

# SHARE PLANS

Drive staff retention and development  
whilst ensuring effective engagement





# OUR EMPLOYEE SHARE PLANS

Every company has different expectations and requirements for their employee share plans and we believe that every scheme should be unique to those delivering it. Link Group administers over 400 share plans, and we believe we have something for everyone. We can help you with one element of your programme or a full end to end solution.



We manage

## 1 in 3

SIPs and administer  
over **400** share plans



## 50+

share plans  
onboarded in last  
24 months



## 250,000+

employees managed in UK  
employee share ownership  
schemes

### What we offer

- [Save As You Earn \(SAYE\)](#)
- [Share Incentive Plan \(SIP\)](#)
- [Option Plans \(CSOP & USOP\)](#)
- [Enterprise management incentives \(EMI\)](#)
- [Discretionary/Executive Plan](#)
- [International Share Plan](#)
- [Long Term Incentive Plan \(LTIP\)](#)
- [Restricted Share Schemes \(RSS\)](#)



### Benefits of our share plans



Full online account access – both corporate and shareholder



Dedicated relationship management and easy to use employee share dealing facility, supported by our specialist corporate employee dealing team



Tailored design, marketing, print and mailing house and specialist employee communications provider



Together with our e-communications we help improve efficiency and environmental footprint, while providing employees with a convenient method to participate in your share plan

Tax-advantaged employee share plans remain one of the most popular ways for companies to attract, retain and motivate their key people.



Our share Portal, which we can brand with your own digital channels, provides a seamless online experience for employees to manage their accounts.



Communication is crucial: working with our trusted design agency, to help you deliver the right messages to the right people, we can tailor communication programmes to your corporate culture, employee profile, location of your employees and your budget.



Employee briefings: we can present to your employees directly either face to face or via online channels using bespoke presentations, interactive PDFs, animations and augmented reality tools to enhance your employee's briefing experience and drive positive engagement.



Our systems and support infrastructure cater for both those who have no prior experience of share plans as well as those who do. Even employees with no prior knowledge of plans will be able to log on and make informed decisions about their plans.



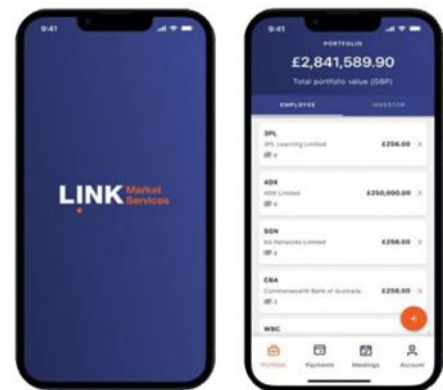


# LINK INVESTOR CENTRE

**Our purpose is to connect people with their assets.**

And we believe shareholders should be empowered to take an active role in their financial wealth.

Using our Link Investor Centre, issuers can deepen their engagement with their shareholders, and investors can manage and monitor their financial goals from a single app.



## Features and benefits for shareholders:

- ✓ Manage multiple holdings – easily access holdings in one place
- ✓ Access digital documents – including transaction history and tax statements
- ✓ Exercise their choices – taking greater control of their assets in real time
- ✓ Update personal information and preferences – greater choice
- ✓ Use the web or mobile app – access on any device
- ✓ Participate in online voting – enhanced accessibility and participation
- ✓ Multifactor authentication – higher security delivering peace of mind

## The benefits don't stop with shareholders. With Link Investor Centre issuers can:

- ✓ Drive digital engagement by removing paper communication
- ✓ Improve shareholder engagement through ease of access and voting
- ✓ Deliver greater security with multifactor authentication

Link Group is the UK's largest share registrar, delivering tech-enabled services to support companies in a challenging financial world.

If you'd like to find out how Link Investor Centre can work for your company and your shareholders, visit our website

[www.linkgroup.eu/services/services/link-investor-centre/](http://www.linkgroup.eu/services/services/link-investor-centre/)





# SAVE AS YOU EARN (SAYE)

A Sharesave or Save as you Earn (SAYE) is an arrangement under which an employee can save to buy shares in their company at a price which is fixed at the start of the savings period, this price is known as the Option Price.



An employee has an option to buy shares at a future date and at a fixed price



The company can discount the price of shares, up to 20% of market value



The length of the option can be three or five years



Savings are made by payroll deduction from participants' net salary



Shares can only be purchased with proceeds of savings made under a special SAYE savings contract



Designed to be risk free



Savings attract interest paid as a multiple of the monthly savings amount

## Features and benefits

- ✓ SAYE is open to all eligible employees of the company
- ✓ Minimum employment qualifying periods can be introduced before participation (max. 5 years)
- ✓ For employers, shares only need to be allotted at the time of exercise
- ✓ For employees, if the share price falls below the option price, there is no requirement to exercise the options and take the proceeds of their savings contract
- ✓ Shareholders are eligible to receive dividends

**Maturity** - There will be multiple choices available at maturity, such as repayment of your savings plus the tax free bonus or the opportunity to take the shares and sell them or retain the shares and become a shareholder in your employing company

**Dividends** - are received if shares are retained and still held on the record date

**Set up and operations** - A share plan adviser can help with the implementation of the plan and set the plan rules

**Taxation** - no tax liability on share purchase unless the employee exercises the option early. There are potential scenarios that would attract Capital Gains Tax.

For more information, please [click here](#)

# UK SHARE INCENTIVE PLAN (SIP)

The SIP is a qualifying employee share ownership plan which must be operated on an all employee basis. Companies are able to choose between a flexible combination of three modules.



Free shares - up to £3,600 can be awarded to employees' tax free each year



Partnership shares - employees can invest up to £1,800 a year of their salary pre-tax and National Insurance Contributions (NICs)



Matching shares - where employees invest in partnership shares the employer can provide additional tax-free shares

## Features and benefits

- ✓ UK resident employees are eligible to participate in the plan
- ✓ Minimum employment qualifying periods can be introduced before participation (max. 18 months)
- ✓ Employers can offer dividend reinvestment to employees via shares
- ✓ Companies can benefit from a deduction in taxable profits and corporation tax for certain costs of setting up and operating a SIP

"We chose Link Group to provide our share plan services knowing we would be partnering with people who would deliver an excellent level of service to our employees"

LSL Property Services PLC

	Free Shares	Partnership Shares	Matching Shares
<b>Holding Period</b>	Between 3 and 5 years from the award of shares	None	Between 3 and 5 years from the award of shares
<b>Limits</b>	Up to £3,600 per tax year	Up to £1,800 per annum or 10% of salary (whichever is less)	Up to two matching shares for each partnership share bought

Where an employee leaves the company, their shares must be removed from the plan and tax liability may be due.

For more information, please [click here](#)

# OPTION PLANS (CSOP & USOP)

A company share option plan (CSOP) is where options are granted to employees who are selected to participate, and the option price is usually the market value of the shares under option.



The adjustment of option in the context of variations of share capital and amendments to the plan



Early exercise in certain circumstances



Third anniversary of grant



Employees can be provided with benefits up to a total of £60,000

## Features and benefits

- ✓ Options not shares
- ✓ Discretion is provided to the company in which employees are eligible and granted options
- ✓ All-employee basis can be offered
- ✓ No income tax or NI contributions on grant or on exercise (provided exercised more than 3 years after the date of grant)

Non tax-advantaged share plans (USOP) enable employers to offer staff the option to purchase shares in their company in the future, at an agreed pre-set price, ideally benefitting from increased value when exercised.



Ideal for use where employees do not qualify for tax-advantaged schemes. I.e., consultants



Tax charge only arises on exercise, so no risk for employee until the option is exercised

## Features and benefits

- ✓ Options not shares
- ✓ Benefits director and senior employees more extensively than a Schedule 4 CSOP
- ✓ Non-tax advantage plan will be subject to income tax and NI, on exercise and on sale of shares and will not attract the tax advantages of an approved plan

For more information, please [click here](#)



# ENTERPRISE MANAGEMENT INCENTIVES (EMI)

Enterprise Management Incentives (EMI) are extremely flexible and can be tailored to meet a company's specific objectives allowing them to grant options (to qualifying employees on a highly tax efficient basis for both the employer and participating employees.



EMI options can be granted to any employee who controls less than 30% of the ordinary share capital and employed by the company or group for at least 25 hours a week (if less, for at least 75% of their working time)



Employees can be granted an overall limit of £250,000 in options. If above the limit, relief can be obtained under EMI only options



Employees are granted EMI options to a maximum of £3m

For more information, please [click here](#)

## Features and benefits

- ✓ Employees can hold options under HM Revenue & Customs Schedule 4 CSOP although this will count towards the overall £250,000 limit
- ✓ No Income Tax or NICs to pay when an EMI option is granted
- ✓ When the shares are sold, the gain arising will be subject to Capital Gains Tax (CGT)
- ✓ There will be no income tax or NICs charged when the employee exercises the options (as long as not granted at a discount)
- ✓ You can deduct the cost of setting up and administering the necessary arrangements
- ✓ Certain disqualifying events may remove the EMI plan tax advantages

"Link Group has been our partner for 19 years, providing us with a suite of products including our Employee and share dealing. Combining these services provides us with a streamlined and responsive service. The number of participants in our has grown dramatically since 2004 and having a partner like Link gives me confidence that this growth can be accommodated. Their personal support and attention to detail has been invaluable over the years."

Admiral Group Plc

# DISCRETIONARY (UK & INTERNATIONAL)

We currently provide 43 issuers within the FTSE 350 with their Executive and Discretionary share plan provisions. This includes Long Term Incentive Plans ('LTIPs') and Restricted Share Awards ('RSA').



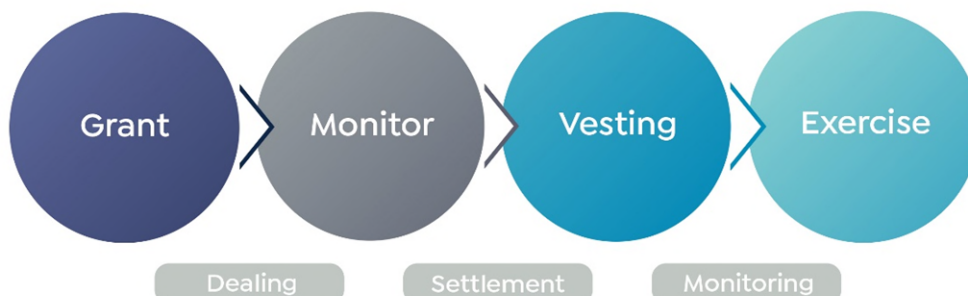
Provision of hard copies of register details



Set up on our share portal, telephone helplines and email address

## Features and benefits

- ✓ Offer Nil Cost Options, Shares, Restricted Shares, Nominal options etc. and vesting/release types such as tranche or cliff vesting
- ✓ With over 20 years of experience, we can offer your executive schemes in line with your objectives and expectations



For more information, please [click here](#)

# RESTRICTED SHARE SCHEMES (RSS)

Utilised where employees acquire ownership of shares from the start, however the shares are subject to certain restrictions, and this significantly reduces their value. Shares may then be forfeited in certain circumstances.



Immediate receipt of shares



Taxable (reduction in the amount due to National Insurances (NICs) payable/Income tax)



Or; pay the income tax up front on any discount caused by restriction with no additional charge if restrictions are lifted



The employer awards free shares to the employee but this is subject to initial restrictions but lifted after a pre-defined period (voting rights, transferability, sales rights on leaving the company)

## Features and benefits

- ✓ As an employee they will gain executive benefits from the full value of the shares
- ✓ Not be passed onto the employee until employee holds unrestricted shares i.e. full value
- ✓ All employees and full-time directors are potentially eligible, however at the discretion of the directors or remuneration committee. This plan is often used to provide benefits to senior management only

For more information, please [click here](#)



# LONG TERM INCENTIVE PLAN (LTIP)

A share plan generally for senior executives, released over a period of years subject to conditions.



All employees and full-time directors are potentially eligible, and participation will be at the discretion of the directors or the remuneration committee. Plan provides benefits to senior management



Popular measure is Total Shareholder Return (TSR) - the position of the company in the comparator group then determines the percentage of shares under the award



Tailored to the company establishing the plan



Employees can benefit from the full value of the shares



Flexible and can be designed to meet the needs of the company and its employees

## Features and benefits

- ✓ Employees can benefit from the full value of the shares
- ✓ Encourages the executive to stay within the company within conditions set

For more information, please [click here](#)



# INTERNATIONAL SHARE PLAN

The international share plan is a post vesting global custody and dealing facility for employees' shares. The key concept is the way by which a genuine share plan can be extended, to allow for post vesting global custody and dealing under the share plan wrapper.



Complimentary product



Access via our employee share plan portal



Quarterly statements

For more information, please [click here](#)

## Features and benefits

- ✓ International employee post vest / maturity global custody and dealing account
- ✓ Real time dealing and a share dealing facility
- ✓ Proceeds paid in employee currency
- ✓ Administration of the register of participants
- ✓ Provision of a custody service for shares within an International Share Trust Account (ISTA)

**ISTA for dealing and custody for post vesting** - All eligible participants can exercise and or sell their UK shares at the maturity or vesting point of that plan our standard offering

**ISTA for dealing only** - All eligible participants in an ISP to sell their UK shares at the maturity or vesting point of that plan.

**ISTA as an International Stock Purchase Plan (ISPP)** - All eligible employees to buy shares on a regular basis from post-tax salary.



# INDUSTRY & THOUGHT LEADERSHIP

Our team are passionate advocates for employee share ownership and are proud to champion the benefits which share plans bring to companies, employees and society as a whole. That's why we are committed to delivering industry-leading **thought leadership** insights across a variety of share plan topics.

As proud members of ProShare, the leading voice of employee share plans, we have supported various industry developments and reforms that benefit issuers and shareholders alike. We also actively encourage our clients to take part in events which celebrate the achievements of companies and practitioners. Our successful partnerships have contributed to many **winning** award submissions: a testament to our commitment to best practice.

We also hold regular events on share plan topics that **matter to you**. This includes breakfast briefings on remuneration policy, publication of white papers, free podcast conversations, and training initiatives through industry bodies such as Tapestry to build **strength and knowledge** and help achieve better outcomes.

Want to join the conversation? There are two simple ways for you to get involved below.



Ahead is Link Group's free network for governance professionals to discover new trends and ideas, discuss industry issues and connect with like-minded people.

If you'd like to join our growing community and receive event invitations, regular news and more - please [click here](#).



Our LinkUp360 podcast series is one of the easiest ways to stay up-to-date with industry issues and much more.

[Click](#) to listen back to conversations with experts, including Link Group's very own duo Gemma Owens and share plan expert Helen Hopkins covering top tips around some of the changes coming into effect in UK share plans.





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REGISTRAR



PROXY  
SOLICITATION



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