

NEWSBRIEF

UK conferences and events

Centre / IoD conference: employee share schemes for SMEs

The Centre has renewed its partnership with the Institute of Directors and is holding an employee share schemes for SMEs conference at IoD headquarters, Pall Mall, on Thursday September 3

The event is co-promoted by Bird & Bird, David Craddock Consultancy Services, Fieldfisher, MM&K, Nabarro, Pett Franklin & Co, Primondell and the RM2 Partnership.

This full day conference - designed for owners, company directors, finance managers and HR managers - will help delegates decide whether to introduce an employee share scheme or deepen existing employee share ownership in their company.

The following speakers are confirmed: Mark Gearing, Fieldfisher; David Craddock, David Craddock Consultancy Services; David Pett and Stephen Woodhouse, Pett Franklin & Co; Nigel Mason, the RM2 Partnership; Mike Landon, MM&K; Colin Kendon, Bird & Bird; Robert Head, Pearson; Graham Muir, Nabarro; Jeremy Mindell, Primondell.

Delegate prices

Centre / IoD members: £360 + VAT

Non members: £460 + VAT

If you are a Centre member, please contact the IoD events team at events@iod.com or 0207 766 8919 to register at member prices.

Non-members and IoD members can register to attend this conference through the [IoD website](#).

Further details, including a breakdown of the presentations and speaker bios, are on the [event page](#).

Employee share schemes for SMEs

A one day conference by the Esop Centre and the IoD

Bird & Bird



DAVID CRADDOCK
CONSULTANCY SERVICES

fieldfisher



mm&k



PETT, FRANKLIN & CO. LLP

HELPING SHARE GROWTH



TAX, INCENTIVES AND
EMPLOYEE SHARE PLANS



N A B A R R O

Centre / MM&K plan issuer breakfast

The Centre's next complimentary breakfast seminar for companies with employee share plans will be hosted by MM&K on Tuesday September 22 8.30-10.30am at the City of London Club, 19 Old Broad Street, London EC2N 1DS.

With increasing pressure on costs, companies could be expected to make more use of the UK's generous tax exemptions for share plans when rewarding employees; but the number of SIP, SAYE, CSOP and EMI plans has declined in recent years. This session gives the opportunity to discuss how tax-advantaged share plans can help support a variety of HR strategies. It will include:

- lesser known changes in Finance Acts 2013, 2014 and 2015
- basing SIP free and matching share awards on performance
- using CSOP tax advantages for performance shares
- pros and cons of JSOPs and growth shares
- using the increased ISA limits

After an introduction, participants will be encouraged to discuss between themselves how tax-advantaged plans could meet their particular objectives.

Places are limited so early registration is advised. If you would like to attend this complimentary breakfast please contact Jacob Boulton - esop@esopcentre.com; 020 7239 4971. If there are any matters you would like to see covered in the next or future please contact Jacob.

Centre / STEP Guernsey seminar 2015

With 30 delegates already registered for this leading Guernsey learning and networking event, now is the time to secure your place. Join us at the annual ESOP Centre / STEP Guernsey seminar which brings together UK and Island based expert speakers to deliver a share schemes update for trustee delegates. The seminar will take place on the morning of Friday October 9 2015 at the St. Pierre Park Hotel, St. Peter Port and will run from 9am to 1.15pm.

Among the topics to be covered are: legal cases relevant to the administration of EBTs and ESOPs; current HMRC attitudes to tax mitigation using share schemes and EBTs; a UK tax update in its post-election political context.

The seminar will be prefaced by refreshments and followed by a congenial lunch.

Gavin St Pier, States of Guernsey minister for treasury & resources, will be guest of honour speaking on the issues of the moment. Gavin is a former member of the Centre's steering committee.

The following expert speakers will be presenting: Stephen Woodhouse, Pett Franklin & Co; Alison MacKrill, Carey Olsen; Jeremy Mindell, Primondell; David Craddock, David Craddock Consultancy Services; Mahesh Varia, Travers Smith.

Delegate prices

ESOP Centre/STEP members: £325

Non-Members: £450

To register to attend as a delegate please contact the Centre at esop@esopcentre.com or call on 0207 239 4971.

For further details, including updates to the speaker programme, please visit the [event page](#).

ESOP Awards dinner 2015

The Centre's fourteenth annual employee share ownership [awards dinner](#) will be held for the first time in the grand Italianate surroundings of the [Reform Club](#), Pall Mall, on Wednesday October 28.

The evening will begin with a champagne reception, followed by dinner.

The award presentations will conclude by 10:00pm to ensure that guests with travel or family commitments are able to leave in time.

Places are limited and bookings are coming in quickly.

Ticket prices

Members £185, table of ten £1700

Non members £260

To reserve your place please contact the Centre by emailing esop@esopcentre.com or calling 0207 239 4971, or complete the [Esop Awards 2015 booking form](#) and send to the Esop Centre, Phoenix Yard, 65 Kings Cross Road, London WC1X 9LW, email to esop@esopcentre.com or fax to 0808 280 1938.

A list of accepted nominations is available on the [Awards 2015](#) web page.

Sponsorship opportunities are available, please contact Jacob Boulton for information: jboulton@esopcentre.com 020 7239 4971

International conferences

Davos 2016: Jan 28 & 29

Programme planning is well under way for the Centre's 17th Global Employee Equity Forum in Davos on Thursday January 28 and Friday January 29 2016 days after the World Economic Forum.

Prospective speakers are invited to suggest slot topics, which will be relayed to the programme committee, which, to date, comprises: Mike Landon, a director of MM & K; David Pett, partner at Pett, Franklin & Co; Kevin Lim of Solium UK; Malcolm Hurlston CBE, Centre chairman and Centre international director, Fred Hackworth. Corporate members, including Western Union, intend to make topic presentations, including plan case histories.

The Centre obtained a favourable deal with the four-star Hotel Seehof in Davos Dorf, allowing us to reduce all early bird fees, most by at least £100 compared to those in force last February. Our early bird charges for the two nights half-board accommodation + conference + cocktail party package deal in the Seehof are: Speakers: practitioners £825, plan issuers £399. Delegates: plan issuers £495, member practitioners £945, non-member practitioners £1450. No VAT is charged as the event takes place outside the UK.

Centre member delegate privileges:

*Speakers may invite an issuer client to attend for the member package deal price of £399, irrespective of whether the client is a Centre member or not.

*Registered speaker or delegate service providers may invite a second person from their organisation to attend as a delegate (qualifying for the accommodation and conference package deal – see above) for the much reduced price of £550.

The Parsenn, next door to Hotel Seehof, is the largest ski area in the Davos region, offering 35 quality ski runs.

Email Fred Hackworth now at fhackworth@esopcentre.com, with copy to the Esop Centre at: esop@esopcentre.com to reserve your speaker or delegate place or to suggest topic themes for this annual share schemes brains trust. There will be an informal optional dinner for delegates in Hotel Seehof on Wednesday January 27, the night before the conference starts.

Vienna to host Centre annual conference June 2 & 3 2016

The elegant five star Steigenberger Herrenhof Hotel, in central Vienna, will host the Centre's 28th annual international share schemes conference on Thursday/Friday June 2 & 3 next year. The 100 year old Herrenhof Hotel is situated in Herrengasse, near the Kohlmarkt and Golden Quarter in the old city centre, is classified by UNESCO as a World Cultural Heritage site and is minutes walk away from major historic landmarks, such as the Hofburg Palace, Café Central, the Spanish Riding School, Sisi Museum, the state opera house, Burgtheater (the Imperial Court Theatre) and gothic St. Stephen's Cathedral. If you wish to speak in Vienna (Austrian and East European interest is expected), or attend as a delegate, please inform us by e-mail to: fhackworth@esopcentre.com with copy to esop@esopcentre.com.

Members', national and international news

Centre profile: Patrick Neave

Patrick recently left The Investment Association after a career of over 15 years and is currently an independent specialist on executive remuneration issues.

In what ways does employee share ownership serve a useful purpose?

It helps employees to feel they have a sense of purpose at their place of work and to be motivated to succeed. In short, it provides an ownership factor that employees are committed to an enterprise and feel loyal to it.

How can we widen and deepen the adoption and use of employee share ownership?

Effective political lobbying is a key to securing improved tax incentives. It is essential to be able to communicate the benefits of employee share ownership to companies and their employees.

What is the greatest obstacle to wider and deeper employee share ownership?

Mostly it is the risk perceived by employees to invest in shares. There is a need to communicate the merits of long term share ownership, particularly in sectors that are cyclical and/or volatile.

What has been the most important development in employee share ownership during your career?

My career, both at the ABI and The Investment Association, has focused on executive remuneration. In terms of broad-based employee share ownership I think the most important development has been institutional shareholder support provided through The Investment Association's guidelines –The Principles of Remuneration.

Which change to employee share plans legislation, in the UK or elsewhere, would you most like to see?

I think further encouragement from the Chancellor through broader tax thresholds would be welcomed.

What has been the most significant development in executive reward during your career?

The central theme of 'pay for performance' is to combine an alignment between executive pay and shareholders' interests. Clearly, over time certain aspects of long-term incentive plans (LTIPs) have not worked as well as they should. In particular, the significant growth of executive pay in relation to pay generally for the rest of the population has been a major concern and this growth in inequality could be considered an unintended consequence of 'pay for performance'.

Which changes to executive reward legislation have been most significant in recent years, and which change would you most like to see?

The move introduced in 2002 requiring the Directors' Remuneration Report to be included as a part of the Annual Report. Then in 2013, the number of changes introduced to bring greater transparency to executive remuneration and to give more control to shareholders with the binding vote. It remains to be seen whether this latest legislation is successful in curbing the ever increasing complexity and rise in executive pay.

I think the time has come to revisit the position of 'best practice' on executive pay, whether the process can be made simpler and which does not encourage pay 'ratcheting'. Of course, where higher rewards are awarded, these must be subject to a higher performance attainment.

I also think there should be more questioning on the value of an executive's worth. In terms of other changes I would welcome longer periods for executives holding shares in their companies.

Which aspect of the ESOP Centre would you most like to change?

The ESOP Centre is clear in what it represents, and has been successful in growing its membership. I would not want to suggest any further changes.

Which book has most changed your life?

Great Expectations by Charles Dickens – certainly an influence when I was a teenager.

Which living person would you most like to meet?

The Queen – Otherwise, any person for whom I have a great admiration.

Do you have a favourite sport?

Table tennis played at home!

How do you relax?

Gardening at home or painting and drawing all seem an ideal way to relax.

If you would like to suggest a profile for newsbrief please **contact Jacob Boulton**: jboulton@esopcentre.com; 020 7239 4971.

Executive remuneration reports: expected and surprising trends

Now that the vast majority of FTSE 100 companies have published their 2015 remuneration reports, it's evident that parts of conventional wisdom are being challenged. Although the expected addition or extension of LTIP holding periods has been borne out. Read Towers Watson's analysis [here](#).

Employee share ownership clusters

US ESOPs are found in geographical clusters and the question is why. In this [article](#) for the Beyster Institute, University of California San Diego, Anthony Mathews argues that it's a product of local ESOP support centres.

Benefits of SAYE schemes featured in The FT

Taking the recent EasyJet SAYE payout as a cue the FT published an [article](#) answering some of the common questions employees have when considering whether to participate.

New government consultations: tackling offshore tax evasion

The government has published [four new consultations](#) on tackling offshore tax evasion, they are open for comment until October 8. You can read a brief summary of the proposal each consultation contains [here](#).

US ceo pay ratio rule

The US securities and exchange commission (SEC) has [adopted a rule](#) demanding companies disclose the ratio of their ceos' pay to the median pay of employees.

OECD guidance on implementing the global Standard for automatic exchange of financial account information

The OECD has released [three new reports](#) to help jurisdictions and financial institutions to implement the global standard for automatic exchange of financial account information, designed to tackle offshore tax evasion. So far over 90 jurisdictions have committed to implement the standard. The Centre is your channel to OECD as a member of the Business Advisory Group.

ESOP tax breaks more than pay for themselves

Corey Rosen, for the US based National Centre for Employee Ownership (NCEO), [writes](#) that employees who own shares in the company they work are far less likely to lose their jobs than non-employee-owners. Given how expensive unemployment is to the federal government, he estimates that the tax costs of ESOPs are returned many times over.

New Zealand tax changes affect employee share schemes

Changes to New Zealand tax legislation will affect the way share benefits are taxed under employee share schemes. [This EY update](#) details the changes and their effect on employers and employees.

£256m share scheme payout at BT

With the maturity of a three and a five year SAYE plan at BT, 23,000 employees are to receive £256m between them. Those that saved the average monthly contribution of £47 in the five year plan stand to gain over £10,000, the average gain in the three year plan is likely to be around £4400. Those that saved the maximum of £250 a month through the five year plan stand to gain around £54,000, and £13,000 through the three year plan.

Gavin Patterson, chief executive of BT, said: "BT was facing tough times five years ago and this was reflected in the share price. We're in a much stronger place today and I would like to thank our people for the major part they've played in the turnaround over the past five years."

Deloitte annual remuneration strategy conference

The Deloitte annual remunerations strategy [conference](#) will be held on Monday October 12 at its 2 New Street Square office.

Pinsent Masons share plans roadshow

The Pinsent Masons [share plans roadshow](#) will be held in four cities in England during September.

Appleby offshore litigation symposium

Appleby's annual offshore litigation symposium will be held on Thursday November 19 at The Brewery, London. They will be discussing options for litigators when dealing with directors' duty and shareholder rights disputes in offshore companies. Full details are to be announced soon.

Sponsor the Centre's website

The Centre is offering three website sponsorship packages at various price levels, duration and prominence. See how your corporate banner would be positioned [here](#). Contact Jacob Boulton to request more information about the web sponsorship packages: esop@esopcentre.com; 020 7239 4971.

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