



Stock option exercise methods: cash purchase



Quick tip

Here's important information about the cash purchase and how you can conduct one through Merrill Lynch.

What it is

A **cash purchase** is one of the methods you can choose to exercise your stock options after they have become vested and exercisable.

A cash purchase lets you purchase shares of your company's stock at the specified price using your own money.

How it works

- You purchase your shares and cover all exercise costs, including option cost reimbursement, taxes and fees, with cash that you provide to Merrill Lynch. You keep all shares.
- Funds to cover the exercise costs must be available in your brokerage account prior to placing your exercise order (see page 2).
- Consider this method if you prefer to:
 - Receive all stock, rather than cash, from your award
 - Pay all exercise costs with cash that you provide to Merrill Lynch

What you need to do

You need to open a Merrill Lynch brokerage account before you can exercise your stock options. The account you will need to open is a Limited Individual Investor Account (LIIA), which is a self-directed, limited, non-interest bearing brokerage account.¹

How to select a cash purchase transaction

Access your account on Benefits OnLine® at www.benefits.ml.com, then select **Equity Plan > Model/Exercise > Model/Exercise** (this will read "Model Only" if you have not yet opened your Merrill Lynch brokerage account).

1. Choose **Cash Purchase** as your transaction type.
2. Select the grants you want to display.
3. Select the specific grants and the number of options you want to model.
4. Adjust the modeling criteria (if you want), then click **Calculate Results**.
5. View the modeling results and select **Continue to Exercise** to proceed with your transaction or **Start Over** to model different criteria.
6. If you select **Continue to Exercise**, you will see a summary of your proposed transaction.
7. If you select **Continue to Exercise** again, you will be prompted to enter your Benefits OnLine password before you can **Submit** your order.

Please note that, generally, no stock option exercises will be processed online during a blackout period (a period set by your company during which purchases and sales of company stock are prohibited). Any and all blackout periods are determined by your company and are subject to change.

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Investment products:

Are Not FDIC Insured

Are Not Bank Guaranteed

May Lose Value

How to deposit funds into your brokerage account

For a cash purchase exercise, you may need to deposit funds into your brokerage account to cover the costs of those transactions if you do not have sufficient funds in your account. However, depositing cash in your brokerage account will not initiate a cash purchase exercise. You must place the exercise order separately online or over the phone.

To deposit funds via check

Make check payable to: Merrill Lynch

Mail to:

Merrill Lynch Financial Services
1400 Merrill Lynch Drive
Mail Stop #: NJ2-140-03-40
Pennington, NJ 08534

To deposit funds via wire transfer

Provide the financial institution from which you are transferring funds the following information:

Bank Name: Bank of America
ABA#: 026009593
Bank Address: 100 West 33rd St., New York, NY 10001
For international wires add: SWIFT BOFAUS3N Merrill Lynch
Account #: 6550113516
Your account # and name



Learn more

The Equity Awards Education Center on Benefits OnLine features a series of videos to help you understand your awards. You'll also find a library of "Quick Tips" to help you manage and monitor your awards, a series of articles on equity award topics, and more. Visit now — go.ml.com/equityed

For information about your awards and the fees and commissions associated with your Merrill Lynch brokerage account, please refer to your equity awards brochure available at www.benefits.ml.com in the **Document Library** under **Equity Plan**.

¹ 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.

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