



Stock options



Quick tips

This “Quick tips” highlights important information about stock options.

What you get

- The right to purchase company stock at a set price for a specific period.

How they work

- Subject to a waiting period (also called a vesting period), an exercise (purchase) period and an expiration date.
- Stock can be purchased during the exercise period at the price specified when the options were granted (grant price), assuming the stock’s fair market value (as defined by your company) is not below the grant price. This purchase is called “exercising your stock options.”
- If you do not exercise your stock options before the expiration date, you lose the right to purchase stock at the grant price.¹

Please read the grant agreement or other official plan documents provided by your company for details on the specific terms and conditions of your award. For more information contact your human resources department.

Lifecycle of stock options

Grant date	Vesting period	Vesting date	Exercise period	Expiration date
<ul style="list-style-type: none"> • Options are granted at a set price • Vesting (waiting) period begins 	<ul style="list-style-type: none"> • Waiting period before stock can be purchased • Merrill Lynch brokerage account (LIIA/IIA) opened 	<ul style="list-style-type: none"> • Options become exercisable 	<ul style="list-style-type: none"> • Stock can be purchased at the grant price 	<ul style="list-style-type: none"> • The date the right to exercise stock options expires • Unexercised options are forfeited

¹If your expiration date falls on a weekend or a holiday of the New York Stock Exchange, you must exercise by the market close on the trading day before your expiration date. Earlier expiration dates may apply under your company plan due to termination of employment, disability or death. Please refer to the terms and conditions of your plan for rules relating to earlier expiration of stock options.

²Consult your tax advisor about your individual tax implications. Neither Merrill Lynch nor your employer provides tax advice.

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Investment products:



Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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What you need to do

You need to open a Merrill Lynch brokerage account before you can conduct any transactions related to your stock options. The account you need to open is a Limited Individual Investor Account (LIIA), which is a self-directed, limited, non-interest bearing brokerage account used primarily to hold and sell shares received through your company's equity awards.³ In addition, depending on your company's agreements, you may need to formally accept the terms and conditions of your grant before you can exercise your grant, which you can do on Benefits OnLine® at www.benefits.ml.com.

Modeling/exercising your stock options

You can model and exercise your stock options on Benefits OnLine. To get started, log on to www.benefits.ml.com, select **Equity Plans** from the **My Accounts** Page, then choose **Model/Exercise**. (If you have not yet opened your Merrill Lynch brokerage account, this tab will read **Model** only.)

For more information

For information about the stock option exercise methods available to you, and the fees and commissions associated with exercising stock options or selling shares received through your company's equity awards, please refer to communications provided by your company or Merrill Lynch or call a Merrill Lynch representative at your plan's toll-free number. *(Materials related to your plan may be available in the Document Library on Benefits OnLine. Any plan documents, including any prospectus or grant agreement, posted on Benefits OnLine are prepared and made available to you by your company, not Merrill Lynch.)*



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³ Directors, executive officers, associates and other persons subject to Rule 144 or Section 16 of the Securities Exchange Act of 1934, as amended, must open an Individual Investor Account (IIA), which is also a self-directed, limited, non-interest bearing brokerage account. These persons have inquiry access only to Benefits OnLine and must exercise stock options through the Merrill Lynch financial advisor team assigned to their company's plan.