



newspad AWARDS 2022 LAUNCH

Submissions are now open for the 2022 *newspad* all-employee share plan awards. Has your company or client made a notable contribution to employee share ownership, issued an inspirational share plan, or showed excellence in its communication and presentation; been creative in using share plans to overcome significant changes or challenging situations, increasing participation or using technology; or maybe its chairman, ceo, or share plan team leader has upped the game with enthusiasm for employee share ownership? Then why not tell the world about it?

The *newspad* awards recognise the achievements of companies which offer employee share plans and hold up best practice models for other companies to follow and the awards present a great opportunity to celebrate your company or clients' achievements.

Companies can nominate themselves or advisers can make submissions on behalf of clients. Entrants can apply for awards in more than one category. **Submitting nominations** is free and simple. Required information kept to a minimum. The deadline for all nominations is **17:00 on Friday 16 December 2022**.

The award categories this year are:

1. **Best all-employee share plan in a large company** (more than 2,500 employees)
2. **Best all-employee share plan in a mid range company** (500-2500 employees)
3. **Best all-employee share plan in an SME** (fewer than 500 employees)
4. **Best executive/managerial equity reward plan** (involving more than 100 employees)

5. **Best share plan communications**
6. **Best use of technology, AI or behavioural science**
7. **Best share plan response to significant changes or challenging situations**
8. **Best employee share plan team leader**
9. **Outstanding company leader**

Category descriptions and rules of entry can be viewed on the Awards 2022 webpage: <https://esopcentre.com/about/awards/>

Application process: To submit an application for the *newspad* all-employee share plan awards, please complete both of the following stages:

Online application form - complete all sections of the **online form**, providing as much detail as possible. (Alternatively, entries can be made by one or two explanatory documents)

Supporting documentation - where appropriate, please back up your application with supporting documentation. Either upload the files at the end of the form, or email them to esop@esopcentre.com.

The winners will be decided by two impartial judges, experts in the use of employee equities, plus Malcolm Hurlston CBE, founder of the Esop Centre. The finalists will be announced in *newspad* and award certificates will be presented during the Centre's British Isles Symposium 2023. If you have any questions, please contact us at esop@esopcentre.com or call +44 (0) 20 7562 0586.

We look forward to receiving your nominations.

ESOP CENTRE WEBINARS

International share schemes - Exporting the vision-Tuesday, October 25 at 16:00

Globalisation has meant that many businesses now operate on a truly international scale, but how can they keep corporate identity and cohesion in the midst of so great a variety of cultural, financial and legal complexities?

In this 45 minute webinar, share schemes expert David Craddock will examine the challenges of international share schemes, including language, legislation, currency and technology; and how employee share schemes can promote inclusivity and act as 'corporate glue', holding together the various subsidiaries into a global whole, and the role of an international employee share trust. **Registration is open** .

Here is our library of broadcasts: **Esop Sofa: Hot Topics In Employee Share Ownership – Newspad Review V ;Share Schemes And The Impact Of Inflation; The Future of Gig Working As A Dynamic Economic Alternative; The Employee Voice: Share Plan Votes ; Esop Sofa: Hot Topics In Employee Share Ownership – Newspad Review IV; Innovative Tax Techniques For Employee Share Schemes; Share Schemes For Non-Employees & The Gig Economy; Esop Sofa: Hot Topics In Employee Share Ownership; Building Back Better With Your Employees Through Shared Ownership ; EOTs: The Credible Alternative To Succession; The Role of Employee Share Schemes In Achieving The UN Sustainable Development Goals ; Esop Sofa: Hot Topics In Employee Share Ownership - Newspad Review ; Beyond Brexit: EU-UK Social Security Contribution Rules; Esop Sofa: Hot Topics – newspad Review; The Share Valuation Worked Examples Group In The Changing Valuation Landscape ; Looking Ahead To 2021: Moving Beyond Brexit In Financial Services Regulation; Insights Into**

Share Valuation for Employee Share Schemes: Revealed Through Dynamic Case Studies; Lessons From Lockdown: Re-Assessing How You Manage Share Plans In A Digital Way; Employee Share Schemes: Innovative Communication Strategies Guaranteed To Increase Employee Take-Up ; Selling Your Company To An EOT - How It Differs From An MBO; Institutional Investors' Views On The Use Of Share Plans; Esop Sofa – Hot Topics; Employment-Related Securities: The Complexity Unravelling Into Practical Application; Employee Ownership & The Future Of Capitalism; Could Equity Be Used To Replace A Portion Of An Employee's Salary?; The Case For Employee Share Ownership: The Heart Of The Matter Revealed; Esop Sofa Lockdown Stories; Share Valuation: The Wisdom On Price-Setting For Your Employee Share Schemes; Tools Of Engagement: The Power Of All-Employee Plans; Awarding Shares To Employees In A Covid-19 World; The Employee Share Trust: Establishing A Dynamic Market For Your Employee Share Schemes; How To Ensure All-Employee Share Plans Remain Relevant; Esop Sofa - What Are Today's Big Employee Share Ownership Questions?; Enterprise Management Incentives (EMIs) – Powerful Lessons From Five Practical Case Studies; Enterprise Management Incentives (EMIs) – Igniting Your Business By Sharing Success; Esop's Tales: The Foundation Of The Esop Centre.

Broadening horizons, Z/Yen Group is hosting a range of webinars over the coming weeks. For a full listing of Z/Yen, Long Finance, FS Club, and Esop Centre webinars look here - <https://fsclub.zyen.com/events/webinars/> - or sign up for mailings - <https://fsclub.zyen.com/#Subscribe>

CENTRE & MEMBERS' NEWS

Check SAYE scheme rules with bonus rates increase ahead, warn lawyers

Pinsent Masons' Lynette Jacobs and James Sullivan Tailyour tell *HRNews* why employers operating SAYE should prepare for potential increase in bonus rates.

If you are one the many employers with a Save-as-you-Earn scheme then prepare for an increase in bonus rates. That's because the Revenue is considering changes to the way the rates are calculated. They're reviewing the methodology used to calculate the bonus rate which applies to savings contracts under SAYE schemes which they say is too complex – they want to simplify it.

RM2 Welcomes Seb Salt

Seb Salt has joined RM2's employee share schemes team, as a senior consultant, bringing with him knowledge gained at Deloitte and Wright Hassall.

John Dormer, share incentives director commented: "I'm very much looking forward to working with Seb again as part of our growing employee incentives team."

Abiss Cadres: OTS launches review of hybrid and distance working

Employment law partner, Warren Wayne, was quoted in *LawNews.co.uk*, on the consultation currently being run by the Office of Tax Simplification (OTS):

The rise in remote working following the global Covid pandemic prompted the OTS to launch a review of hybrid and distance working and the tax implications for workers and employers when this takes place across borders.

The results of this consultation, which the OTS is expecting to publish in early 2023, could ignite major changes to remote

working models, where employees decide to work and how employers handle these requests.

Germany - mobile working, home office, or teleworking, are they under the same regulations?

To manage the risk exposure for employers, attention to the detail is crucial when deciding the correct terms to use in agreements for remote working in Germany.

Celia Alliance news explains that, although these terms are often used as synonyms, under German law they may have different legal consequences, especially for employers.

Only the term 'telework' is defined by law. Pursuant to section 2.7.2 of the German Workplace Regulation (ArbStättV), tele-workstations are Display Screen Equipment workstations installed permanently by the employer to the employee's private sphere. The employer has stipulated weekly working hours – agreed with the employee – for the duration of the installation.

In contrast, the much more frequently used terms 'home office' and 'mobile working' are not regulated by law. In practice, mobile working is regularly referred to when the employer instructs the employee to temporarily carry out their work at a location outside the workplace using mobile work equipment.

Tax takes its place in ESG

Macfarlanes' Lucy Urwin was quoted in Private Funds CFO's recent piece on how tax has settled as a core component of ESG, "arguably still an area in flux, but one in which there can be real consequences of falling short."

Tax associate Lucy, who was part of the Esop Centre symposium panel debate on *the new executive remuneration landscape* earlier this year, said “tax transgressions (however these are defined) can have real reputational consequences. The rise of ESG as a mainstream topic has been a catalyst here, with the ‘G’ attracting an enhanced focus on businesses’ decision making, risk management and systems and delivery – including on tax.”

Ogier: The offence of failing to prevent money laundering

Jersey has introduced, with effect from June 24 2022, a new offence under Article 35A of the Proceeds of Crime (Jersey) Law 1999 - failing to prevent money laundering. From that date, if a business is connected to certain persons who are engaged in money laundering, the business is itself at risk of committing a criminal offence unless it can demonstrate that its AML policies and procedures (both on paper and in practice) were nonetheless fit for purpose.

In the [linked briefing](#), counsel [Daniel Maine suggests](#) a few practical tips for businesses wanting to minimise the risk.

Fieldfisher: Joanna Hunt gives evidence to HoL Science and Technology Committee

Fieldfisher’s head of immigration, gave evidence to the House of Lords’ Science and Technology Committee’s “people and skills” inquiry on UK Science, Technology, Engineering, and Mathematics (STEM), [on Tuesday, September 6](#).

Speaking on how the UK can attract the talented individuals that the economy needs, she said:

"I would urge the government to look again at introducing a pure points-based visa or possibly extending out the High Potential

Individual Route which was launched in May... I think if the government looked again at that visa, (and there has been talk that it will do that) and broaden that out, more applicants can apply."

JTC: ESG, the SEC, and a war on greenwashing in 2022

That environmental, social and governance (ESG) investing is on the rise is nothing new, but investors and regulators are becoming more fastidious and diligent when scrutinising ESG claims made by asset managers.

Experts discussed some of the main trends underway in the world of ESG during INDOS Financial, a [JTC Group company roundtable](#).

While the European Union is in the process of developing a taxonomy detailing what it believes are sustainable economic activities, something regulators hope will help investors and managers benchmark ESG properly, the US is finally playing catch-up, having been sat on the side-lines for some time now.

“ESG is pretty mainstream across the board and the US Securities and Exchange Commission (SEC) is taking quite an aggressive stance on greenwashing, or mislabelling by asset managers,” according to Jon Masters, head of business development at JTC.

KKR interview

KKR’s Philipp Freise was interviewed by Simon Brewer on *The Money Maze Podcast*, covering everything from the case for investing in Europe, KKR’s growth and thematic focus, his own education choices and career journey, as well as a few personal reading and opera recommendations. [Listen to the final episode of the show’s private equity series](#).

Can employee ownership help save capitalism from itself?

NCEO founder Corey Rosen, writing for *CounterPunch*, **presented a case study** of a US restaurant chain that is 100 percent owned by its almost 1,000 employees through an Employee Stock Ownership Plan, an employee benefit plan paid for by the company. Its Esop started in 2000, with the employees accumulating more ownership over time, where many ordinary employees have left with seven figure cheques for their ownership.

He said “if we want to reform capitalism to make it safe for democracy and better for workers, we need to think about how the structure of ownership can be reformed. In the last five decades, real wages have been stagnant, but returns to capital investment, adjusted for inflation, have gone up over eight percent per year. Depending on the survey, about half the population says it cannot put its hands on \$400 or \$1,000 in an emergency. Fifty percent of the private sector workforce has no retirement plan at all, and those who do have plans too often have too little to be economically secure. The numbers for people of colour and single women are even worse.”

Congratulations!

ZEDRA Guernsey's Rebecca Avery has been nominated as Trustee of the Year: Manager, at the Citywealth Future Leaders Awards 2022.

The **awards shortlist** is available to view and an online vote is open for peers and clients. Voting closes on September 30.

MEMBERS' EVENTS

Cytec Solutions is hosting two Insidertrack User Academy Session webinars on September 27 & 29. The 'Insidertrack Pro' session will focus on projects, people and the message queue.

New User Webinar — 16:00(BST) September 27 2022.

Pro Webinar — 16:00(BST) September 29 2022.

Baker McKenzie video chat: Industrial action webinar miniseries - Contingency planning

Baker McKenzie London Employment has published the **third and final episode of its Industrial Action webinar miniseries**. In episode one the team looked at the industrial action legal process and in episode two assessed what organisations need to do when they receive a ballot notice. Episode three completes the industrial action timeline by exploring contingency plan methods for periods of industrial action, analysing what businesses should do once industrial action is happening or due to happen.

UK NEWS

Prompt payment an economic necessity, says Small Business Commissioner

Paying suppliers quickly could help **stem the flow of small business failures** as the crisis reaches a critical juncture, Liz Barclay warns.

WORLD NEWS

Australia: Employee share scheme paves way for Wayward IPO

The Wayward Brewing Co has launched a new ownership model which will give **employees shares in the business** with a view to an eventual IPO.

Wayward's employee share ownership plan means that four percent of the business has been offered to employees as share options, with additional share options available each year dependent on company performance.

"It's about giving everybody a chance to share in the success," explained founder Peter Philip. "We have always felt [and] we've always behaved like we're an employee-owned organisation. And I think everybody's had that mindset of contributing for the good of the company, but we just want to ensure that everybody can share in the success."

Other breweries globally have invested in employee ownership schemes, including New Belgium Brewing, which subsequently became the target of a high-profile buyout from Kirin-owned Lion.

France: New Esops announced:

► AXA reveals 2022 employee share offering

AXA Group has **launched its annual employee share offering**, "Shareplan," which enables employees in and outside France to subscribe to its shares.

Shareplan 2022 will take place in 37 countries and involve over 112,000 employees who may participate in a classic offer and a "guarantee plus offer."

AXA ceo Thomas Buberl commented: "Shareplan offers employees around the world the opportunity to invest in AXA shares at preferential conditions. This operation has been successfully carried out every year without interruption since 1993. Anchored in AXA's culture, this programme

meets our employees' aspiration to be closely associated with the company's strategic choices."

► Elis announces a 2022 "Elis for all" employee share ownership plan

The Elis management board, as authorised by the supervisory board, decided on July 28 2022 to **increase the company's share capital through two issuances of shares**, with no preferential subscription rights. The first issuance is reserved for employees participating in the Elis Group Savings Plan and the second to employees of Elis' foreign subsidiaries.

► Michelin: Launch of a new global Esop: BIB'Action 2022

On September 12 **Compagnie Générale des Établissements Michelin** announced the launch of its new employee share ownership plan, open to 120,000 employees in 46 countries. In the spirit of the plans carried out since 2002 and the February announcement that such plans would be rolled out every year, this latest initiative illustrates Michelin's determination to have its employees collectively rank among its main shareholders.

► Veolia Environnement launches a new employee stock ownership plan

Veolia Environnement **announced the launch of a new employee shareholding operation** on September 9. This operation, offered to approximately 180,000 Group employees, aims to involve them in Veolia's development and performance. The settlement and delivery of the new shares to be issued is expected to take place on December 14 2022.

► Rémy Cointreau expands Esop to employees outside France

Following the successful 2021 launch of its employee share ownership plan in France, Rémy Cointreau has announced its **first capital increase for international staff**.

Saudi Arabia: Income from SME financing drives revenue growth of 27.3% to SAR 77.4 million

Morabaha Marina Financing Company, Saudi Arabia's leading independent non-bank SME and consumer financing company, announced on September 12, its 1H 2022 results for the financial period ending 30 June 2022.

In the first half of 2022, Morabaha Marina increased its share capital from SAR311m to SAR500m through a combination of a shareholder capital injection through a SAR144.6m rights issue, and capitalisation of retained earnings. The rights issue was 133 percent oversubscribed, with 91 shareholders participating. Ten percent of the raised capital will be held in the form of treasury shares **for future allocation to an employee share plan**.

South Africa: Heineken gains approval to buy Distell

Last November, brewing giant Heineken agreed to buy a 65 percent stake in South African drinks group Distell for €2.2bn (US\$2.5bn), excluding the Scotch whisky business.

Heineken agreed to purchase Distell's flavoured alcohol beverages, and wine and spirits operations, with the exception of certain spirit brands, as well as Namibian Breweries.

South Africa's competition regulator has now recommended that the Competition Tribunal approve the merger, subject to conditions, including:

- ◆ The merged group must agree to invest more than R10bn rand (US\$585.2m) over a five-year period to maintain and grow the production capacity of its operations and related facilities in South Africa.

- ◆ In a highly unusual move, the competition regulator is specifying that it **must implement an employee share ownership scheme**, as well as establish a R400m rand (US\$23.4m) supplier development fund, and donate R200m (US\$11.7m) to promote local initiatives in the country.

East Asia: How effective is equity compensation in keeping talent?

With new and burgeoning enterprises waging war over attracting and keeping talent, **granting shares to their most formidable knights in exchange for loyalty** is ever more popular. Writing in *Asia Business Law Journal*, Putro Harnowo lends clarity to the myths and misconceptions.

"As the startup ecosystem in Asia matures, companies need high-quality talent to accelerate growth, but find their limited funding is only adequate to scale up operations, leaving fewer resources to hire and retain workers. This makes feasible a benefit plan that gives employees the right to purchase the company's shares at a predefined or discounted price, called the employee stock ownership plan.

"Stock ownership has become a staple offering in developed economies and resulted in employees' sudden wealth. When South Korean vaccine developer SK Bioscience went public on the local stock market last year, the company not only raised USD1.3bn but also brought a fortune of KRW949.7m (USD750,000) in share valuation for each employee invested in the Esop, according to the local Maeil Business Newspaper."

USA: Communities benefit when employee-owned companies make them their homes

One of the key impacts of the pandemic and the societal events of the past two years has been the rise of purpose-led companies.

The keynote address at the recent 2022 National Center for Employee Ownership (NCEO) convention centred on how **employee-owners work for the shared success** and the good of their local communities.

USA: 3rd Circuit backs J&J in stock-drop appeal

A new order emphasises that a stock-drop plaintiff must do more than allege a general economic theory of why earlier disclosure of a financial issue would have been preferable.

The 3rd US Circuit Court of Appeals has issued a new ruling in an Employee Retirement Income Security Act stock-drop lawsuit targeting Johnson & Johnson, affirming the dismissal of the lawsuit as ordered by a district court in May 2020.

The controversy at the heart of the litigation is related to allegations that J&J concealed that its baby powder was contaminated with asbestos and the impact of these allegations on the company's stock price.

As the appellate ruling recounts, J&J offers an employee stock ownership plan as an investment option within its retirement savings programme for employees. The **Esop invests solely in J&J stock**, which declined in price following news reports that accused J&J of concealing the

contamination of its baby powder. J&J has denied that its product was contaminated and that it had concealed anything about the product, but the company has been embroiled in various lawsuits and investigations into the matter.

USA: The new one-percent excise tax on stock repurchases

The "Inflation Reduction Act", which was signed into law by President Biden on August 16 2022, adds a new Section 4501 that, subject to certain exceptions, **imposes a one-percent non-deductible excise tax** on the fair market value of stock repurchases undertaken by US public companies (or by certain of their affiliates) beginning on January 1 2023. The tax may also apply to stock repurchases undertaken by certain US affiliates of non-US public companies or by non-US public companies that were involved in an expatriation (or so-called "inversion") transaction covered by Section 7874.

EOT ROUND-UP

- ◆ Coach and bus operator **Shuttle Buses**.
- ◆ Security and cleaning company **Britsafe**.
- ◆ Environmental consultancy **HED**.
- ◆ **Turnaround Publisher Services**.
- ◆ Marketing consultancy **Eyeful Presentations**.



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ABOUT NEWSBRIEF

newsbrief is the Employee Share Ownership Centre's members-only mid-month publication.

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