

Restricted Stock Awards/Units *basics*

Restricted Stock Awards/Units are granted to you as compensation for your contribution to the long-term success of your company.

Equity awards are an important part of your overall compensation and an opportunity to start building wealth or save a lump sum for an important event such as buying a home, paying for college or supplementing your retirement savings. Below, we explain the basics of the plan and the logistics of managing it. If you have any questions or want to find out how to incorporate your awards into an overall financial plan, please contact your UBS Financial Advisor using the contact information found on the UBS One Source home page.

The basics

Restricted Stock Awards or Restricted Stock Units are granted to you as compensation for your contribution to the long-term success of your company. Your awards or units “vest” or “lapse” over time, which means they are not actionable for a certain period of time and cannot be sold or transferred. Unlike options, restricted stock awards or units do not expire and usually are forfeited only if you leave the company or if you are terminated before they vest. Please see your company’s Plan documents for the specific terms and conditions of your Restricted Stock Award or Unit(s).

In the U.S., once your awards or units vest, you will be assessed ordinary income based on the value of the underlying stock at the time of the vesting.¹ Generally, tax withholding occurs at vesting and the shares are released to you once all tax liabilities are met. For a complete description of the Plan, vesting schedule and tax implications, refer to your company’s Plan Document.²

Making your tax liability and share delivery elections

Prior to your awards or units vesting, you will need to make two important decisions: how you will pay your tax liability and how you will receive your shares. If your company allows, the following tax elections can be made online through UBS One Source. You may also choose a share delivery election.

Tax payment methods

You can select among several tax payment choices: cash and share methods.

Cash method

At vesting, you may send a check or bank wire to our firm to cover the tax liability due. Once processed, the complete amount of shares will be released to you per your instructions. Please note if you choose this method UBS will need to receive your funds three business days after the vesting of your award(s) or unit(s) or shares may be sold in accordance with rules and regulations. A late payment charge may also result due to any delay of payment.

Share methods

- **Withhold**—at vesting, a portion of your shares will be withheld by your company. No fees or commissions will be withheld.
- **Sell to Cover**—at vesting, a portion of your shares will be sold at the market price to cover taxes as well as applicable fees and commissions.
- **Sell All**—at vesting, all of your shares will be sold. Funds will be deducted from your proceeds in order to cover taxes, fees and commissions.

Share delivery elections

You can choose to receive your shares in the following ways:

- Deposited to your stock benefit plan brokerage account or transferred to another account at our firm.
- Delivered to another financial services firm.
- Registered with the transfer agent under the Direct Registration System.

Selling your vested shares

Once your Awards or Units vest, you can sell them through UBS One Source.³ You will need to indicate the number of shares you would like to sell, the type of order you would like to place and your choice of delivery

method for the proceeds. If you choose to sell your shares, there are several order types to choose from:

- **Market**—This type of order is to sell shares as promptly as possible at the prevailing market price. It is not a guarantee of a specific price.
- **Day Limit**—With this type of order, you set the minimum sale price (the “limit price”) at which the trade is to be executed. If the market moves away from this price, the order will not be executed unless or until the market price returns to the limit price. If the order has not been executed by the end of the trading day, it will be automatically canceled.⁴
- **Good ‘Til Canceled (GTC)**—With this type of order, you set the minimum sale price (the “limit price”) at which the trade is to be executed. If the market moves away from this price, the order will not be executed unless or until the market price returns to the limit price. This type of Limit Order remains in effect until it is executed or canceled. Depending on your company’s arrangement with us, some types of GTC orders expire after a fixed number of days, or when your company enters a blackout period, or when your employment status changes.⁴

You may also choose from several methods to receive the proceeds of a sale of shares:

- Maintain your proceeds in your stock benefit plan UBS account
- Transfer your proceeds to another account at our firm (additional paperwork is required)⁵
- Have a check sent to the address we have on file at our firm
- Receive a U.S. Federal Funds wire (wire fees apply)
- Receive an international wire (available in many local currencies⁶)
- Request an Automated Clearing House (ACH) Transfer (funds will be received in approximately five business days following your trade, depending on the receiving financial institution)

UBS Financial Advisors are very knowledgeable about the details of your equity compensation awards program. If you have any specific questions or want to learn more about how to incorporate your equity awards into a complete financial plan, contact them through the Financial Advisor section of your UBS One Source home page.

¹ This applies in the absence of an 83(b) election.

² UBS AG 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 AG of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

³ Subject to any blackout period established by your company and insider rules.

⁴ Please note that Market orders are executed before Limit and GTC orders, while Limit and GTC orders are entered in the order received.

⁵ Personalized investment advice and access to the firm’s other products and services require completion of a full-service account application and are available to residents of the U.S. and certain other countries

⁶ Currency conversions for UBS Financial Services Inc. (UBSFS) are provided by an affiliate, UBS AG or UBS Securities LLC at competitive rates. Built into those rates is a mark-up of 125 basis points (1.25%). UBS FS may derive an economic benefit which may affect the exchange rate received. The currency conversion rate appears on the account statement.