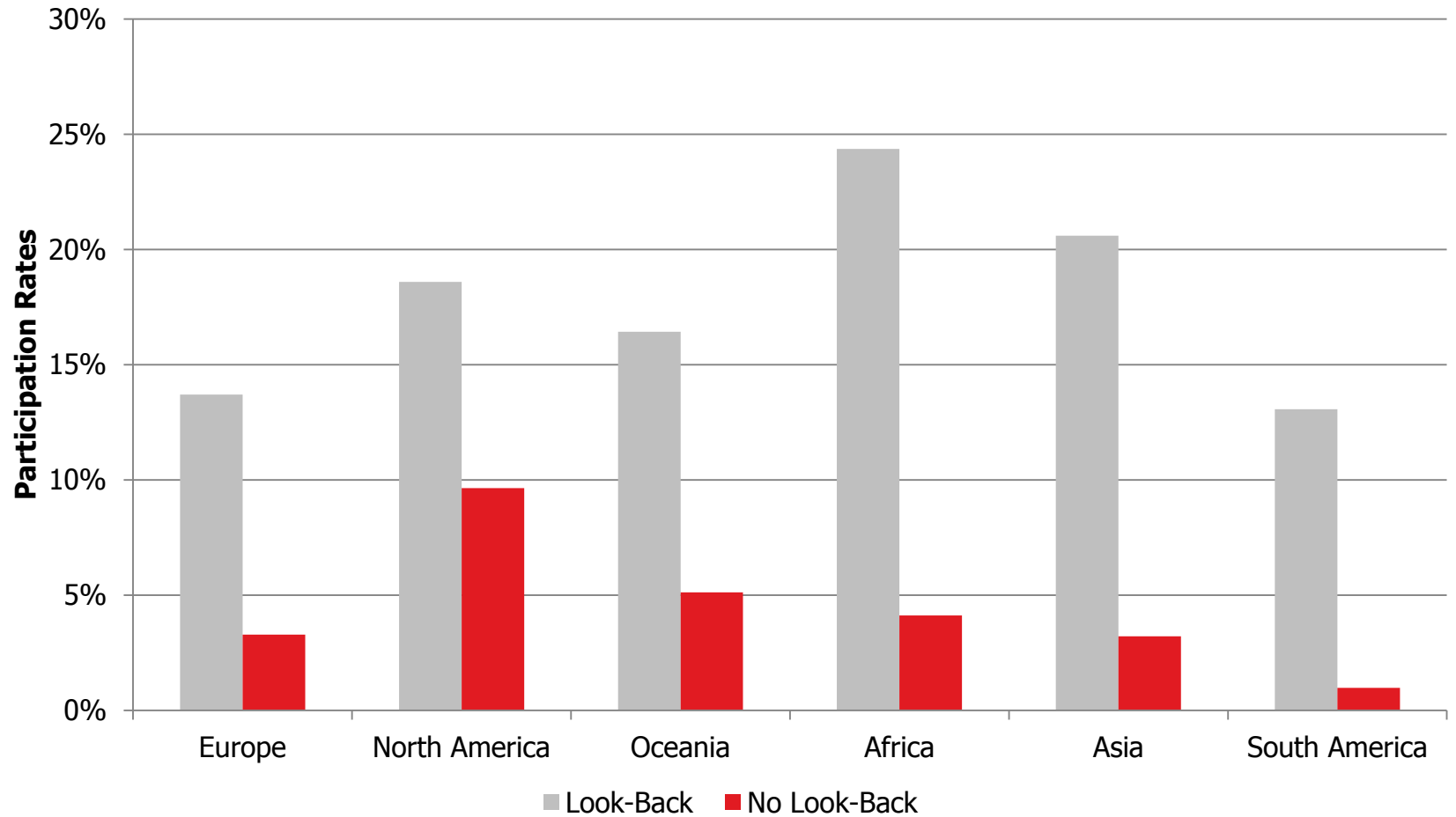
- Computershare provided enrollment data for 115 different companies in 186 different domiciles
 - The 186 domiciles are predominantly different countries, except for the USA, which is broken down into domiciles by state/territory
- Aon has used this data to analyze participation rates by domicile
 - For example, there are 5,403 eligible participants in Alaska and 874 are enrolled
 - Therefore, the domicile of Alaska was assigned a participation rate of 16.18% (874 / 5,403)
- The overall participation rate across all domiciles is 11.32%

Weighted Average Participation Rate by Continent

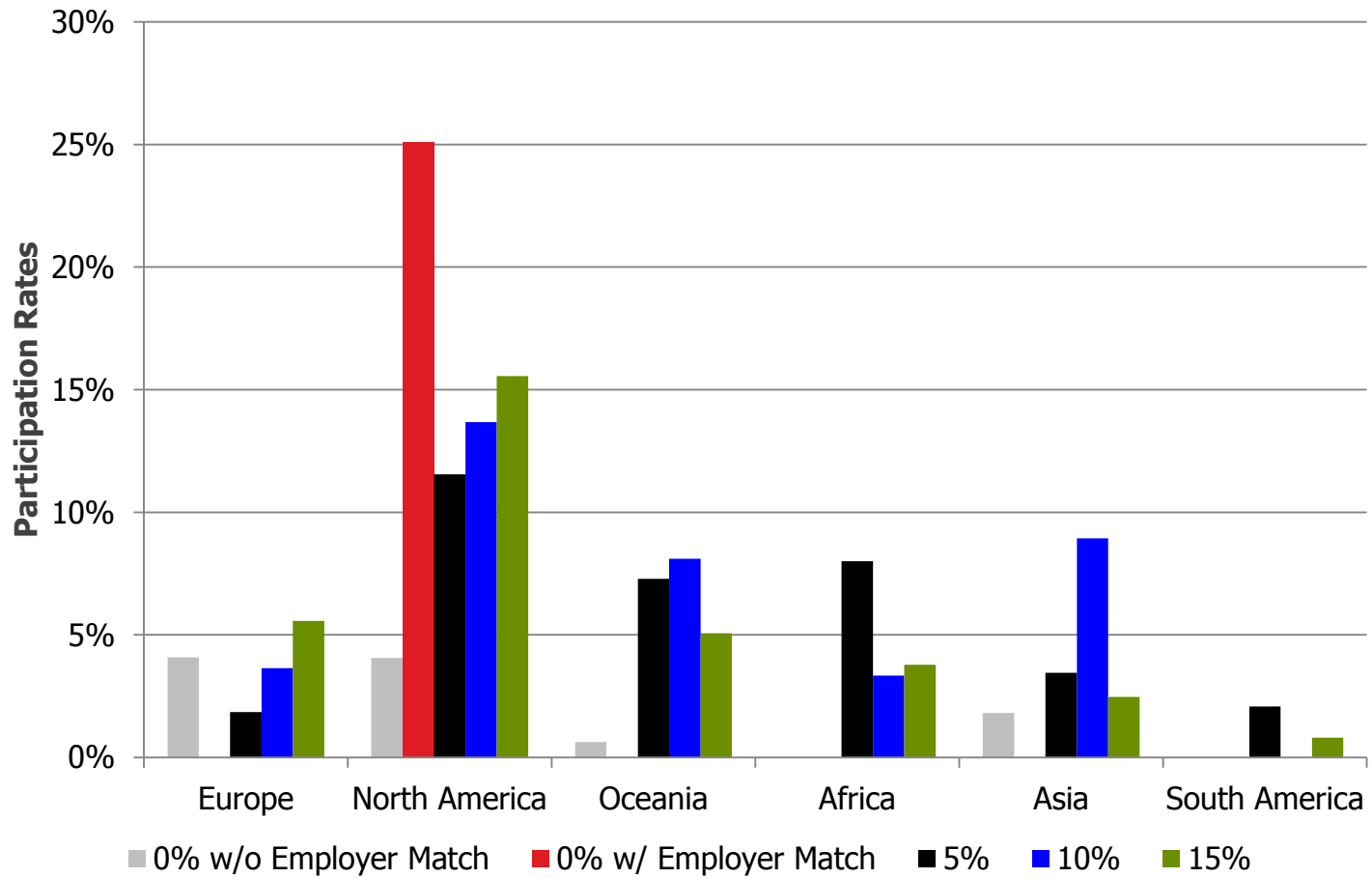
- The participation rate of eligible participants is fairly consistent throughout the US and Internationally
- The overall average participation across all Domiciles is 11.32%.
- Europe and North America have lower participation rates compared to the other continental regions across the world.



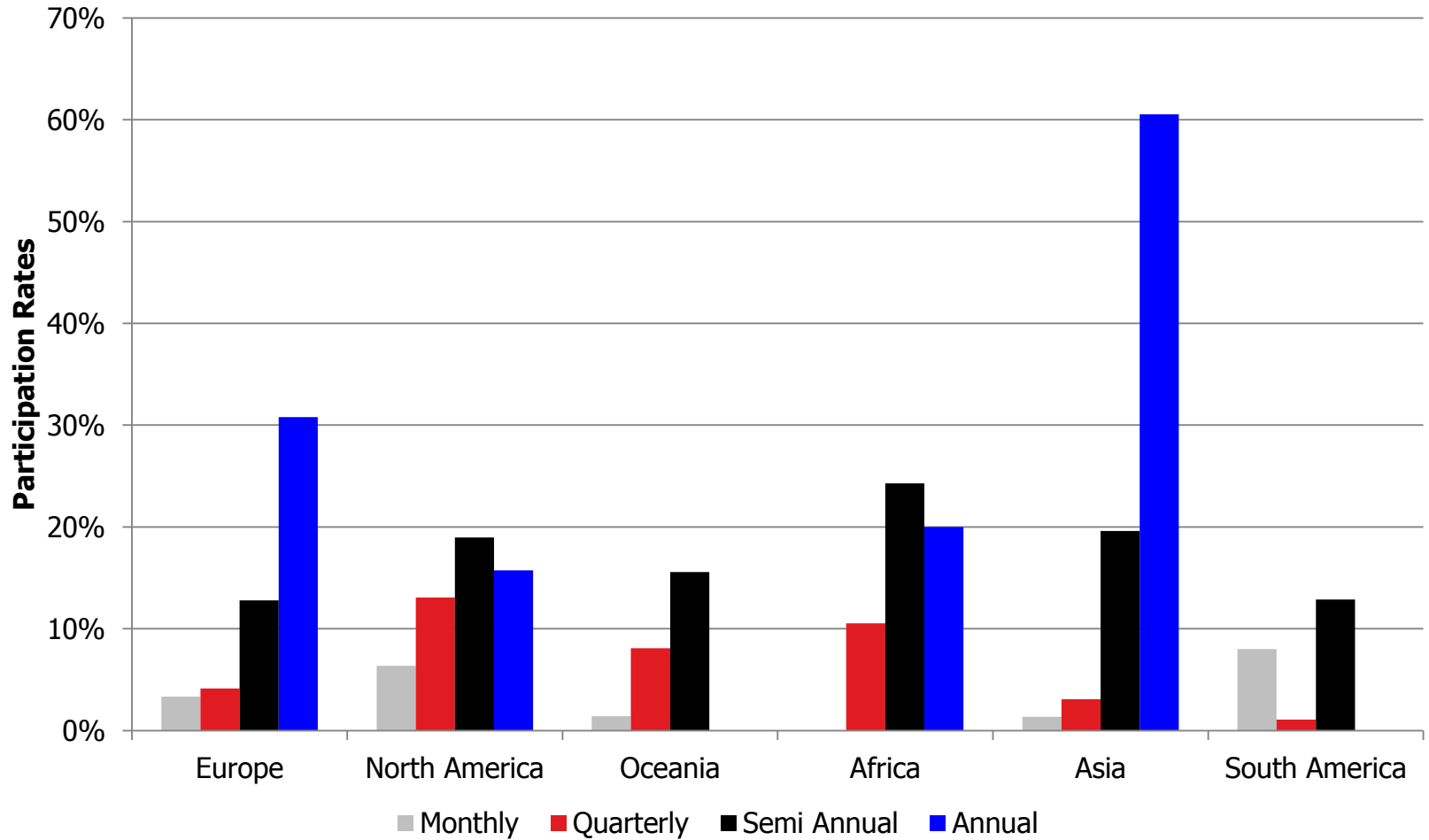
Look-back by Continent



Discount by Continent



Purchase Period by Continent



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