

## APPENDIX A-7: SPECIAL REMEDIAL CONSIDERATIONS APPLICABLE TO STOCK

### (Reference Section 4I00(b))

When there is a finding of discrimination in the awarding of stock or stock options, the following considerations apply to remedy.

#### I. STOCK AWARDS - VESTED

When the discrimination was in the awarding of vested stock and the vesting date has not yet occurred, the victim is simply awarded the number of shares he or she would have received, absent discrimination, with the same vesting date as other stock recipients.

**Example:** Absent discrimination, on June 1, 2021, the victim would have received 100 shares of stock with a vesting period of three years. The remedy would be to immediately award the victim 100 shares of stock with a vesting date of June 1, 2021.

Where the vesting date has passed, the remedy will be calculated as indicated in II below, with the vesting date considered the date the victim would have received the stock, absent discrimination.

#### II. STOCK AWARDS - ONE-TIME BONUS

##### 1. Shares of Stock:

- a. Establish the number of shares (or additional number of shares) the discriminatee would have received, absent discrimination, and the date(s) he or she would have received them.
- b. Find the dollar value of that number of shares as of the date, absent discrimination, the discriminatee would have the shares and the current dollar value. Take the higher of the two figures, expressed as the number of current shares.

**Example:** Absent discrimination, the discriminatee would have received 100 additional shares of stock. On the date he or she should have received the stock, the share price was \$20, for a total dollar value of \$2,000.

**Scenario A:** The stock has gone down to \$10 a share, so the 100 shares are now worth only \$1,000. The discriminatee should receive \$2,000 worth of stock at the current price; *i.e.*, 200 shares of stock.

**Scenario B:** The stock has gone up to \$30 per share, so the 100 shares are now worth \$3,000. The discriminatee should receive 100 shares at the current price.

##### 2. Dividends:

- a. Determine the dollar amount of stock dividends (or additional stock dividends) the discriminatee would have received, absent discrimination, and add simple interest (see Appendix 7A).

Example: Determine the dollar amount of dividends that would have been paid on the 100 shares of stock from the date the discriminatee should have received the stock to present and add simple interest.

### **III. STOCK OPTIONS**

When the discrimination was in the awarding of stock options, the remedy will include awarding the discriminatee the number of stock options he or she would have received, absent discrimination. The period of time he or she would have had to exercise those options will be calculated from the date he or she actually receives the options.

Example: On January 1, 2018, absent discrimination, the victim would have received an option to buy 100 shares of stock at any time over the following four years. If settlement occurred on October 1, 2018, the victim would be able to exercise an option on the 100 shares of stock up until October 1, 2022.

CO's should consult with the national office for specific help and guidance on stock valuation.