

Restricted Stock Awards/Units

Frequently asked questions (FAQs)

What is a Restricted Stock Award/Unit?

An RSA/RSU is the grant of a number of shares of company stock that become available over time upon the lapse of certain restrictions. The shares are not given to you until the time period (known as the vesting period) has lapsed. Often, an RSA/RSU can provide the shares vesting in tranches over specified periods of time. For example, 100 shares may vest over a period of four years, 25% per year. Other considerations such as retirement, retirement eligibility, death, etc. cause the vesting of the shares to be accelerated or cancelled or may trigger a taxable event. Please see your plan documents for details.

How do I obtain information on my RSAs/RSUs?

UBS Financial Services Inc. is the designated broker for your Restricted Stock program. There are a couple of ways in which you can obtain information:

- 1. Online, via the UBS One Source website at **ubs.com/ onesource/XYZ**, where XYZ is your company's ticker.
- 2. By telephone for U.S. and non-U.S. participants. UBS Equity Plan Advisory Services contact numbers are listed on the home page of the UBS One Source website.

How are RSAs/RSUs taxed?

If you are a U.S. taxpayer, the vesting of your RSA/RSU is a taxable event, which results in ordinary income that is reported to your company and added to the "Wages" section of the Form W-2 you'll receive from your employer. Deductions for income and employment taxes due and paid at vesting/lapse will also be reflected on your Form W-2. The amount of tax withheld is based on rates provided by your company. If you are not a U.S. taxpayer, please contact your local payroll administrator or human resources representative for more information.

How do I choose how to pay the taxes?

Your company determines which methods are available to you to pay the taxes, and if permitted by the plan documents, may change the available payment methods for any given lapse. Some of the payment methods that may be available to you are (i) to have the company withhold enough shares to cover the taxes, (ii) for you to deposit funds into your UBS Account to cover the taxes or (iii) for you to sell enough shares to cover these withholding obligations. In all instances, the taxes due will be paid to the Internal Revenue Service (IRS) or applicable taxing authority by your company. Remaining shares will be delivered to the account in your name at UBS Financial Services Inc. You may elect a payment method during a window period prior to each lapse, depending on the specifics of your plan.

Can I change my tax payment method?

If your company allows you to choose your tax payment election through UBS Financial Services Inc. You will be able to change your tax payment method during the open election window period. If no election is made, the default method according to your Restricted Stock plan will be used to cover the withholding tax obligations. Please contact UBS Equity Plan Advisory Services to get additional information regarding the tax election default method.

How is my tax liability determined?

Your tax liability on the vest/lapse date is based on the Fair Market Value (FMV) as defined by your restricted stock plan. If the vesting event falls on a non-trading day then the FMV value used is outlined in your plan documents.

Will I receive confirmation that my shares have vested?

You will receive notification when your shares have vested either by e-mail or mail. You may elect to have the notification delivered via e-mail. The notification may have information from several awards if the restricted shares vested on the same day.

What is the difference between shares being lapsed and vested?

In some circumstances, the lapse date and the vesting date are not the same. Since UBS Financial Services Inc. does not support this, for purposes of these FAQs the term is used interchangeably.

How are fees, commissions and processing costs determined?

For transaction charges and optional services click on "FAQs/Contact Us" at the bottom of any page on the UBS One Source website.

If I choose cash as the tax payment method, what do I do?

You may send a check, ACH transfer or bank wire to cover your tax liability. Please send checks to: UBS Financial Services Inc. Equity Plan Advisory Services/ XYZ 315 Deaderick Street, Nashville, TN 37238 USA.

If you choose to send a bank wire, please use the following wire instructions:

- Bank UBS AG
- ABA # 026007993
- Acct Name UBSPW
- Retail Acct # 101-WA-258641-000
- Swift Code# UBSWUS33
- Your Name as it appears on your UBS account

Your 7-character UBS account number # (For example: AB12345)

If you choose to send an ACH Transfer, please use the following instructions:

ACH Transfers to UBS Financial Services Inc. are sent through:

UMB Bank

ABA# 044000804

Acct # Prefix 9083 and your 7-character account # For example: If your 7-character account is AB12345, your full Acct# would be 9083AB12345.

Please note that if your funds are not received upon settlement of the transaction, shares may be sold in accordance with applicable rules and regulations. The settlement date is the trade date plus two (2) business days. A late payment charge may also result due to any delay of payment. Once your tax payment is received, your company stock will be delivered to you per your instructions. <u>Back to top</u>

The amount of your tax obligation is due within two U.S. business days from the vest/lapse date. If this amount is not received by UBS Financial Services Inc. within the two U.S. business days, the required number of shares will be sold to cover taxes.

What happens to my shares after they vest/lapse?

Once your shares vest, you can choose to sell them through your UBS account via the UBS One Source website (subject to your company's Insider Trading Policy). At your direction, shares may remain in your UBS Financial Services Inc. account or be sent to an account in your name at another firm.

Am I entitled to dividends or dividend equivalents on unvested shares?

It depends on the terms of your plan. Please refer to plan documents for specific information for each type of RSA/RSU. Many plan documents are located in the "Library" section of the UBS One Source website.

What happens to my unvested RSAs/RSUs in the event of termination of my employment?

The terms regarding your unvested Restricted Stock and termination are outlined in your company's plan document and/or your award agreement.

Avoiding escheatment

Under state law, financial institutions such as UBS Financial Services Inc. are required to turn account property over to the appropriate state if the account becomes inactive and the account holder cannot be located within the time period specified by state law. Please ensure your personal contact information on the UBS One Source website and your UBS account statement is always current and that you log into the website at least once a year.

What happens to my RSAs/RSUs when I become retirement-eligible?

RSAs/RSUs for U.S. participants are subject to taxation when they are no longer subject to a substantial risk of forfeiture. If you are a non-U.S. participant, you will need to consult your country's applicable tax laws. Please review your plan documents carefully. Generally, if you would receive all of your restricted stock awards when you retire, income and FICA/FUTA taxes would be due whenever you become eligible for retirement in the case of RSAs. In the case of RSUs, only FICA/FUTA is payable at retirement eligibility. Please contact your company for more information on how they collect these taxes.

What happens to my RSAs/RSUs when I retire?

The terms regarding your RSAs/RSUs and retirement are outlined in your company's plan document. You will not be charged the taxes you already paid when you became retirement-eligible.

How do I print copies of my website information for my RSAs/RSUs?

Several of the screens on the website require scrolling left to right to see the entire text. To print a copy of a wide-view screen, have the page on the screen that you want to print:

- Select the "File" option on the menu bar
- Click on "Print"
- Click on the "Properties" button or the "Preferences" button
- Select the "Paper Size" tab or the "Layout" tab
- Change the "Orientation" to Landscape
- Click on the "OK" button

I have moved. Whom do I notify to have my address changed?

If you are an active employee, please contact your company's human resources department to change your address on their payroll systems. When your company updates your address in their records, they will also provide the new address to UBS. If you are separated from the company that sponsored your account, please contact the UBS Service Center at the phone number posted at the top of the login page of the UBS One Source website.

What are the hours of operation for the New York Stock Exchange and the NASDAQ? What U.S. holidays are observed by these exchanges?

This information is available on the login screen of the UBS One Source website. At the bottom of the screen, click on "Market Hours and Holidays."

UBS Financial Services Inc. and its affiliates do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with UBS Financial Services Inc. of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

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