

Human Capital

Global Equity and Compensation Solutions

Donahue & Partners LLP

An independent law firm allied with Ernst & Young

In today's highly competitive global employment market, multinational organizations need to set themselves apart.

Finding and retaining top performers demands creative compensation plans that make employees part of their company's success.

International Global Equity Plans are attractive vehicles to create win-win solutions for employee and employer, but implementing and operating these plans can mean overcoming complicated legal and regulatory hurdles.

With its worldwide network of experienced employment and securities lawyers, Donahue & Partners can smooth the legal path for your company and help you win the war for talent.

Global Equity Plans

With employees worldwide demanding compensation programs that reward them for their contributions to a company's success, multinational organizations need to explore expanding their equity compensation plans to include their international workforces. Companies that have not done this are at a disadvantage as their competitors attract top talent through equity plans. With this in mind, multinationals should consider using:

- Stock Options;
- Restricted or Performance Stock Units;
- Stock Purchase Rights;
- Stock Appreciation Rights; or
- A combination of any of the above.

Challenges to Implementation

While using creative equity compensation plans is critical to staying competitive in the war for talent, implementing the programs can pose legal and regulatory challenges. Every jurisdiction takes a different approach to regulating awards of securities to employees, and legal compliance in the following areas must be taken seriously:

- Securities Law Requirements;

- Foreign Ownership and Exchange Requirements;
- Labor Law and Acquired Rights of Employees;
- Data Privacy; and
- Employee Communication Requirements.

An analysis of potential impacts on a company should be undertaken in every country in which an equity program is being considered, and, once a program is underway, ongoing awareness of legal changes is necessary to stay in compliance.

We Can Help

The Donahue & Partners (D&P) Human Capital Practice has been helping its multinational clients keep an edge on the competition with their Global Equity Compensation Programs for over 10 years. Our experienced and personable attorneys consider understanding our clients' goals the key to assisting with the successful implementation of these programs. We combine the personal touch of a small, specialty practice with the global reach and resources that come from our alliance with Ernst & Young (E&Y). We maintain a worldwide network of global equity attorneys, so no matter where our clients' business takes them, we are ready to help.



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Benefits to Clients

- With the D&P and E&Y alliance, clients have a one-stop shop for all of their Global Equity Program needs.
- D&P provides clients with a single point of contact through which they have ready access to experienced lawyers around the world.
- Clients receive uniform reporting and coordinated recommendations that address a range of global and country-specific steps.
- Clients receive consolidated advice for implementation of compliance steps in each jurisdiction.

The D&P Approach

Development Phase

D&P's New York-based lawyers, together with a client's Company team, review the existing or the desired features of the equity compensation plan and identify the countries in which legal review will be necessary. We then develop detailed and specific issue documents to be reviewed with our worldwide network of local counsel.

Due Diligence Phase

D&P then requests that local counsel identify any jurisdictional issues or requirements pertaining to each issue in the document. D&P's lawyers stay in close communication with counsel to sort out ambiguities or uncertainties arising from conflicts of law, unsettled laws and regulations, or in the translation of legal terminology. We also liaise with E&Y's Human Capital and Global Tax specialists to ensure that all issues are fully clarified and answered.

Analysis Phase

We then provide clients with an overview of alternative strategies for each country, including analysis of both compliance and management burdens. Additionally,

general timing and fees related to each strategy will be outlined.

Implementation and Ongoing Compliance Phase

D&P works with its clients to assure that all necessary compliance actions are fully completed in a timely manner. In some cases, compliance may require regular ongoing submissions to regulators, for which D&P will provide a calendar and regular communications updates.

D&P also keeps clients current as legal and regulatory changes occur in the jurisdictions in which they operate. This is done through regularly scheduled communication and on an ad-hoc basis as changes come to our attention through our network of lawyers.

Sample Engagements

D&P has completed multi-jurisdictional projects for a variety of multinational clients, including:

- A major U.S. financial services company (80 countries – global employee equity program);
- A major U.S. energy and engineering company (43 countries – global employee equity program);
- A major investment bank (25 countries – labor law and global employee equity program);
- A large U.S. credit card company with global activities in banking and insurance (40 countries – labor law and global employee equity program);
- A large U.S. insurance company (20 countries – global employee equity program);
- One of the world's largest PC assembling companies (40 countries – global employee equity program);
- One of the world's largest pharmaceutical companies (50 countries – global employee equity program).

Please contact us to learn what Donahue & Partners can do for you.