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">Total All Other Compensation Paul C. Reilly \$4,900 \$9,977 \$750 \$39,000 \$102,369 \$156,996 Thomas A. James \$4,900 \$12,649 \$39,000 \$22,145 \$24,367 \$14,966 \$118,027 Chet Helck \$4,900 \$11,192 \$750 \$39,000 \$21,431 \$11,328 \$596 \$11,431 ^(b) \$100,628 Van C. Sayler \$4,900 \$11,374 \$750 \$39,000 \$21,519 \$11,787 \$637 \$89,967 Dennis W. Zank \$4,900 \$11,859 \$750 \$39,000 \$21,766 \$9,992 \$11,183 \$99,450 Jeffrey P. Julien \$4,900 \$11,556 \$750 \$39,000 \$21,187 \$3,923 \$47 \$81,363

(a) See Nonqualified Deferred Compensation table for more information.

(b) Includes Company paid travel and related expenses for spouse.

The following table provides information on the grants of plan based awards made to each of the Named Executive Officers during the fiscal year ended September 30, 2010.

GRANTS OF PLAN BASED AWARDS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2010

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units (1)	All Other Option Awards: Number of Securities Underlying Options (2)	Exercise Price of Option Awards (\$/Share)	Grant Date Fair Value of Stock and Option Awards (\$) (3)
Paul C. Reilly	11/24/2009		25,000	\$ 25.28	\$ 271,551
	12/15/2009	1,876			\$ 43,730
Thomas A. James	12/15/2009	12,226			\$ 284,988
	11/24/2009		25,000	\$ 25.28	\$ 271,551
Chet Helck	12/15/2009	4,290			\$ 100,000
	11/24/2009		25,000	\$ 25.28	\$ 271,551
Van C. Sayler	12/15/2009	19,734			\$ 460,000
	11/24/2009		25,000	\$ 25.28	\$ 271,551
Dennis W. Zank	12/15/2009	2,629			\$ 61,282
	11/24/2009		25,000	\$ 25.28	\$ 271,551
Jeffrey P. Julien	12/15/2009	2,423			\$ 56,480
	11/24/2009		25,000	\$ 25.28	\$ 271,551

We granted restricted stock in lieu of a portion of the annual bonus awarded to highly compensated employees (see (1) the CD&A for more information). Dividends are paid to the holders of the stock. The restricted stock vests approximately three years from the date of grant.

(2) Options are granted every two years to key management employees (*i.e.*, fiscal 2008 and fiscal 2010). See the CD&A for more information. The stock options vest approximately five years from the date of grant.

(3) Reflects the grant date fair value of each equity award computed in accordance with ASC Topic 718. For a description of the assumptions used in calculating the fair value of equity awards under ASC Topic 718, see Note 20 of our financial statements in our Form 10-K for the fiscal year ended September 30, 2010.

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The following table provides information on exercisable and unexercisable options and unvested stock awards held by the Named Executive Officers on September 30, 2010.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR ENDED SEPTEMBER 30, 2010

Name	Option Awards			Stock Awards		
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested (1)
Paul C. Reilly	2,250		\$ 30.13	2/17/11 ⁽²⁾	175,000 ⁽⁴⁾	\$ 4,432,750
	2,500		\$ 31.82	2/16/12 ⁽²⁾	1,876 ⁽⁷⁾	\$ 47,519
		2,500	\$ 25.87	2/15/13 ⁽²⁾		
		2,500	\$ 15.91	2/20/14 ⁽²⁾		
Thomas A. James		25,000	\$ 25.28	1/24/16 ⁽³⁾		
					18,566 ⁽⁵⁾	\$ 470,277
Chet Helck					23,124 ⁽⁶⁾	\$ 585,731
					12,226 ⁽⁷⁾	\$ 309,685
	7,500	7,500	\$ 24.97	2/1/12 ⁽⁸⁾	8,993 ⁽⁵⁾	\$ 227,793
Van C. Sayler		15,000	\$ 30.44	1/27/14 ⁽⁹⁾	11,921 ⁽⁶⁾	\$ 301,959
		25,000	\$ 25.28	1/24/16 ⁽³⁾	4,290 ⁽⁷⁾	\$ 108,666
	7,500	7,500	\$ 24.97	2/1/12 ⁽⁸⁾	725 ⁽⁵⁾	\$ 18,364
Dennis W. Zank		15,000	\$ 30.44	1/27/14 ⁽⁹⁾	11,099 ⁽⁶⁾	\$ 281,138
		25,000	\$ 25.28	1/24/15 ⁽¹⁰⁾	19,734 ⁽⁷⁾	\$ 499,862
	7,500	7,500	\$ 24.97	2/1/12 ⁽⁸⁾	3,910 ⁽¹¹⁾	\$ 99,040
		15,000	\$ 30.44	1/27/14 ⁽⁹⁾	7,542 ⁽⁵⁾	\$ 191,039
Jeffrey P. Julien		25,000	\$ 25.28	1/24/16 ⁽³⁾	7,194 ⁽⁶⁾	\$ 182,224
					2,629 ⁽⁷⁾	\$ 66,593
	7,500	7,500	\$ 24.97	2/1/12 ⁽⁸⁾	2,552 ⁽⁵⁾	\$ 64,642
		15,000	\$ 30.44	1/27/14 ⁽⁹⁾	3,982 ⁽⁶⁾	\$ 100,864
	25,000	\$ 25.28	1/24/16 ⁽³⁾	2,423 ⁽⁷⁾	\$ 61,375	

(1) The market value of the stock awards is based on the closing market price of our common stock as of September 30, 2010, which was \$25.33.

The option was granted as compensation for services provided as a nonemployee director. The option was granted (2) five years prior to the option expiration date. The unexercisable options vest 100% in three years from date of grant.

The option was granted six years and two months prior to the option expiration date. The unexercisable options (3) vest 60% in three years, 8% in four years, 16% in five years and 16% in five years and two months from date of grant.

(4)

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The stock award was granted on May 1, 2009 and vests 42% in three years, 29% in four years, and 29% in five years from that date.

(5) The stock award was granted on December 7, 2007 and cliff vests in approximately three years from that date.
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- (6) The stock award was granted on December 5, 2008 and cliff vests in approximately three years from that date.
- (7) The stock award was granted on December 15, 2009 and cliff vests in approximately three years from that date.
- (8) The option was granted six years and two months prior to the option expiration date. The unexercisable options vest 50% in five years and 50% in five years and two months from date of grant.
The option was granted six years and two months prior to the option expiration date. The unexercisable options vest 60% in three years, 1% in four years, 19% in four years and two months, and 20% in five years and two months from date of grant.
- (10) The option was granted five years and two months prior to the option expiration date. The unexercisable options vest 60% in three years, 20% in four years, and 20% in five years from date of grant.
- (11) The stock award was granted on December 20, 2006 and vests 50% in four years and 50% in five years from that date.

The following table provides information, on an aggregate basis, about restricted stock awards that vested during the fiscal year ended September 30, 2010 for each of the Named Executive Officers.

STOCK AWARDS VESTED FOR FISCAL YEAR ENDED SEPTEMBER 30, 2010

Name	Stock Awards Number of Shares Acquired on Vesting (1)	Value Realized On Vesting
Paul C. Reilly	75,000	\$ 2,322,000 (2)
Thomas A. James	18,076	\$ 441,054 (3)
Chet Helck	6,455	\$ 157,502 (3)
Van C. Sayler	658	\$ 16,055 (3)
Dennis W. Zank	2,501	\$ 61,024 (3)
	5,865	\$ 139,352 (4)
Jeffrey P. Julien	2,259	\$ 55,120 (3)

(1) Total number of restricted shares that vested during fiscal 2010.

(2) The value of the shares on May 3, 2010 (the date of vesting) using the closing market price for our common stock, which was \$30.96.

(3) The value of the shares on December 1, 2009 (the date of vesting) using the closing market price for our common stock, which was \$24.40.

(4) The value of the shares on December 21, 2009 (the date of vesting) using the closing market price for our common stock, which was \$23.76.

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The table below reflects Company credits and deemed earnings thereon under two deferred compensation plans for our Named Executive Officers.

NONQUALIFIED DEFERRED COMPENSATION

Name	Executive Contributions In Last Fiscal Year	Registrant Contributions in Last Fiscal Year (1) (2)	Aggregate Earnings in Last Fiscal Year (1)	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last Fiscal Year-End (3)
Paul C. Reilly		\$ 39,000			
Thomas A. James		\$ 39,000	\$ 22,145	\$ 41,137	\$ 830,184
Chet Helck		\$ 39,000	\$ 21,431	\$ 41,137	\$ 353,296
Van C. Sayler		\$ 39,000	\$ 21,519	\$ 41,137	\$ 514,538
Dennis W. Zank		\$ 39,000	\$ 21,766	\$ 41,137	\$ 577,200
Jeffrey P. Julien		\$ 39,000	\$ 21,187	\$ 32,494	\$ 489,770

(1) The amounts presented in these columns are included in the All Other Compensation table below the footnotes to the Summary Compensation Table.

(2) Represents amounts earned with respect to last fiscal year but contributed in December 2010.

(3) The amounts presented in this column include previously and currently reported compensation with regard to Long Term Incentive Plan (**LTIP**) contributions made by us. The following amounts represent vested balances of the Named Executive Officers at September 30, 2010: Mr. Reilly \$0, Mr. James \$659,088, Mr. Helck \$182,199, Mr. Sayler \$344,905, Mr. Zank \$406,103 and Mr. Julien \$318,673.

Our LTIP, originally adopted effective October 1, 2000, is an unfunded deferred compensation plan benefiting key management and other highly compensated employees. Under the LTIP, we determine each year which employees will be participants for that plan year and then establish an account on our books for that plan year for each participant. Although we can elect to use other allocation formulas, historically, the allocations under the LTIP have been made based upon the individual participant's level of compensation above a minimum, and not in excess of a maximum, amount (for fiscal 2010, these amounts were \$245,000 and \$845,000, respectively). The CGN&C Committee or its designee then decides the percentage, if any, by which that compensation is multiplied to determine the contribution credited to each participant's account for the particular plan year. Each account is thereafter credited (or debited), based upon the account's allocable share of the return that would have been earned (including any negative return) had all accounts been invested in a group of unaffiliated mutual funds. The Chief Executive and Chief Financial Officers select those mutual funds, pursuant to authority delegated by the CGN&C Committee. Annual allocations and their deemed earnings vest after five years, subject to earlier vesting in the case of death, disability or separation of service after attaining age 65. In the case of early retirement, a participant can continue to accrue vesting credit after such retirement so long as certain non-competition covenants are not violated. We pay the vested account balance in a cash lump sum after five years of credited service, subject to earlier payment in the case of death, disability or separation of service after normal retirement age and subject to certain deferral rights that must be exercised at least 12 months in advance. Because the account balances are unfunded, they represent only unsecured claims in the event we become bankrupt.

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Our Deferred Management Bonus Plan (**DMBP**), which was originally adopted effective as of October 1, 1989, preceded the LTIP. The DMBP remains in effect to administer certain amounts credited prior to the adoption of the LTIP. The last bonus allocation that was made to the DMBP was with respect to fiscal year 1999. Since that time, additional amounts credited to the DMBP accounts have been based on a deemed interest return on the amounts in the respective DMBP accounts. Like the LTIP, the DMBP is an unfunded plan that was established to benefit key management and other highly compensated employees. For fiscal years 1990 through 1999, each participant's account was credited with a contribution, if any, determined by us in a manner similar to the LTIP. During such period and thereafter, participants' accounts have been credited with a deemed interest return, based upon the average annual interest rate payable by RJA on brokerage client account funds. Annual amounts credited to a participant's account and the deemed interest vest ratably over an eight-year period, subject to earlier vesting in the case of death, disability, attaining age 65 or a qualified early retirement. We pay the vested account balance as soon as practical following death or disability and pay the vested account balance as soon as practical after the end of the plan year in which retirement occurs after attaining age 65. Other provisions apply in the case of early retirement. Because the account balances are unfunded, they represent only unsecured claims in the event we become bankrupt.

OTHER ARRANGEMENTS WITH CHIEF EXECUTIVE OFFICERS

Paul C. Reilly, our Chief Executive Officer was granted 250,000 restricted shares pursuant to his hiring letter. Those shares vest on his starting date anniversaries as follows: 30% on May 1, 2010, 30% on May 1, 2012, 20% on May 1, 2013 and 20% on May 1, 2014. The hiring letter guaranteed him a prorated \$1.5 million bonus for fiscal 2009 and a \$1.5 million bonus for fiscal 2010. Like our other employees, Mr. Reilly's employment is at will.

In December 2009, Thomas A. James entered into an agreement with us confirming (1) the terms of his continued employment after he has retired as Chief Executive Officer and (2) the terms of his continuing service as a non-employee Chairman of the Board should he retire from our employment. As Executive Chairman of the Board, Mr. James will be paid an annual salary of \$335,000, subject to normal annual adjustment as approved by the CGN&C Committee of the Board of Directors, and be eligible to participate in our annual cash bonus and associated Stock Bonus Plan in accordance with a formula approved by the CGN&C Committee. See Fiscal 2011 Bonus Formulas for Certain Executive Officers for the formula applicable to Mr. James for fiscal 2011. The agreement provides that, like our other employees, Mr. James is an employee at will. Should Mr. James retire from employment, but desire to continue to serve as the non-executive Chairman of the Board, we will request that the Board of Directors nominate him for election to the Board and elect him to serve as its Chairman so long as he is elected to the Board by the shareholders and maintains undisclaimed beneficial holdings of five percent of the outstanding shares of our stock. As compensation for his service as non-executive Chairman, Mr. James would be paid director's fees as are paid to our independent directors, plus a Chairman's retainer increment as determined by the CGN&C Committee.

TRANSACTIONS WITH RELATED PERSONS

Review of Related Person Transactions

The CGN&C Committee adopted a Related Person Transaction Approval Policy which is in writing and administered by that Committee. This policy applies to any transaction or series of transactions in which we or a subsidiary is a participant, the amount involved exceeds \$120,000 and a related person has a direct or indirect material interest. Under the policy, our management will determine whether a transaction meets the requirements of a related person

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transaction requiring review by the Committee. Transactions that fall within this definition will be referred to the Committee for approval, ratification or other action. Based on its

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consideration of all of the relevant facts and circumstances, the Committee will decide whether or not to approve such transaction and will approve only those transactions that are in our best interest. If we become aware of an existing transaction with a related person which has not been approved under this policy, the matter will be referred to the Committee. The Committee will evaluate all options available, including ratification, revision or termination of such transaction. For purposes of the policy, the term related person has the meaning ascribed to it in SEC regulation S-K 404(a) Transactions with related persons, promoters and certain control persons .

Transactions

We, in the ordinary course of our business, make bank loans to, and hold bank deposits for certain of our officers and directors and also extend margin credit in connection with the purchase of securities to certain of our officers and directors who are affiliated with one of our broker-dealers, as permitted under the Sarbanes-Oxley Act (the **Act**). These transactions have been made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with non-affiliated persons, and do not involve more than normal risk of collectability or present other unfavorable features. We also, from time to time and in the ordinary course of our business, enter into transactions involving the purchase or sale of securities as principal from, or to, directors, officers and employees and accounts in which they have an interest. These purchases and sales of securities on a principal basis are effected on substantially the same terms as similar transactions with unaffiliated third parties.

We have from time to time established private investment funds to permit certain officers to participate in our merchant banking, venture capital and other similar activities by investing alongside the funds that we raise and manage for non-employee investors. Trusts benefiting family members of these officers have also invested in these funds. One employee alongside fund is not subject to a management carried interest. In addition, certain of our directors and executive officers from time to time may invest their personal monies in funds managed by our subsidiaries on substantially the same terms and conditions as other similarly situated investors in these funds who are neither directors nor officers.

In 1998, as a retention vehicle, we extended non-recourse loan commitments to approximately 84 employees for investments in the Raymond James Employee Investment Fund I, L.P., including the following executive officers: Richard G. Averitt, Jeffrey P. Julien, Richard K. Riess, Van C. Sayler, Jeffrey E. Trocin and Dennis W. Zank. Committed loan amounts to these individuals were fully funded and ranged from \$38,400 to \$153,600 plus interest per person, with outstanding balances ranging from \$4,053 to \$16,212 at the time they were paid off in October 2009.

Similarly in 2001, we extended non-recourse loan commitments to approximately 75 employees for investments in Raymond James Employee Investment Fund II, L.P.; including Richard G. Averitt, Tim Eitel, Chet B. Helck, Thomas A. James, Jeffrey P. Julien, Paul L. Matecki, Van C. Sayler, Jeffrey E. Trocin and Dennis W. Zank. Committed loan amounts to these individuals have now been fully funded and ranged from \$66,667 to \$333,335 plus interest per person, with outstanding balances of \$6,980 to \$34,900 at December 31, 2009 and, at June 30, 2010, the outstanding balances ranged from \$994 to \$4,970. These loan balances were paid off in July 2010.

All of the foregoing loan commitments were entered into prior to the passage of the Act in 2002. Under the Act, we were permitted to complete the funding of those commitments.

Thomas A. and Mary James permit us to display over 1,800 pieces from their nationally known art collection throughout the Raymond James home office complex, without charge to us. The art collection is a marketing attraction for businesses and other organizations, and we provide regular tours for clients and local

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schools, business groups and nonprofit organizations. In addition, from time to time, pieces from the collection are temporarily displayed in connection with branch office client events. In return, we bear the cost of insurance, shipping, and the direct and overhead costs of two staff persons who serve as curators for the collection and conduct both on and off-site tours and exhibitions. The total cost to us for these items during fiscal 2010 was approximately \$160,000.

Courtland James, a son of Thomas A. James, is employed as a Vice President of New Business Development for Eagle, a subsidiary of the Company. He was paid compensation in fiscal 2010 of \$175,942. Huntington James, a son of Thomas A. James, is employed in a non-executive position by us. He was paid compensation in fiscal 2010 of \$231,318. Donald Blair, the son-in-law of Francis S. Godbold, is an investment banker with RJA. He was paid compensation in fiscal 2010 of \$1,227,587. Karen Julien, the wife of Jeffrey P. Julien, is employed by RJA as a branch manager. She was paid compensation in fiscal 2010 of \$125,975.

RJ Ltd., our Canadian subsidiary, made a forgivable loan in August 2008, in the amount of CDN\$1,000,000 to Paul D. Allison, pursuant to his offer letter to join RJ Ltd. as Co-President and Co-CEO. Forgivable loans are typical recruiting inducements in the Canadian securities industry. Under the terms of the loan, one third of the principal amount is forgiven each year if he remains an employee. This loan came to the attention of the Company's general counsel in October 2010 who informed RJ Ltd. and Mr. Allison that since he became an executive officer of the Company, maintaining that loan is prohibited under Section 402 of the Act. As a consequence, RJ Ltd. forgave the CDN\$333,333.33 remaining balance of the loan in November 2010, seven months prior to the last contractual forgiveness date.

In the spring of 2010, DTR Wood Acquisitionco Ltd. (now named Conifex Timber, Inc. **Conifex**) engaged RJ Ltd. to perform investment banking services for it. Mr. Shields, the Chairman and CEO of Conifex, is also one of our directors. RJ Ltd. acted as sole agent in raising the \$60 million needed to complete the acquisition of certain sawmill assets in MacKenzie, British Columbia. RJ Ltd was paid CDN\$2,755,560 for its services.

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The following table includes stock options, restricted stock and restricted stock units that can be issued pursuant to our stock-based compensation plans. The table below does not include equity compensation plans that meet the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended, namely the Profit Sharing Plan and Employee Stock Ownership Plan as of September 30, 2010.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights (1)	(c) Number of securities remaining available for future issuance under equity compensation plans. (Excludes securities reflected in column (a))
Equity compensation plans approved by shareholders (2)	4,167,070	\$ 26.34	17,692,754 ⁽³⁾
Equity compensation plans not approved by shareholders (4)	1,267,783	\$ 26.09	1,022,411
Total	5,434,853	\$ 26.28	18,715,165

(1) The weighted-average exercise price does not take into account the shares or restricted stock units issued under our restricted stock and employee stock purchase plans, which have no exercise price.

(2) We have six plans that were approved by shareholders: the 1992 and 2002 Incentive Stock Option Plans, each as amended, the 2003 Employee Stock Purchase Plan, as amended, the 2005 Restricted Stock Plan, as amended, the 2007 Stock Bonus Plan, as amended, and the 2007 Stock Option Plan for Independent Contractors.

(3) Includes 1,809,621 shares remaining available for issuance under the 2007 Stock Bonus Plan, as amended, 5,817,764 shares remaining available for issuance under the 2005 Restricted Stock Plan, as amended, and 3,845,041 shares remaining available for issuance under the 2003 Employee Stock Purchase Plan, as amended, as of September 30, 2010.

(4) We have two non-qualified option plans that were not required to be approved by shareholders under which we will continue to grant awards.

The material features of our equity compensation plans which have not been approved by shareholders are, as required by the SEC rules, described below. These descriptions do not purport to be complete and are qualified in their entirety by reference to the plan documents which are included as exhibits to our annual report on Form 10-K for the fiscal year ended September 30, 2010.

Under one of our non-qualified stock option plans, we may grant options to our outside directors. Options vest over a three-year period from grant date provided that the director is still serving on our Board. Under our second non-qualified stock option plan, we may grant options to key management personnel. Option terms are specified in individual agreements and expire on a date no later than the tenth anniversary of the grant date. Under all plans, the

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exercise price of each option equals the market price of our stock on the date of grant.

Our 1990 Stock Option Plan for Independent Contractors was not approved by shareholders. Options remain outstanding under the 1990 plan. Options are exercisable five years after grant date provided that the Independent Contractor Financial Advisor is still associated with us. The 1990 plan was succeeded by the 2007 Stock Option Plan for Independent Contractors which was approved by the shareholders in February 2007.

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Two of our restricted stock plans were not approved by shareholders. Shares have not been issued under the 1999 Restricted Stock Plan since it was succeeded by the 2005 Restricted Stock Plan upon the shareholders' approval of that plan in February 2005.

No additional shares will be issued under our 1999 Stock Bonus Plan. That plan was succeeded by the 2007 Stock Bonus Plan which was approved by the shareholders in February 2007. Like the 1999 Stock Bonus Plan, restricted shares have been issued under the 2007 Stock Bonus Plan to most officers and certain other employees in lieu of cash for 10% to 20% of annual bonus amounts in excess of \$250,000. In computing the number of shares to be awarded to most employees, 90% of our applicable stock price is used. Operating Committee members' awards are computed based upon 100% of our applicable stock price. Commencing in November 2010, restricted stock units that settle in shares are being issued under the 2007 Stock Bonus Plan rather than shares of restricted stock.

The shares are generally restricted for, and the restricted stock units will vest after, a three-year period, during which time the shares/units are forfeitable in the event of voluntary termination. In most cases, the compensation cost is recognized over the three-year vesting period based on the market value of the shares on the date of grant.

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TO RATIFY THE APPOINTMENT BY THE AUDIT COMMITTEE OF OUR BOARD OF
 PROPOSAL 2: DIRECTORS OF KPMG LLP AS OUR INDEPENDENT REGISTERED PUBLIC
 ACCOUNTING FIRM

The Audit Committee of our Board of Directors has selected KPMG LLP as our independent registered public accounting firm for the fiscal year ending September 30, 2011, and our Board of Directors has directed that management submit the appointment of the independent registered public accounting firm for ratification by the shareholders at the Annual Meeting. KPMG LLP has served as our independent registered public accounting firm since 2001. Representatives of KPMG LLP are expected to be present at the Annual Meeting. They will have an opportunity to make a statement at the Annual Meeting and will be available to respond to appropriate questions.

Neither our By-Laws nor other governing documents or law require shareholder ratification of appointment of KPMG LLP as our independent registered public accounting firm. However, the Audit Committee of our Board of Directors recommended, and our Board of Directors is, submitting the appointment of KPMG LLP to the shareholders for ratification as a matter of good corporate practice. If the shareholders fail to ratify the appointment, the Audit Committee will reconsider whether or not to retain that firm. Even if the appointment is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time if it determines that such a change would be in the best interests of us and our shareholders.

Ratification of the appointment of KPMG LLP will require that the votes cast favoring the appointment exceed the votes cast opposing it.

**FEES PAID TO INDEPENDENT REGISTERED PUBLIC
 ACCOUNTING FIRM**

The following table shows information about fees paid by Raymond James Financial, Inc. to KPMG LLP related to the fiscal years indicated. All fees were approved by the Audit Committee (see discussion in the Report of the Audit Committee of the Board of Directors).

	2010	2009
Audit fees	\$ 2,484,517	\$ 2,295,698
Audit related fees (a)	\$ 155,000	\$ 250,000
Tax fees (b)	\$ 52,000	\$ 38,000
All other fees (c)	\$ 55,936	\$ 37,500

(a) Primarily fees for custody rule examinations of registered investment advisors in 2010 and comfort letter fees in 2009.

(b) Tax fees include fees related to the preparation of Canadian tax returns and consultation on various Canadian tax matters, including support during income tax audit or inquiries.

(c) Consulting fees related to reporting required by regulations and client tax reporting.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE
 FOR THIS PROPOSAL.**

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PROPOSAL 3: TO APPROVE AMENDMENTS TO THE 2005 RAYMOND JAMES FINANCIAL, INC. RESTRICTED STOCK PLAN TO ADD NON-EMPLOYEE DIRECTORS AS ELIGIBLE PARTICIPANTS

Background

Under the 2005 Raymond James Financial, Inc. Restricted Stock Plan, as amended, (the **2005 Restricted Stock Plan**), in which the Company's employees and independent contractor registered representatives are eligible to participate, the Company is authorized to issue or have covered by issued restricted stock units (**RSUs**) up to (i) an aggregate of 10,425,000 shares of common stock during the life of the Restricted Stock Plan and (ii) an aggregate of 2,000,000 shares of common stock in any fiscal year (such limits being subject to adjustments for stock splits and the like). The 10,425,000 authorized share number represents (i) the 1,500,000 shares initially authorized when the plan was adopted in February 2005, adjusted to reflect the impact of the Company's March 2006 three-for-two stock split, (ii) a 2,000,000 share increase authorized in February 2007 and (iii) a 6,175,000 share increase authorized in February 2009. The common stock to be delivered under the 2005 Restricted Stock Plan will be authorized and unissued shares or previously issued shares reacquired by the Company, or both. Forfeiture of restricted share awards and of RSUs results in the shares underlying such awards becoming available again for issuance pursuant to the 2005 Restricted Stock Plan.

Awards under the 2005 Restricted Stock Plan are made in connection with the initial employment or association of individuals and, pursuant to retention strategies, to individuals who are determined by management to be responsible for a significant contribution to the growth and/or profitability of the Company. The purpose of the plan is to provide the Company with a means to secure and retain the services of qualified individuals and to stimulate their efforts on behalf of the Company. As of December 17, 2010, approximately 5,550,975 restricted shares and RSUs had been awarded under the 2005 Restricted Stock Plan and 5,277,923 shares of common stock remained available for future awards under the plan (after giving effect to forfeitures of previously granted awards).

The Board of Directors has determined that the need to attract and retain valuable corporate non-employee directors warrants the addition of the non-employee directors of the Company and the non-employee directors of the subsidiaries of the Company as eligible participants under the plan. Accordingly, the Board of Directors has proposed that shareholders approve amendments to the 2005 Restricted Stock Plan, which will add the non-employee directors of the Company and the non-employee directors of the subsidiaries of the Company as eligible participants under the plan.

Summary of the 2005 Restricted Stock Plan

The 2005 Restricted Stock Plan was approved by the shareholders at the February 2005 annual meeting. It was amended by the CGN&C Committee in February 2006 to provide for the issuance of RSUs. The 2005 Restricted Stock Plan was amended again by the CGN&C Committee in May 2006 to clarify that certain adjustments to the number of shares covered by the 2005 Restricted Stock Plan would occur automatically in the future upon certain triggering events. The shareholders, at the February 2007 annual meeting, approved a further amendment of the 2005 Restricted Stock Plan to increase the shares covered by the plan by 2,000,000 shares and, at the February 2009 annual meeting, approved a further amendment of the 2005 Restricted Stock Plan to increase the shares covered by the plan by another 6,175,000 shares and to increase the number of shares that could be available for awards in any fiscal year by 650,000 shares. The 2005 Restricted Stock Plan was further amended recently in November and December 2010 by the Board of Directors and the CGN&C Committee to address certain compliance issues with respect to Section 409A of the Internal Revenue Code of 1986, as amended, (the **Code**) in order to help facilitate the issuance of RSUs to participants in the United States. The term during which awards may be made under the 2005 Restricted Stock Plan

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is indefinite.

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Awards of restricted stock and RSUs under the 2005 Restricted Stock Plan can be determined by the CGN&C Committee based upon recommendations from management, but typically have been approved by the Board of Directors upon the recommendation of the CGN&C Committee. Because it is generally within the discretion of the CGN&C Committee and Board of Directors to determine which participants receive awards and the number of shares of restricted stock or RSUs received, it is not possible at the present time to determine the amount of awards or the number of individuals to whom awards will be made under the 2005 Restricted Stock Plan, other than the grants of RSUs to our non-employee directors as described below. However, the executive officers of the Company named in the table under the caption Summary Compensation Table herein are among the employees who would be eligible to receive awards under the 2005 Restricted Stock Plan; and, if the proposed amendments are authorized by the shareholders, the non-employee directors of the Company standing for election as named under Proposal 1: Election of Directors herein would, in that event, be among the persons who would be eligible to receive awards under the 2005 Restricted Stock Plan.

The restrictions regarding disposition of shares and RSUs are governed by the terms of the respective award and may vary for each participant. Generally, however, shares and RSUs awarded under the 2005 Restricted Stock Plan will not vest until at least three years after the date of the award, except in the event of death or disability whereupon the restrictions would lapse. Upon retirement of a participant who is not a non-employee director, a portion of the award may vest based upon the years of service of the participant and satisfying the applicable restrictions on post retirement competition. Upon retirement of a participant who is a non-employee director, the award will fully vest. For purposes of the 2005 Restricted Stock Plan, unless otherwise defined in the grant of the specific award to the participant, retirement of a participant who is not a non-employee director is defined as a participant's separation from service from the Company or any subsidiary after attainment of age 65. For purposes of the 2005 Restricted Stock Plan, unless otherwise defined in the grant of the specific award to the participant, retirement for a participant who is a non-employee director is defined as a participant's separation from service after age 72 or twelve years of service as a director. Voluntary termination of employment (other than by way of retirement) or termination of employment for cause by the Company or its subsidiary results in forfeiture of shares or RSUs for which the restricted period has not expired. The CGN&C Committee generally has the authority to modify the above referenced vesting rules in the award agreement memorializing restricted stock and RSUs awarded under the 2005 Restricted Stock Plan. Restricted shares and the shares underlying RSUs that are forfeited become available for future awards under the 2005 Restricted Stock Plan.

The 2005 Restricted Stock Plan is designed to comply with Rule 16b-3 under the Securities and Exchange Act of 1934, as amended, and, to the extent applicable, with the provisions of Section 409A of the Code.

Awards under the 2005 Restricted Stock Plan have generally not been subject to any special provisions upon the occurrence of a change in control transaction with respect to the Company; and there is no provision in the 2005 Restricted Stock Plan providing for accelerated vesting or payment in respect of any award due to a change in control transaction occurring. However, award agreements for RSUs to be issued after November 2010 will contain double trigger provisions providing for pro rata accelerated vesting upon a change in control. See Separation and Change in Control Arrangements under the CD&A. Under the authority granted to the CGN&C Committee, the Committee can decide to unilaterally accelerate the vesting at the time of such a change of control event. Moreover, in the event that a change in control transaction (or recapitalization or similar event not concerning control) occurs, the 2005 Restricted Stock Plan provides for appropriate adjustments to be made to the number and kind of shares underlying outstanding RSUs (absent any contrary provision included in the applicable award agreement) and to the shares available for future awards in light of the effect of the event on the Company and the common stock of the Company (or its successor).

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The Plan is administered by the CGN&C Committee and, in its discretion, the Board of Directors. They have full power and authority to administer and interpret the plan, to prescribe, amend or rescind rules and regulations relating to the plan and to make all other determinations necessary or advisable for the administration of the plan.

The CGN&C Committee may, at any time and from time to time, amend or terminate some or all of the provisions of the 2005 Restricted Stock Plan. However, any such termination or amendment shall be subject to the approval of the Board of Directors and/or the shareholders of the Company where required by federal or state law or by applicable New York Stock Exchange rules. In any event, neither an amendment to nor termination of the 2005 Restricted Stock Plan shall adversely affect any right of any recipient with respect to any restricted stock or RSU previously granted, without the written consent of the recipient.

A copy of the 2005 Restricted Stock Plan as proposed to be amended is appended as Appendix A to this proxy statement. The foregoing description is merely a summary of the plan. The summary is qualified in its entirety by the actual terms of the plan.

New Plan Benefits

Generally, awards to be granted in the future under the 2005 Restricted Stock Plan are at the discretion of the CGN&C Committee and the Board of Directors. As such, with the exception of annual grants planned to be made to the Company's non-employee directors (which are intended to be made if the proposed amendments are authorized by the shareholders), it is not possible to determine the benefits or the amounts to be received under the 2005 Restricted Stock Plan by the Company's officers, employees, independent contractor registered representatives or non-employee directors. However, a total of 286,286 restricted shares and 144,319 RSUs were granted under the 2005 Restricted Stock Plan during fiscal 2010, of which 0 restricted shares and 7,854 RSUs were granted to certain of the executive officers of the Company, but none of whom were any of the Named Executive Officers. The dollar value of the restricted shares and RSUs granted to those executive officers (with each computed using the market price of the Company's common stock on the respective dates of the respective awards) was \$0.00 and \$190,381, respectively, on the grant date. In addition, the expressed intent of the Board and the CGN&C Committee is that, if the plan amendments being presented in this proxy statement are authorized by the shareholders, each of the non-employee directors of the Company would receive under the plan annually 2,000 RSUs, beginning in February, 2011 in lieu of their previous annual grant of stock options for 2,500 shares.

The following table sets forth the number of RSUs that are intended to be awarded in 2011 to the then current non-employee directors under the 2005 Restricted Stock Plan if the plan amendments being presented in this proxy statement are authorized by the shareholders. Other future awards that may be granted in the discretion of the CGN&C Committee are not determinable.

New Plan Benefits Table

2005 Raymond James Financial, Inc. Restricted Stock Plan

	Dollar Value (\$)*	Number of RSUs
All non-employee directors, as a group (six directors)	\$ 385,440	12,000

* based upon the closing price of our stock on December 17, 2010.

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Federal Income Tax Consequences

The following is general summary as of this date of the federal income tax consequences to us and to U.S. participants for awards granted under the plan. The federal tax laws may change and the federal, state and local tax consequences for any participant will depend upon his or her individual circumstances. Tax consequences for any particular individual may be different.

Restricted Stock

A restricted stock award is subject to a `substantial risk of forfeiture` within the meaning of Section 83 of the Code to the extent the award will be forfeited in the event that the participant ceases to provide services to the Company. As a result of this substantial risk of forfeiture, the recipient will not recognize ordinary income at the time of the award, unless the participant is retirement eligible. Instead, the recipient will recognize ordinary income on the date when the stock is no longer subject to a substantial risk of forfeiture, or when the stock becomes transferable, if earlier. The recipient's ordinary income is measured as the difference between the amount paid for the stock, if any, and the fair market value of the stock on the earlier of those two dates.

The recipient may accelerate his or her recognition of ordinary income, if any, and begin his or her capital gains holding period by timely filing (*i.e.*, within thirty (30) days of the award) an election pursuant to Section 83(b) of the Code. In such event, the ordinary income recognized, if any, is measured as the difference between the amount paid for the stock, if any, and the fair market value of the stock on the date of award, and the capital gain holding period commences on such date. The ordinary income recognized by a recipient that is an employee or former employee will be subject to tax withholding by the Company.

Restricted Stock Units

With respect to awards of RSUs, no taxable income is reportable when the RSUs are granted to a participant or upon vesting of the RSUs. Upon settlement, the recipient will recognize ordinary income in an amount equal to the value of the payment received pursuant to the RSUs. The ordinary income recognized by a recipient that is an employee or former employee will be subject to tax withholding by the Company.

Tax Effect for the Company

Unless limited by Section 162(m) of the Code, the Company generally will be entitled to a tax deduction in connection with an award under the plan in an amount equal to the ordinary income realized by a recipient at the time the recipient recognizes such income (for example, when the restricted stock is no longer subject to the risk of forfeiture).

The Plan is not qualified under the provisions of section 401(a) of the Code and is not subject to any provisions of the Employee Retirement Income Security Act of 1974.

Required Vote

Approval of the amendments to the 2005 Restricted Stock Plan will require that the votes cast favoring approval of the amendments to the 2005 Restricted Stock Plan exceed the votes cast opposing them.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE
FOR THIS PROPOSAL.**

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PROPOSAL 4: TO APPROVE AN ADVISORY (NON-BINDING) RESOLUTION ON THE COMPANY'S EXECUTIVE COMPENSATION

As a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Company is required by Section 14A of the Securities Exchange Act to provide shareholders with an advisory vote on executive compensation. Although the vote is advisory and is not binding on the Board of Directors, the CGN&C Committee will take into account the outcome of the vote when considering future executive compensation decisions.

As discussed in the Compensation Discussion and Analysis beginning on page 17 of this proxy statement, the CGN&C Committee believes our current executive compensation program directly links executive compensation to our performance and aligns the interests of our executive officers with those of our non-employee shareholders and has helped contribute to the Company's consistently positive earnings. Points to consider include:

Our net revenues of \$2.917 billion were at record levels and net income of \$228 million approached 2007's record of \$250 million.

We do not have any agreements with our executive officers that provide for cash severance payments upon termination of employment or in connection with a change in control though our recently granted RSUs contain a double trigger change in control acceleration of vesting provision. See Separation and Change in Control Arrangements under the Compensation Discussion and Analysis.

To even better align compensation with longer term results, the CGN&C Committee recently increased the portion of annual bonuses above \$2 million that are to be paid in deferred equity, beginning with fiscal 2011 bonuses.

We encourage long-term stock ownership by our executive officers; members of our Operating Committee are expected to own 10,000 shares of our stock and hold 25% of the shares they obtain from equity awards for at least three years.

Our Board adopted a Compensation Recoupment Policy effective October 1, 2010 under which reimbursement of compensation paid (i) will be obtained from executive officers in the case of a financial restatement if the restated results would not support previously received incentive compensation and (ii) may be obtained from any employee in the case of materially inaccurate performance metric(s) if the revised performance metric would not support previously received incentive compensation.

For these reasons, the Board recommends that shareholders vote in favor of the following resolution:

RESOLVED, that the shareholders approve the compensation of the Named Executive Officers, as disclosed in the proxy statement for the Company's annual meeting of shareholders on February 24, 2011, pursuant to Item 402 of Regulation S-K (the compensation disclosure rules of the SEC), which disclosure includes the Compensation Discussion and Analysis, the compensation tables and other related information.

The above referenced disclosures appear at pages 17 to 32 of this proxy statement.

Approval of the advisory (non-binding) resolution on the Company's executive compensation will require that the votes cast favoring this resolution exceed the votes cast opposing it.

Because your vote on this Proposal is advisory, the results of the vote will not be binding on the Board. However, the Company's CGN&C Committee will take into account the outcome of the vote when considering future executive compensation arrangements.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THIS PROPOSAL.

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PROPOSAL 5: TO APPROVE AN ADVISORY (NON-BINDING) RESOLUTION ON THE FREQUENCY OF SHAREHOLDER VOTING ON THE COMPANY'S EXECUTIVE COMPENSATION.

The Dodd-Frank Wall Street Reform and Consumer Protection Act added Section 14A to the Securities Exchange Act which also requires the Company to provide for a separate shareholder advisory vote on the frequency of shareholder advisory votes approving executive pay (*i.e.*, once every one, two or three years). Although the vote is advisory and is not binding on the Board of Directors, the Board will take into account the outcome of the vote when considering how frequently future shareholder advisory votes on executive compensation decisions will occur. The Board recommends that future shareholder advisory votes on executive compensation occur annually.

RESOLVED, that future shareholder advisory votes on the compensation of Named Executive Officers occur [annually] [every two years] [every three years].

The bracketed text to be used to complete the resolution will be the alternative (*i.e.*, annually , every two years or every three years) that obtains a plurality of the votes cast by shareholders regarding this resolution).

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ANNUALLY .

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SHAREHOLDER PROPOSALS AND OTHER MATTERS

Proposals which shareholders intend to present at the 2012 Annual Meeting of Shareholders must be received by our Secretary no later than September 8, 2011 to be eligible for inclusion in the proxy material for that meeting or otherwise submitted at the meeting.

Management knows of no matter to be brought before the meeting which is not referred to in the Notice of Meeting. If any other matters properly come before the meeting, it is intended that the shares represented by proxy will be voted with respect thereto in accordance with the judgment of the persons voting them.

By Order of the Board of Directors,

/s/ Paul L. Matecki, Secretary
January 6, 2011

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APPENDIX A

**COMPOSITE VERSION OF
2005 RAYMOND JAMES FINANCIAL, INC.
RESTRICTED STOCK PLAN**

(Initially effective February 17, 2005 and amended on February 16, 2006, May 24, 2006, November 27, 2006 (the November 27, 2006 amendments were approved by shareholders on February 15, 2007), August 22, 2007, May 21, 2008, November 25, 2008 (the November 25, 2008 amendments were approved by shareholders on February 19, 2009), November 23, 2010 and December 10, 2010)

SECTION 1

Purpose of the Plan

The name of this plan is THE 2005 RAYMOND JAMES FINANCIAL, INC. RESTRICTED STOCK PLAN (the Plan). The purpose of the Plan is to enable RAYMOND JAMES FINANCIAL, INC. (the Company) and its Subsidiaries to attract, retain and motivate employees, Non-employee Directors and independent contractors associated with the Company (or its Subsidiaries), to compensate them for their contributions or anticipated contributions to the growth and profits of the Company (or its Subsidiaries) and to encourage ownership of stock in the Company on the part of such personnel. The Plan provides incentives to employees, Non-employee Directors and independent contractors associated with the Company (or its Subsidiaries) or to be associated with the Company (or its Subsidiaries), which are linked directly to increases in shareholder value and will therefore inure to the benefit of all shareholders of the Company.

SECTION 2

Definitions

For purposes of the Plan, the following terms shall be defined as set forth below:

(a) Board means the Board of Directors of the Company. If one or more Committees have been appointed by the Board to administer the Plan, Board shall refer to such Committee, except where the context otherwise requires or the terms hereof provide for authority to be exercised or decisions made by the Board in direct relation to the Committee.

(b) Cause means (i) the willful and continued failure by such Participant to substantially perform his duties with the Company or a Subsidiary (other than any such failure resulting from incapacity due to physical or mental illness), or (ii) the willful engaging by a Participant in conduct which is demonstrably and materially injurious to the Company or a Subsidiary, monetarily or otherwise. For purposes of this Subsection, no act, or failure to act, on a Participant's part shall be deemed willful unless done, or omitted to be done, by such Participant not in good faith and without

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reasonable belief that his action or omission was in the best interest of the Company or a Subsidiary.

(c) Code means the Internal Revenue Code of 1986, as amended from time to time.

(d) Committee means the Corporate Governance, Nominating and Compensation Committee of the Board, appointed by the Board from among its members and shall consist of not less than three members thereof who are and shall remain Committee members only so long as they remain disinterested persons as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the 1934 Act).

(e) Director means a member of the Board or the board of directors of any Subsidiary.

(f) Disability means permanent and total disability as determined under the Company's long-term disability plan unless the Participant is not a participant in the Company's long-term disability plan or in

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the absence of such long-term disability plan, in which case, Disability means a mental or physical condition which totally and presumably permanently prevents the Participant from engaging in any substantial gainful employment with the Company or the Subsidiary with which the Participant was employed prior to the inception of the disability; provided that, for purposes of awards granted hereunder that are subject to Section 409A, Disability means a disability within the meaning of Code Section 409A(a)(2)(C) and Treasury regulation section 1.409A-3(i)(4), as each may be amended from time to time.

(g) Eligible Person means an employee or a potential employee of the Company or any Subsidiary, an independent contractor associated with or to be associated with the Company or its Subsidiaries as described in Section 3, and Non-employee Directors.

(h) Non-employee Director means a Director who is not an employee of either the Company or any Subsidiary.

(i) Participant means an Eligible Person selected or ratified for selection by the Committee or a senior executive officer of the Company, pursuant to the Committee's authority or the officer's authority, as the case may be, in Section 6, to receive an award of Restricted Stock or of an award of a Restricted Stock Unit.

(j) Restricted Period means the period during which the restrictions on the Restricted Stock or the Restricted Stock Unit are in effect.

(k) Restricted Stock means an award of shares of Stock that is subject to the restrictions set forth in Section 5.

(l) Restricted Stock Unit means an award of the right to receive Stock, cash or a combination thereof, as determined by the Committee in its sole discretion, upon settlement that is subject to the restrictions set forth in Section 5A.

(m) Retirement means, unless otherwise defined in the documented grant of the specific award to the Participant, (i) in the case of an employee or an independent contractor financial advisor, a Participant's voluntary Separation from Service or involuntary Separation from Service other than for Cause from the Company or any Subsidiary after attainment of age 65 and (ii) in the case of a Non-employee Director, a Participant's voluntary Separation from Service from the Company after attainment of age 72 or twelve (12) years of service as a Director with the Company.

(n) Section 16(a) Person means any officer or director of the Company or any Subsidiary who is subject to the reporting requirements of Section 16(a) of the 1934 Act.

(o) Section 409A means Section 409A of the Code, and any proposed, temporary or final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

(p) Separation from Service means a termination of employment (in the case of an employee) or a termination of service (in the case of an independent contractor or Non-employee Director) from the Company and its Subsidiaries; provided that, for purposes of awards granted hereunder that are subject to Section 409A, a Separation from Service means a Participant's death, retirement or other termination of employment or service with the Company and its Subsidiaries (as determined in accordance with Code Section 409A(2)(A)(i) and Treasury regulation section 1.409A-1(h), as each may be amended from time to time).

(q) Stock means the common stock of the Company, \$.01 par value.

(r) Subsidiary means any corporation (other than the Company) 50% or more of the total combined voting power of all classes of stock of which is owned, directly or indirectly, by the Company.

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SECTION 3

Eligibility and Participation

Employees of the Company and its Subsidiaries and/or persons being recruited for employment, independent contractors associated with and/or being recruited for association with the Company or its Subsidiaries, and Non-employee Directors who are or will be responsible for or contribute to the management, growth and/or profitability of the Company or its Subsidiaries shall be eligible to participate in the Plan. The Participants under the Plan shall be selected from time to time by the Committee, in its sole discretion, from among Eligible Persons.

SECTION 4

Amount and Form of Awards

- (a) The Committee, in its sole discretion, shall determine and grant the awards of Restricted Stock and Restricted Stock Units to be granted under the Plan, provided, however, that awards under this Plan may be determined and granted by senior executive officers of the Company, based on recommendations of various departments or Subsidiaries of the Company, in connection with the initial association of an individual who upon association will qualify as an Eligible Person. A Participant will receive such awards in Restricted Stock or Restricted Stock Units, as designated in the grant.
- (b) The maximum number of shares of Stock which may be issued under the Plan as Restricted Stock or which may be covered by Restricted Stock Units, when aggregated, shall be (1) 10,425,000 in total and (2) 2,000,000 in any fiscal year, subject to adjustment as provided in Section 7, and, with respect to any Restricted Stock, such shares may be authorized but unissued shares, or previously issued shares reacquired by the Company, or both. In the event Restricted Stock or a Restricted Stock Unit is forfeited prior to the end of the Restricted Period, the shares of Stock so forfeited or the number of shares to which the forfeited Restricted Stock Unit relates, shall immediately become available for future awards.

SECTION 5

Restricted Stock

- (a) The number of shares of Restricted Stock awarded to a Participant under the Plan will be determined in accordance with Section 4(a). For purposes of this Plan, the fair market value of Stock for an award will be the Stock's closing price on the New York Stock Exchange or the last sale price on any other national securities exchange registered under the Securities and Exchange Act of 1934, as amended, upon which the Stock is then listed on such date, or if the Stock was not traded on such date, on the next preceding day on which sales of shares of the Stock were reported, all as determined by the Committee.

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(b) A book entry (i.e., a computerized or manual entry) shall be made in the records of the Company to evidence an award of shares of Restricted Stock to a Participant. All shares of Restricted Stock shall be issued and held in an individual account for each Participant until the Restricted Period (as defined in Section 5(c)) has expired. Such Company records shall, absent manifest error, be binding on the Participants.

(c) The shares of Restricted Stock awarded pursuant to this Section 5 shall be subject to the restrictions and conditions set forth in the underlying contracts with the Participants and/or as set forth in the documented grant of any award pursuant to this Plan to the Participants.

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(d) Unless the Committee in its sole discretion shall determine otherwise at or prior to the time of the grant of any award, the Participant shall have the right to direct the vote of his shares of Restricted Stock during the Restricted Period. The Participant shall have the right to receive any regular dividends on such shares of Restricted Stock. The Committee shall in its sole discretion determine the Participant's rights with respect to extraordinary dividends on the shares of Restricted Stock.

(e) Shares of Restricted Stock shall be delivered to the Participant in accordance with Section 9(a) promptly after, and only after, the Restricted Period shall expire or lapse (or such earlier time as the restrictions may lapse in accordance with Section 5(c)) without forfeiture in respect of such shares of Restricted Stock.

(f) Subject to the provisions of Section 5(c), the following provisions shall apply to a Participant's shares of Restricted Stock prior to the end of the Restricted Period (including extensions):

(i) Upon the death or Disability of a Participant, the restrictions on his or her Restricted Stock shall immediately lapse, and the Restricted Period applicable to such Restricted Stock shall expire. Upon the death of a Participant, such Participant's Restricted Stock shall transfer to the Participant's beneficiary as such beneficiary is designated on a form provided by the Company, or if no beneficiary is so designated, by will or the laws of descent and distribution.

(ii) Upon the Retirement of a Participant (other than a Non-employee Director with respect to the Restricted Stock granted to him or her in his or her capacity as a Non-employee Director), and after satisfaction of a non-compete provision as set forth below (the violation of which shall result in the immediate forfeiture of any unvested Restricted Stock), any unvested Restricted Stock shall vest on a pro-rated basis (with the pro-ration being determined by comparing completed, full years of service, if any, since the date of initial award to the vesting schedule or by such other pro-ration method as may otherwise be set forth in the underlying contract with the Participant or in the documented grant of the specific award to the Participant), and the Restricted Period applicable to the Restricted Stock that vests in accordance with this provision shall expire. Any unvested shares of Restricted Stock that do not vest in accordance with the preceding sentence shall be immediately forfeited. For purposes of this subparagraph (f)(ii), a Participant shall be deemed to have not satisfied the non-compete provision if the Participant, within one year after the date of Retirement:

- (1) discloses the list of the Company's or a Subsidiary's customers or any part thereof to any person, firm, corporation, association, or other entity for any reason or purpose whatsoever; or
- (2) discloses to any person, firm, corporation, association, or other entity any information regarding the Company's or a Subsidiary's general business practices or procedures, methods of sale, list of products, personnel information and any other valuable confidential business or professional information unique to the Company's or a Subsidiary's business; or
- (3) owns more than five per cent (5%) of, manages, operates, controls, is employed by, acts as an agent for, participates in or is connected in any manner with the ownership, management, operation or control of any business which is engaged in businesses which are competitive to the business of the Company or a Subsidiary; and are located within a radius of 100 miles of any location where the Participant was employed or which was under the supervision, management or control of the Participant; or

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- solicits or calls either for himself/herself or any other person or firm, any of the customers of the Company or a
- (4) Subsidiary on whom the Participant called, with whom the Participant became acquainted, or of whom the Participant learned of during his employment; or
- (5) solicits any of the employees or agents of the Company or a Subsidiary to terminate their employment or relationship with the Company or a Subsidiary.
- (iii) Upon the Retirement of a Non-employee Director but solely with respect to the Restricted Stock granted to him or her in his or her capacity as a Non-employee Director, the restrictions on his or her Restricted Stock that would have required such Participant to forfeit his or her shares of Restricted Stock for which the Restricted Period had not expired on the date of such Retirement shall immediately expire and lapse, and the Restricted Period applicable to such Restricted Stock shall expire. Notwithstanding the foregoing, the Participant shall continue to be subject to any and all restrictions on transferability applicable to such shares of Restricted Stock, including but not limited to restrictions on the Participant's ability to sell, transfer, pledge or assign such shares of Restricted Stock, until the date the Restricted Period would have expired in the absence of the Participant's Retirement (or such earlier date as all other restrictions may expire and lapse pursuant to Section 5(f)(i) above or the underlying contracts with the Participant and/or the documented grant of the Participant's award).
- (iv) It is the intention of the Company and its Subsidiaries that this paragraph (f) be given the broadest protection allowed by law with regard to the restrictions herein contained. Each restriction set forth in this paragraph (f) shall be construed as a condition separate and apart from any other restriction or condition. To the extent that any restriction contained in this paragraph (f) is determined by any court of competent jurisdiction to be unenforceable by reason of it being extended for too great a period of time, or as encompassing too large a geographic area, or over too great a range of activity, or any combination of these elements, then such restriction shall be interpreted to extend only over the maximum period of time, geographic area, and range of activities which said court deems reasonable and enforceable.
- (v) If a Participant voluntarily incurs a Separation from Service, or if a Participant involuntarily incurs a Separation from Service for Cause, such Participant shall forfeit his or her Restricted Stock for which the Restricted Period has not expired on the date of the Separation from Service.

SECTION 5A

Restricted Stock Units

- (a) The number of Restricted Stock Units awarded to a Participant under the Plan will be determined in accordance with Section 4(a). For purposes of this Plan, the fair market value of Stock for an award will be the Stock's closing price on the New York Stock Exchange or the last sale price on any other national securities exchange registered under the Securities and Exchange Act of 1934, as amended, upon which the Stock is then listed on such date, or if the Stock was not traded on such date, on the next preceding day on which sales of shares of the Stock were reported, all as determined by the Committee. In the event the Committee provides for alternative methods for grants of awards, the Committee, in its sole discretion, may provide for alternative methods of determining the fair market value of Stock for such awards, and may also provide for alternative forfeiture provisions, so long as the alternative methods or provisions do not (i) materially increase the benefits, (ii) materially increase the number of Restricted Stock Units issued or (iii) materially modify the eligibility requirements applicable to Section 16(a) Persons.

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(b) A book entry (i.e., a computerized or manual entry) shall be made in the records of the Company to evidence an award of Restricted Stock Units to a Participant, but no book entry shall be made in the Stock records of the Company at the time of an award of Restricted Stock Units. All Restricted Stock Units shall be recorded in an individual book account for each Participant until the Restricted Period (as defined in Section 5A(c)) has expired. Such Company records shall, absent manifest error, be binding on the Participants.

(c) The Restricted Stock Units awarded pursuant to this Section 5A shall be subject to the restrictions and conditions set forth in the underlying contracts with the Participants and/or as set forth in the documented grant of any award pursuant to this Plan to the Participants.

(d) With respect to Restricted Stock Units, no certificate for shares of Stock shall be issued at the time the grant is made (nor shall any book entry be made in the Stock records of the Company) and the Participant shall have no right to or interest in shares of Stock of the Company as a result of the grant of Restricted Stock Units.

(e) Dividend equivalents may be credited in respect of Restricted Stock Units, as the Committee deems appropriate. Such dividend equivalents may be paid in cash or converted as of the date the Restricted Period expires and lapses into shares of Stock, the number of which shall be determined as follows: (1) if the Company declares and pays a cash dividend, the number of additional shares of Stock that will be issued upon the expiration of the Restricted Period shall be equal to the quotient obtained by dividing (i) the aggregate amount or value of the dividends paid with respect to that number of shares of Stock equal to the number of Restricted Stock Units subject to the Participant's award as of the date or dates the dividends were paid by the Company to the Company's shareholders by (ii) the fair market value per share of Stock on the date the Restricted Period expires and lapses, rounded down to the nearest whole share of Stock; or (ii) or if the Company declares and pays a Stock dividend, the number of additional shares of Stock that will be issued upon the expiration of the Restricted Period shall be equal to the number of shares of Stock distributed with respect to the shares underlying the Restricted Stock Units as of the date or dates the dividends were paid by the Company to the Company's shareholders, rounded down to the nearest whole share of Stock. The dividend equivalents will be subject to all of the terms and conditions of the underlying Restricted Stock Unit award to which they relate, including that the dividend equivalents will vest and become payable upon the same terms and at the same time as the Restricted Stock Units to which they relate.

(f) Any shares of Stock or cash that may be issued or paid in satisfaction of Restricted Stock Units delivered under the Plan shall be delivered to the Participant in accordance with Section 9(a) promptly after, and only after, the Restricted Period shall expire or lapse (or such earlier time as the restrictions may lapse in accordance with Section 5A(g)) without forfeiture in respect of such Restricted Stock Units. Notwithstanding the foregoing, with respect to awards granted hereunder that are subject to Section 409A, such shares of Stock or cash must be delivered in accordance with Treasury Regulation Section 1.409A-3(d), as may be amended from time to time; provided, that, if the Restricted Period or applicable restrictions expire or lapse as a result of the Participant's Retirement and the issuance or payment of shares of Stock or cash must be delayed in accordance with Section 409A(a)(2)(B)(i) of the Code (relating to payments made to certain specified employees of certain publicly-traded companies), such shares or cash will be delivered on the first business day following the six (6) month anniversary of the Participant's Separation from Service, unless the Participant dies during such six (6) month period, in which case, the shares or cash will be delivered to the Participant's estate as soon as practicable following his or her death, or unless the Participant is required to satisfy the non-compete provision set forth in Section 5(g)(ii) below, in which case, the shares or cash will be delivered after satisfaction of the non-compete provision.

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(g) Subject to the provisions of Section 5A(c), the following provisions shall apply to a Participant's Restricted Stock Units prior to the end of the Restricted Period (including extensions):

(i) Upon the death or Disability of a Participant, the restrictions on his or her Restricted Stock Units shall immediately lapse, and the Restricted Period applicable to such Restricted Stock Units shall expire. Upon the death of a Participant, such Participant's Restricted Stock Units shall transfer to the Participant's beneficiary as such beneficiary is designated on a form provided by the Company, or if no beneficiary is so designated, by will or the laws of descent and distribution.

(ii) Upon the Retirement of a Participant (other than a Non-employee Director with respect to Restricted Stock Units granted to him or her in his or her capacity as a Non-employee Director), and after satisfaction of a non-compete provision as set forth below (the violation of which shall result in the immediate forfeiture of any unvested Restricted Stock Units), any unvested Restricted Stock Units shall vest on a pro-rated basis (with the pro-ration being determined by comparing completed, full years of service, if any, since the date of initial award to the vesting schedule or by such other pro-ration method as may otherwise be set forth in the underlying contract with the Participant or in the documented grant of the specific award to the Participant) on the one-year anniversary of the Participant's Retirement, the Restricted Period applicable to the Restricted Stock Units that vest in accordance with this provision shall expire and such Restricted Stock Units shall thereafter be settled in accordance with Section 5A(f). Any unvested Restricted Stock Units that do not vest in accordance with the preceding sentence shall be immediately forfeited. For purposes of this subparagraph (g)(ii), a Participant shall be deemed to have not satisfied the non-compete provision if the Participant, within one year after the date of Retirement:

- (1) discloses the list of the Company's or a Subsidiary's customers or any part thereof to any person, firm, corporation, association, or other entity for any reason or purpose whatsoever; or
- (2) discloses to any person, firm, corporation, association, or other entity any information regarding the Company's or a Subsidiary's general business practices or procedures, methods of sale, list of products, personnel information and any other valuable confidential business or professional information unique to the Company's or a Subsidiary's business; or
- (3) owns more than five per cent (5%) of, manages, operates, controls, is employed by, acts as an agent for, participates in or is connected in any manner with the ownership, management, operation or control of any business which is engaged in businesses which are competitive to the business of the Company or a Subsidiary; and are located within a radius of 100 miles of any location where the Participant was employed or which was under the supervision, management or control of the Participant; or
- (4) solicits or calls either for himself/herself or any other person or firm, any of the customers of the Company or a Subsidiary on whom the Participant called, with whom the Participant became acquainted, or of whom the Participant learned of during his employment; or
- (5) solicits any of the employees or agents of the Company or a Subsidiary to terminate their employment or relationship with the Company or a Subsidiary.

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(iii) Upon the Retirement of a Non-employee Director but solely with respect to the Restricted Stock Units granted to him or her in his or her capacity as a Non-employee Director, the restrictions on his or her Restricted Stock Units that would have required such Participant to forfeit his or her Restricted Stock Units for which the Restricted Period had not expired on the date of such Retirement shall immediately expire and lapse and the Restricted Stock Units shall be settled at the end of the original Restricted Period in accordance with Section 5A(f).

(iv) It is the intention of the Company and its Subsidiaries that this paragraph (g) be given the broadest protection allowed by law with regard to the restrictions herein contained. Each restriction set forth in this paragraph (g) shall be construed as a condition separate and apart from any other restriction or condition. To the extent that any restriction contained in this paragraph (g) is determined by any court of competent jurisdiction to be unenforceable by reason of it being extended for too great a period of time, or as encompassing too large a geographic area, or over too great a range of activity, or any combination of these elements, then such restriction shall be interpreted to extend only over the maximum period of time, geographic area, and range of activities which said court deems reasonable and enforceable.

(v) If a Participant voluntarily incurs a Separation from Service, or if a Participant involuntarily incurs a Separation from Service for Cause, such Participant shall forfeit his or her Restricted Stock Units for which the Restricted Period has not expired on the date of the Separation from Service.

(h) The Committee shall have the power and authority, directly or indirectly, to establish or to cause to be established a trust for purpose of purchasing Stock on the open market, holding such Stock and using such Stock to satisfy the Company's obligations under grants of Restricted Stock Units. If the trust is established to satisfy the Company's obligations with respect to grants of Restricted Stock Units to Participants resident in Canada, such trust may be structured to qualify as an employee benefit plan within the meaning assigned by the *Income Tax Act* (Canada).

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SECTION 6

Administration

The Plan shall be administered by the Committee.

The Committee (and senior executive officers in the case of initial association grants) shall have the power and authority to grant Restricted Stock and Restricted Stock Units to Participants, pursuant to the terms of the Plan.

In particular, the Committee (and senior executive officers in the case of initial association grants) shall have the authority:

- (i) to select or ratify the selection of Eligible Persons;
- (ii) to determine whether and to what extent Restricted Stock or a Restricted Stock Unit is to be granted to Participants hereunder or ratify the grant thereof;
- (iii) to determine the number of shares of Stock to be covered by such award granted hereunder or ratify the grant thereof;
- (iv) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any award granted hereunder (including, but not limited to, the Restricted Period and the other conditions of full vesting of the Restricted Stock or the Restricted Stock Units) or to ratify the grant thereof; and
- (v) to determine or ratify the determination of the terms and conditions, not inconsistent with the terms of the Plan, which shall govern all documentation evidencing the Restricted Stock or the Restricted Stock Units.

In the event of an initial association grant of Restricted Stock or Restricted Stock Units effectuated by action of a senior executive officer, the terms and conditions of such grant shall be reported to the Committee at the Committee's next meeting for informational purposes only, it being understood that such report shall not in any way be a condition to the effectiveness of the grant.

The Committee shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall, from time to time, deem advisable; to interpret the terms and provisions of the Plan and any award issued under the Plan; and to otherwise supervise the administration of the Plan. All decisions made by the Committee pursuant to the provisions of the Plan shall be final and binding on all persons, including the Company, its Subsidiaries and the Participants.

The Committee may delegate the administrative details and management of the Plan to members of the Company's management and staff. No such delegation shall affect the Committee's right to make final decisions with respect to any matter arising under the Plan.

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SECTION 7

Adjustments Upon a Change in Common Stock

In the event of any change in the outstanding Stock of the Company by reason of any stock split, stock dividend, recapitalization, merger, consolidation, reorganization, combination or exchange of shares or other similar event that may equitably require an adjustment in the number or kind of shares that may be issued under the Plan pursuant to Section 4(b) or covered by an award under the Plan, then in such event (i) appropriate adjustment shall automatically be made in the maximum number and kind of shares remaining available for issuance under the Plan, and (ii) appropriate adjustment shall automatically be made in the number or kind of shares or other property covered by an award under the Plan. The Committee may take any additional action it deems necessary, in accordance with its sole discretion, to further confirm such adjustments and any automatic adjustments and any such additional action shall be conclusive and binding for all purposes of the Plan.

SECTION 8

Amendment and Termination

The Plan may be amended from time to time or terminated at any time and from time to time by the Committee, subject to shareholder approval where required by federal or state law. Neither an amendment to the Plan nor the termination of the Plan shall adversely affect any right of any Participant with respect to any Restricted Stock or Restricted Stock Unit theretofore granted without such Participant's written consent.

SECTION 9

General Provisions

(a) All shares of Restricted Stock and any shares of Stock that may be issued in satisfaction of a Restricted Stock Unit delivered under the Plan after the Restricted Period has expired shall be distributed in accordance with the instructions of each Participant. Such shares of Stock shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Stock is then listed, and any applicable federal or state securities law.

(b) Nothing contained in the Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to shareholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of the Plan and the granting of any award hereunder shall not confer upon any employee of the Company or any Subsidiary nor any independent contractors or Non-employee Directors associated with the Company or its Subsidiaries any right to continued employment or association with the Company or a Subsidiary, as the case may be, nor shall it interfere in any way with the right of

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the Company or a Subsidiary to terminate the employment of any of its employees or terminate the association of any independent contractors or Non-employee Directors associated with the Company or its Subsidiaries at any time.

(c) No member of the Board or the Committee, nor any officer or employee of the Company acting on behalf of the Board or the Committee, shall be personally liable for any action, determination, or interpretation taken or made in good faith with respect to the Plan, and all members of the Board or the Committee and each and any officer or employee of the Company acting on their behalf shall, to the extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, determination or interpretation.

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(d) During the Restricted Period, a Participant's rights and interest under the Plan may not be sold, assigned or transferred in whole or in part either directly or by operation of law or otherwise (except in the event of a Participant's death) including, but not by way of limitation, execution, levy, garnishment, attachment, pledge, bankruptcy or in any other manner and no such right or interest of any Participant in the Plan shall be subject to any obligation or liability of such Participant.

(e) The Company and its Subsidiaries shall have the right to deduct from any payment made under the Plan any federal, state, provincial or local income or other taxes required by law to be withheld with respect to such payment. It shall be a condition to the obligation of the Company to release shares of Stock upon the lapse of restrictions on Restricted Stock and a condition to the issuance of any shares of Stock to satisfy a Restricted Stock Unit upon the lapse of restrictions on the Restricted Stock Unit that the Participant (i) pay to the Company, upon its demand, such amount as may be requested by the Company for the purpose of satisfying any obligation to withhold federal, state, provincial or local income or other taxes and (ii) provide the Company with a copy of any election made under Section 83 of the Code, or any amendment thereto (the Section 83 Election) as filed with the Internal Revenue Service. If the amount requested is not paid and the copy of the Section 83 Election, if applicable, is not provided, the Company may refuse to release or issue shares of Stock until such time as the Participant so complies. Unless the Committee shall in its sole discretion determine otherwise, payment for taxes required to be withheld may be made in whole or in part by an election by a Participant, in accordance with rules adopted by the Committee from time to time, to have the Company withhold shares of Stock otherwise issuable pursuant to the Plan having a fair market value equal to such tax liability, to be determined in such reasonable manner as may be provided for from time to time by the Committee or as may be required in order to comply with or to conform to the requirements of any applicable or relevant laws or regulations.

(f) The Plan is intended to comply with all applicable conditions of Rule 16b-3 of the 1934 Act or any successor statute, rule or regulation. All transactions involving any Section 16(a) Person shall be subject to the conditions set forth in Rule 16b-3, regardless of whether such conditions are expressly set forth in the Plan. Any provision of the Plan that is contrary to Rule 16b-3 shall not apply to Section 16(a) Persons.

(g) With respect to awards granted hereunder that are subject to Section 409A, this Plan is intended in all respects to comply with the provisions of Section 409A and the Company shall interpret and administer the Plan in a manner consistent with Section 409A.

SECTION 10

Effective Date of Plan

The Plan was originally effective as of the date of approval of the Plan by the shareholders of the Company or such other date as the shareholders of the Company so determined.

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