



## 10b5-1 Best Practices Survey Results

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The following are the results of the *2005 Rule 10b5-1 Best Practices Survey*. Approximately 400 public companies participated in the survey, with 200 companies responding to all questions. This is the most comprehensive data pertaining to Rule 10b5-1 industry practices. Also included are related industry statistics specific to Rule 10b5-1 and Section 16 Insiders.

Companies that have expressed interest in learning more about solutions to help administer, implement, and oversee a 10b5-1 program, will be contacted within the next few weeks. Learn more about the restricted and control stock solutions at [www.rssgroup.com](http://www.rssgroup.com). Contact RSS by email at [info@rssgroup.com](mailto:info@rssgroup.com) or by phone at 800-317-0750.

Thank you again for your participation in the *2005 Rule 10b5-1 Best Practices Survey*.

### Survey Highlights and Industry Facts:

#### 10b5-1 Trading Plan Practices<sup>1</sup>:

- 54% of companies reported that some or all of their Insiders have established 10b5-1 trading plans
- 45% of companies reporting 10b5-1 trading plans in place reported that non-Insiders have also established 10b5-1 trading plans
- 52% of companies with existing 10b5-1 trading plans in place encourage or mandate 10b5-1 trading plans
- 53% of companies with existing 10b5-1 trading plans in place reported they offer pre-approved trading plan templates
- 35% of companies stated that they are considering adoption of a 10b5-1 program for Insiders and others

#### Insider Compliance<sup>2</sup>:

- 100% of public companies have “Blackout Periods” or “Trading Windows”
- 94% of public companies have an “Insider Compliance Program”
- 89% of public companies require Insider transactions to be cleared in advance
- 39% of public companies have “Blackout Periods” or “Trading Windows” for non-Insiders

#### Section 16 Transactions<sup>3</sup>:

- 8,779 companies filed Section 16 transactions during 2004 (9.4% increase over 2003)
- 270,393 Section 16 transactions were reported during 2004 (44% increase over 2003)
- 11 Section 16 Insiders, (on average per company), reported transactions during 2004 (4% increase over 2003)

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<sup>1</sup> Restricted Stock Systems, Inc. 2005 survey results from 395 public company respondents

<sup>2</sup> NASPP and KPMG 2004 “Stock Plan Design and Administration Survey” from 459 public company respondents

<sup>3</sup> U.S. Securities and Exchange Commission

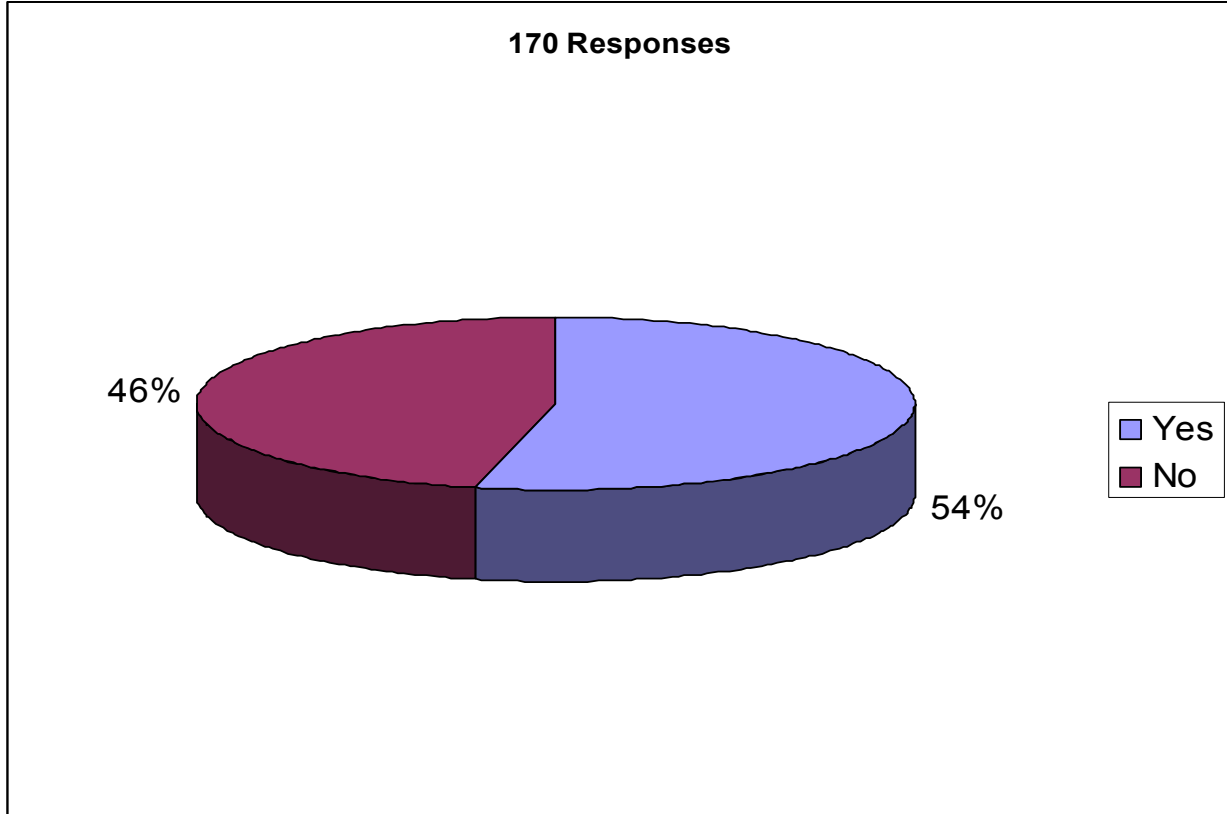


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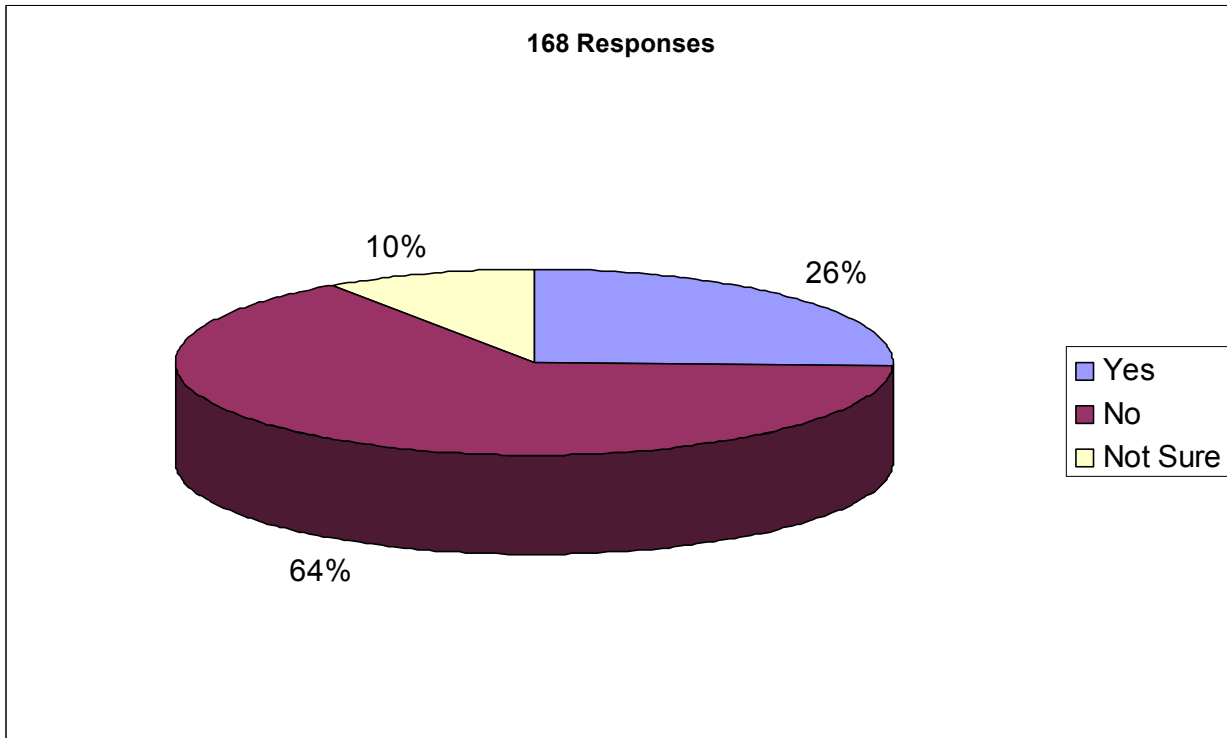
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### 1. Do some or all of your Insiders currently have 10b5-1 Plans in place?



### 2. Do non-Section 16 Insiders also have 10b5-1 Plans in place?



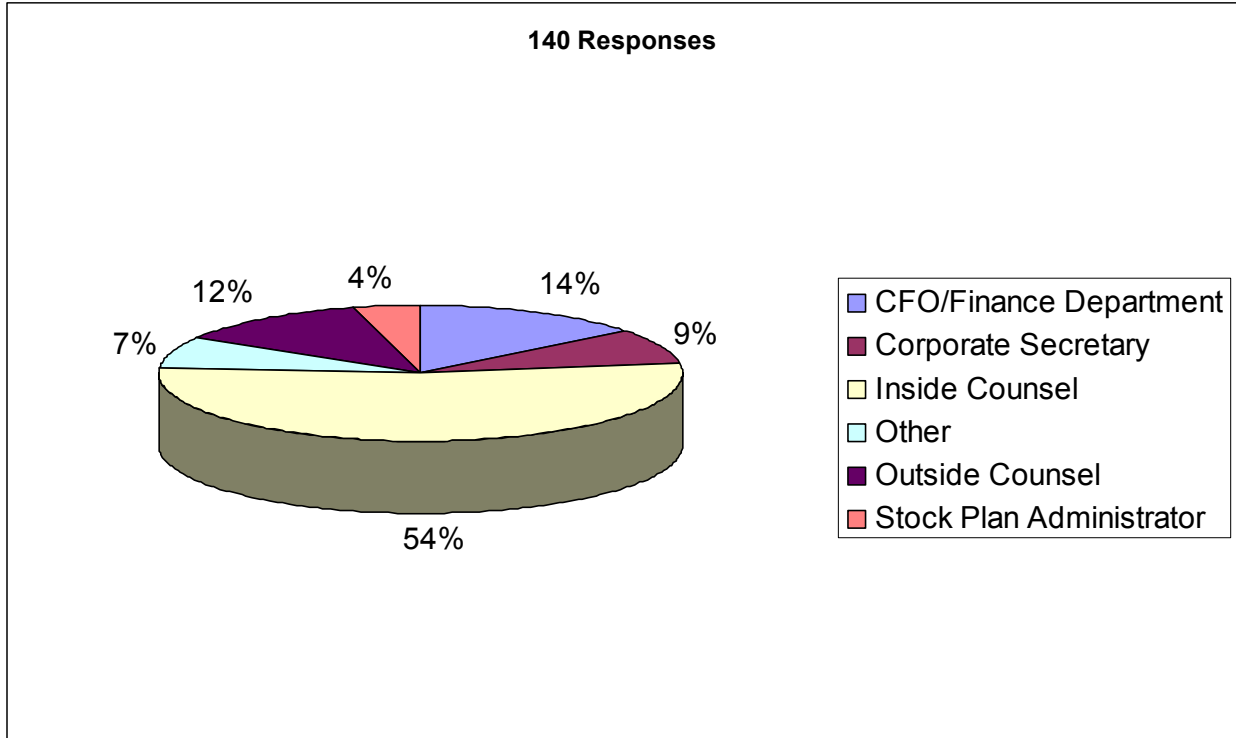


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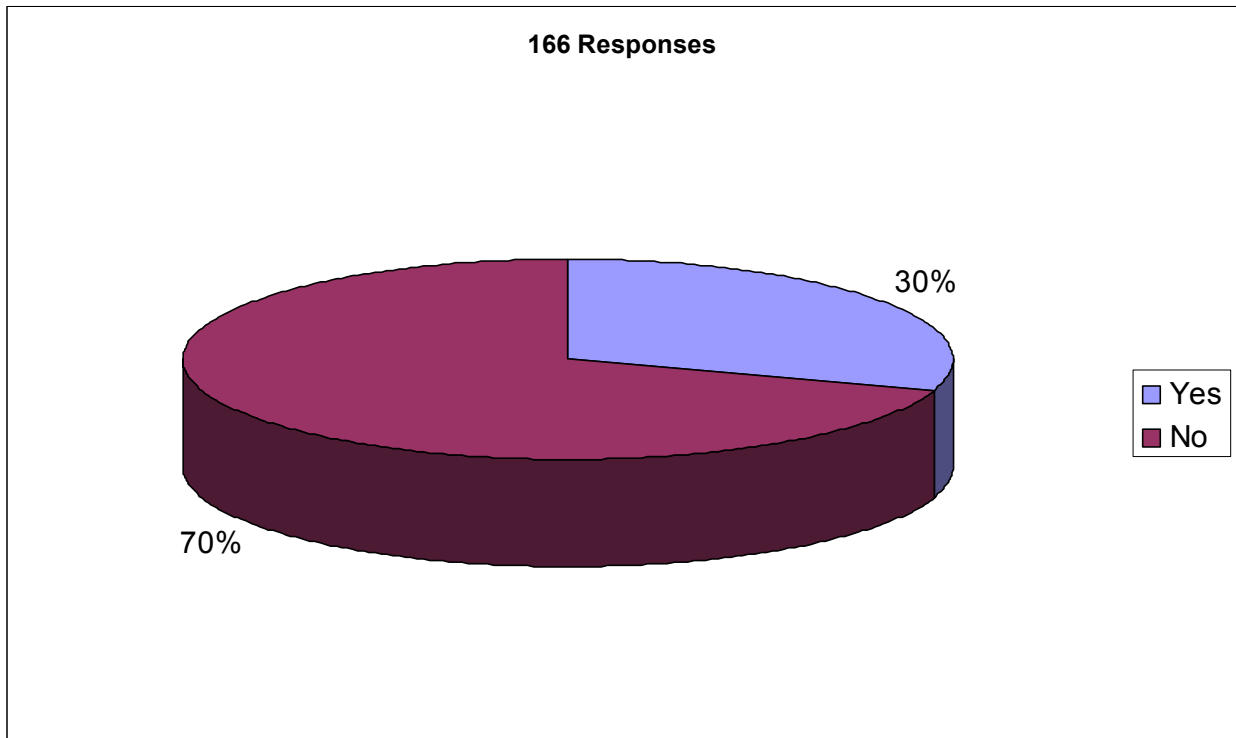
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3. Does someone in your organization (including outside counsel) approve each 10b5-1 Plan? If so, who is responsible for this?



4. Does your company encourage or mandate 10b5-1 Plans for Insiders planning to sell?





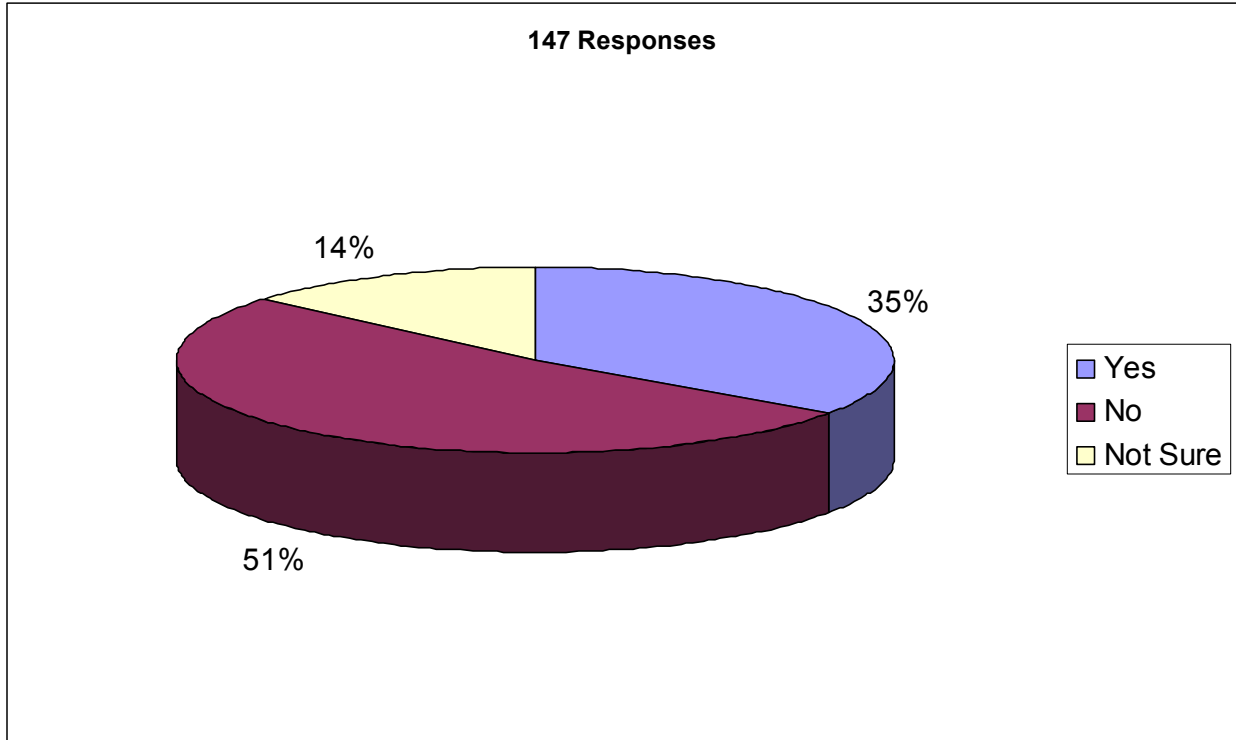
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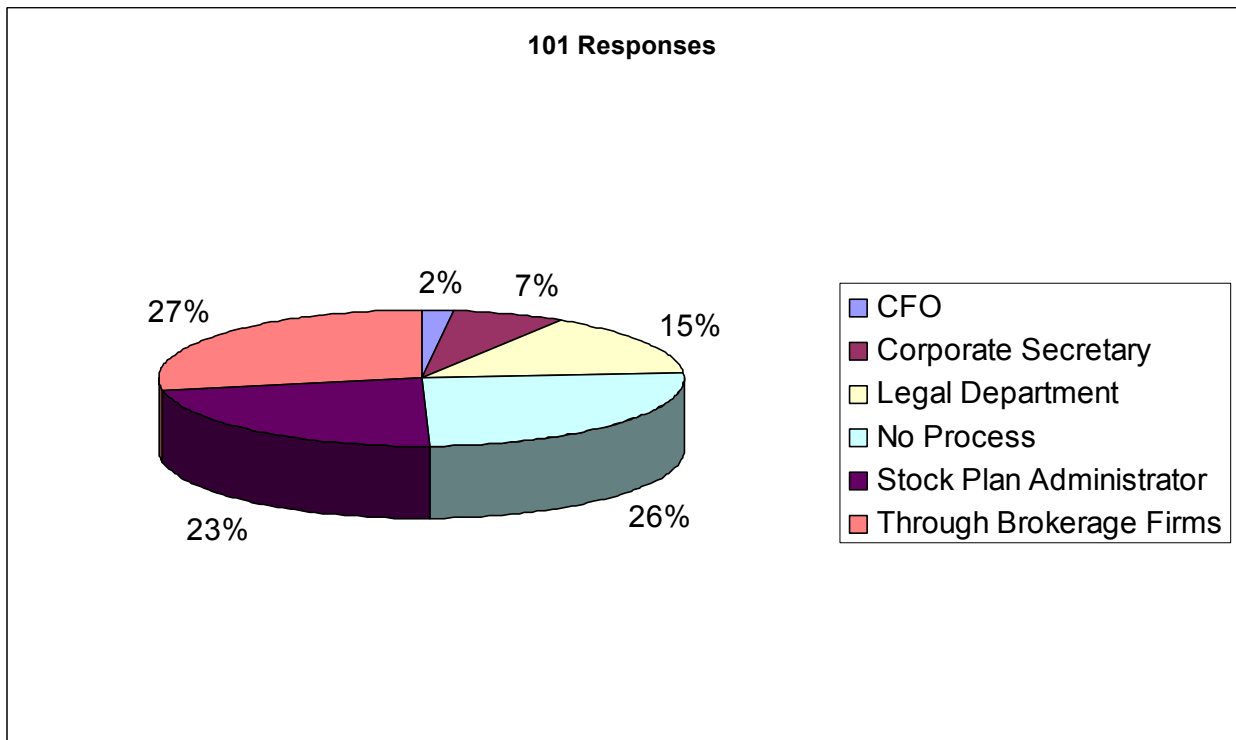
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5. *Is your company considering a 10b5-1 program for Insiders and others?*



6. *How do you currently manage the oversight and administration of the 10b5-1 Plans if Insiders already have 10b5-1 Plans adopted?*





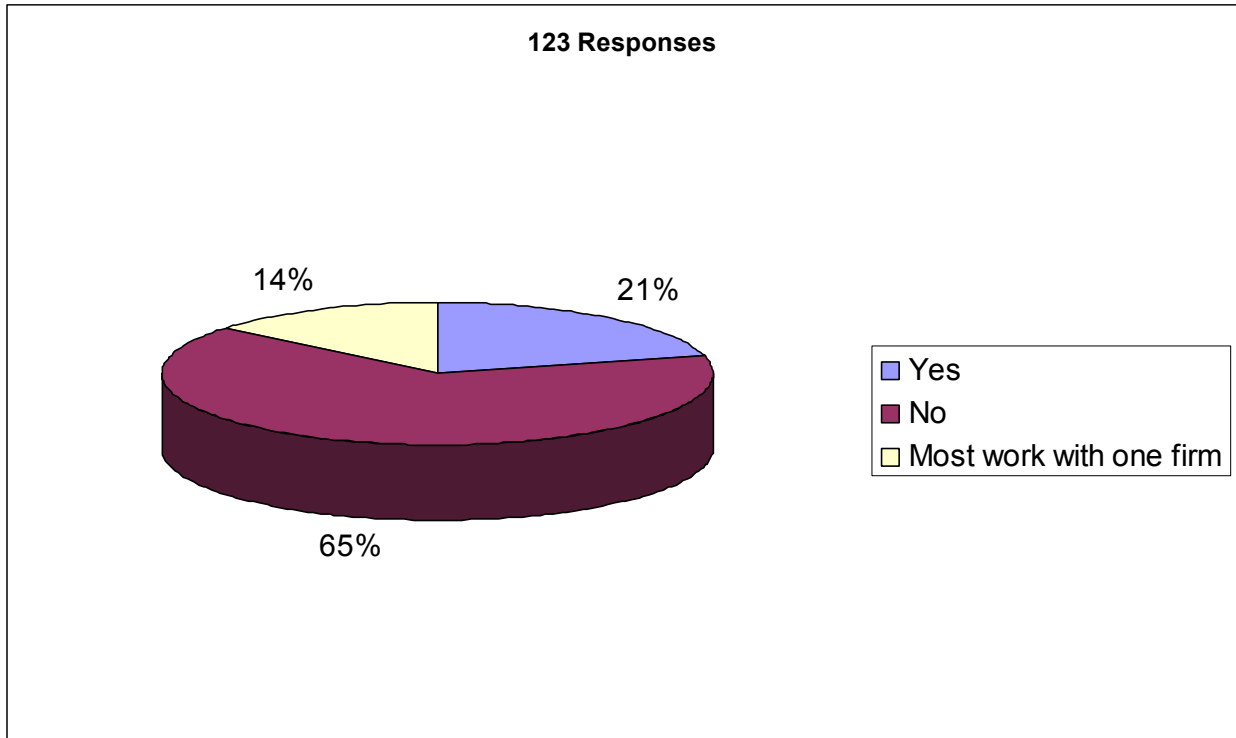
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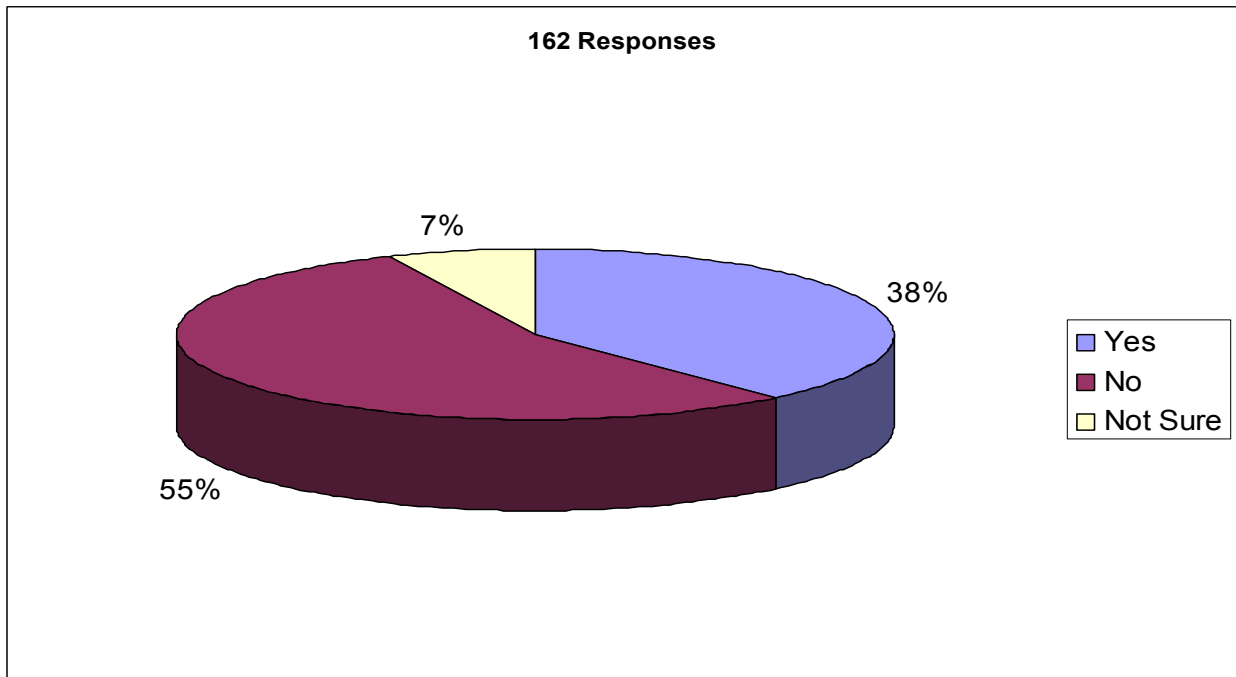
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7. *Do all of your insiders work with one brokerage firm to execute 10b5-1 transactions, or can they pick any brokerage firm?*<sup>4</sup>



8. *Does your firm have 10b5-1 pre-approved Plan templates?*



<sup>4</sup> Some companies allow Board members to select any brokerage firm but require employees to use a single brokerage firm. Similarly many public companies recommend a single brokerage firm but do not require all plans to be managed through that brokerage firm.