



# SNOWFLAKE EQUITY & ESPP FAQ

## New Hire Equity

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At Snowflake, equity is an important part of our total compensation package, which is comprised of:

1. Base salary
2. Bonus target or sales commission target
3. Equity in the form of Restricted Stock Units (RSUs)

We believe all Snowflake employees have an impact on the long-term success of Snowflake, which is why new hire equity is designed to be a considerable part of your annual compensation. When the price of Snowflake stock rises, we are all rewarded.

## What Is Equity Compensation?

Equity compensation gives employees the opportunity to own shares of Snowflake stock, which is traded on the New York Stock Exchange (NYSE) under the ticker symbol **SNOW**. Once you own your shares, you can either sell them to earn additional income or hold them to sell at a future date.

As a new employee, you will be granted equity in the form of RSUs. There is a time-based vesting schedule applied to your RSUs which must be met before you own the actual shares. Review the FAQ [“When does my stock begin to vest?”](#) to learn how your start date determines your Vesting Commencement Date (VCD). The new hire vesting schedule is as follows:

## Why Does Snowflake Give Me Equity Compensation?

Equity is a very common compensation component offered by technology companies based in the U.S. There are two main reasons companies build equity compensation into their overall compensation package: (1) retention of talent due to time-based vesting requirements, and (2) the potential to share in Snowflake’s success if our stock price rises. All employees are direct contributors to the growth and performance of Snowflake.

## What Does It Mean to Be 'Vested' in RSUs?

Once you have met the time-based vesting requirement, your RSUs are considered “vested” and you outright own Snowflake shares. Once your RSUs vest and shares are deposited into your Fidelity account, you may sell the shares and receive the profit (cash) of the sale. You do not need to buy the shares first before you sell them – you automatically own them when they vest.

## When Does My Stock Begin to Vest?

There are four times a year when RSUs begin to vest - these are called Vesting Commencement Dates (VCDs). We align RSU vesting to our quarterly schedule to ensure all RSU vesting will occur in an open trading window (meaning at a time when Snowflake allows employees to sell their vested shares if they so choose).

| Start Month                      | Grant Approval Month            | Vesting Commencement Date           | First Quarterly Vest                | % Vested on First Quarterly Vest | % Vested on Each Subsequent Quarterly Vest | % Vested on Final Quarterly Vest |
|----------------------------------|---------------------------------|-------------------------------------|-------------------------------------|----------------------------------|--|----------------------------------|
| September<br>October<br>November | October<br>November<br>December | December<br>December<br>December    | March<br>March<br>March             | 10.42%<br>8.33%<br>6.25%         | 6.25%<br>6.25%<br>6.25%                    | 2.08%<br>4.17%<br>6.25%          |
| December<br>January<br>February  | January<br>February<br>March    | March<br>March<br>March             | June<br>June<br>June                | 10.42%<br>8.33%<br>6.25%         | 6.25%<br>6.25%<br>6.25%                    | 2.08%<br>4.17%<br>6.25%          |
| March<br>April<br>May            | April<br>May<br>June            | June<br>June<br>June                | September<br>September<br>September | 10.42%<br>8.33%<br>6.25%         | 6.25%<br>6.25%<br>6.25%                    | 2.08%<br>4.17%<br>6.25%          |
| June<br>July<br>August           | July<br>August<br>September     | September<br>September<br>September | December<br>December<br>December    | 10.42%<br>8.33%<br>6.25%         | 6.25%<br>6.25%<br>6.25%                    | 2.08%<br>4.17%<br>6.25%          |

Example: your start month is June. This means your grant begins to vest in September. In December, one quarter from your VCD, 10.42% of your shares will be vested and outright owned by you (assuming you are still working at Snowflake). As you can see from the chart above, the actual vested percentage during your first and last quarters will vary based on your start date. This is because Snowflake is giving you vesting credit according to your start month. Your grant will be fully vested in four years.

Vesting starts on your Vesting Commencement Date (VCD)



## How Is the Value in My Offer Letter Converted Into an Actual Number of RSUs?

We will use the average daily closing price of SNOW's stock for the 20 trading days ending on (and including) the final trading day of the month in which your start date falls. We always round up to the next whole share.

Purely as an example: if the value of equity in your offer letter states \$15,000 USD and the 20-day average is \$150, you will be granted 100 RSUs ( $\$15,000 \div \$150$ ).

## How Will I Know the 20-Day Average Price?

Go on any [finance website which tracks stock prices](#). You can download historical daily closing prices and find the 20-day average there.

## Why Is the Value of My RSUs Lower/Higher in My Fidelity Account Than What Was in My Offer Letter?

Because the value of our stock changes every trading day. We use the value in your offer letter and the calculated 20-day trailing average based on your start month to convert to a # of RSUs. Once we make that conversion, the offer letter value is **never referenced again**. What is referenced going forward is the value of the # of RSUs in your Fidelity account on a daily basis, which can trend either up or down depending on our actual stock price and will be different from the value at either the time you accepted your offer or your actual start date.

This chart shows how the total value of a grant can change with the daily closing price:

| # of RSUs<br>(this never changes after conversion) | Sample Daily Stock Closing Price | Total Grant Value |
|--|----------------------------------|-------------------|
| 100  | \$150                            | \$15,000          |
| 100  | \$170                            | \$17,500          |
| 100  | \$200                            | \$20,000          |
| 100  | \$225                            | \$22,500          |
| 100  | \$250                            | \$25,000          |

As you can see from this example, we are all rewarded when the price of Snowflake stock rises. As with all public companies whose stock is traded on the open market, there is never a guarantee on the value of your RSUs.

## How Will I Be Informed About My Grant?

You will receive an email from Fidelity, our company's broker, approximately four weeks after your grant has been **approved** (note: this is not four weeks from your start date). This email will notify you that your grant has been approved and instruct you to log into Fidelity. Read all the necessary documentation and grant agreement, and officially accept your grant through the Fidelity portal.

Outside of this, there is no initial action required from you to ensure your grant is approved.

## When Will My Grant Be Approved? When Can I Expect That Fidelity Email?

Generally, grants are approved mid-month in the month **following** your start date. After approval, you can expect to receive your email from Fidelity within four weeks. For example, if you started on March 1, your grant will be approved mid-April. It can take up to **four weeks** after your grant is approved for you to receive your email from Fidelity, so expect this communication by mid-May.

## How Can I Turn Equity Compensation Into Cash?

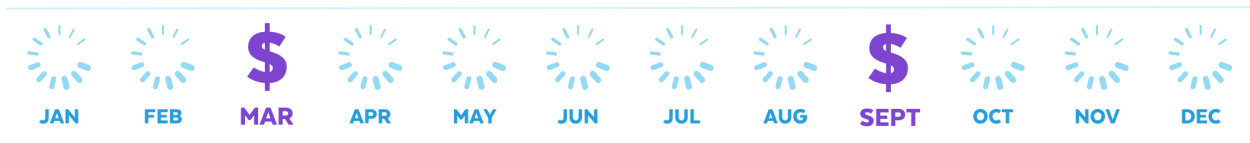
It's easy! Employees may sell their vested shares during an open trading window. This trade occurs on the Fidelity portal. You can then easily transfer the cash proceeds of the sale to your personal bank account. Of course, like with cash compensation, taxes are assessed on equity compensation. Equity taxes vary individually and by country. Tax resources can be found on the [Fidelity](#) portal.

## Does Snowflake Offer an Employee Stock Purchase Plan (ESPP)?

Yes! Our ESPP offers employees the opportunity to purchase shares of Snowflake stock at a discount, letting you share in our success. Join during any enrollment period following your start date.

There are two 6-month offering periods per year; shares are purchased on the last day of the offering period, March 14 and September 14.

### PURCHASE STOCK EVERY 6 MONTHS



### It's As Easy As 1,2,3

**1. Enroll in the ESPP on the Fidelity platform.**

Eligible employees will receive an email a couple of weeks prior to each new offering period – March 15 and September 15 each year – with instructions on how to enroll on the Fidelity platform. Employees in Australia, Canada, France, Finland, Germany, India, Israel, Netherlands, Poland, Singapore, South Korea, Spain, Sweden, Switzerland, the United Arab Emirates, the United Kingdom, and the United States are eligible. Participation is voluntary.

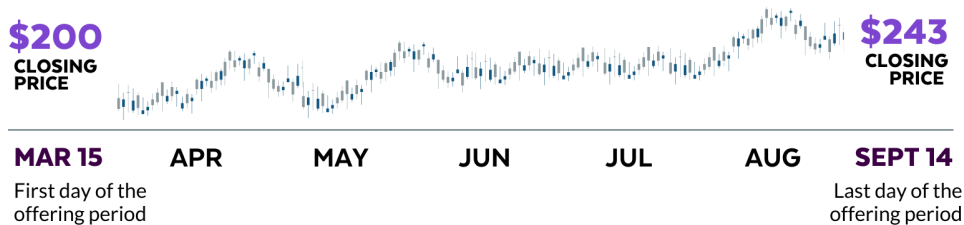
**2. Choose your contribution amount.**

Employees can contribute between 1-15% of their salary each paycheck. Those accumulated contributions will then be used to purchase Snowflake stock two times per year.

**3. Enjoy a 15% discount on Snowflake shares!**

The discount is applied to the **lower** of either the closing price on (1) the first day of the offering period, OR (2) the purchase date.

Here is an example:



Shares will be purchased on September 14 for \$170 (\$200 is lower than \$243; 15% discount applied to \$200)

## I Have More Questions, Who Should I Ask?

Please reach out to Hieu Bui in HR Compensation with any further questions at:

[hieu.bui@snowflake.com](mailto:hieu.bui@snowflake.com).