



Esop Centre high table dinner debate– October 22

The Centre is delighted that the Right Honourable John Glen MP, co-chair of the All Party Parliamentary Group on Financial Education for Young People, is able to join us for a high table in the City of London on Thursday, October 22 2026.

John's work with the APPG aligns closely with the Centre's lobbying for UK participation in the OECD PISA Financial Literacy study, and the government's commitment to strengthening financial learning through the curriculum, including reinforcing financial literacy provision at secondary level.

When in government John served as Paymaster General and Minister for the Cabinet Office, and is currently a member of the Treasury Committee and the Public Accounts Commission. As well as co-chairing of the APPG on Financial Education for Young People, he is an officer of the APPG on Debt and Financial Inclusion.



The Rt Hon John Glen MP



The members only event will be hosted by Prof Michael Mainelli, Alderman of the City of London and take place at the Guildhall in the Aldermen's dining room, starting with a welcome glass at 18:30, sitting down at 19:00, finish at 21:30. Places are limited at Centre high table dinners to ensure everyone has a chance to talk with our guest of honour.

Tickets are £150 + VAT each.

If you would like to take this opportunity to chat with Mr Glen over a sumptuous meal in the beautiful surroundings of the Guildhall please register your interest by email to events@esopcentre.com soon as possible, as space is limited.

CENTRE AND MEMBERS NEWS

ARIES: Assisting the Realisation of Incentives and Employee Shares

Private companies are staying private for longer. That can leave employee shareholders with real value on paper, but no clear route to liquidity before an exit or IPO. An employee benefit trust can be a very useful tool in solving that problem.

Fiduchi's Tom Hicks been looking at how existing EBT mechanics can be used to support controlled liquidity opportunities for employees in private companies.

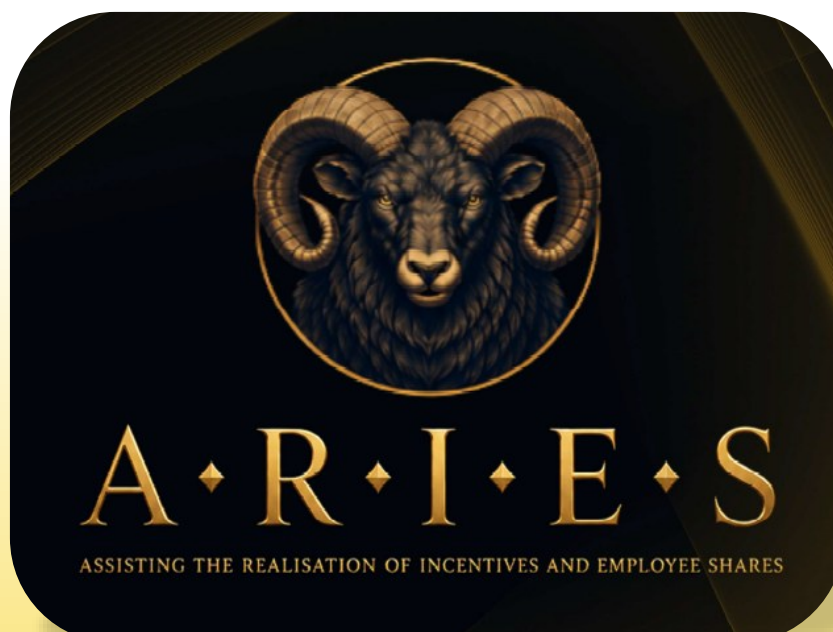
The concept, which he is calling *ARIES: Assisting the Realisation of Incentives and Employee Shares*, is not a new law or a new market. It is a practical application of existing trust, valuation and administration tools to help private companies create structured liquidity opportunities for employee shareholders.

Where properly structured, an EBT can do more than hold shares for employee incentives. It can act as a flexible liquidity hub, acquiring shares from employees or former employees and, where appropriate, holding, recycling or selling those shares to an existing investor, incoming investor, founder, company or other approved party.

That flexibility can help companies manage:

- employee liquidity
- future incentive funding
- nominee arrangements
- confidentiality
- cap table control
- multiple share classes

The aim is simple: help private companies unlock employee liquidity without losing control of the cap table, the process or the future value story.

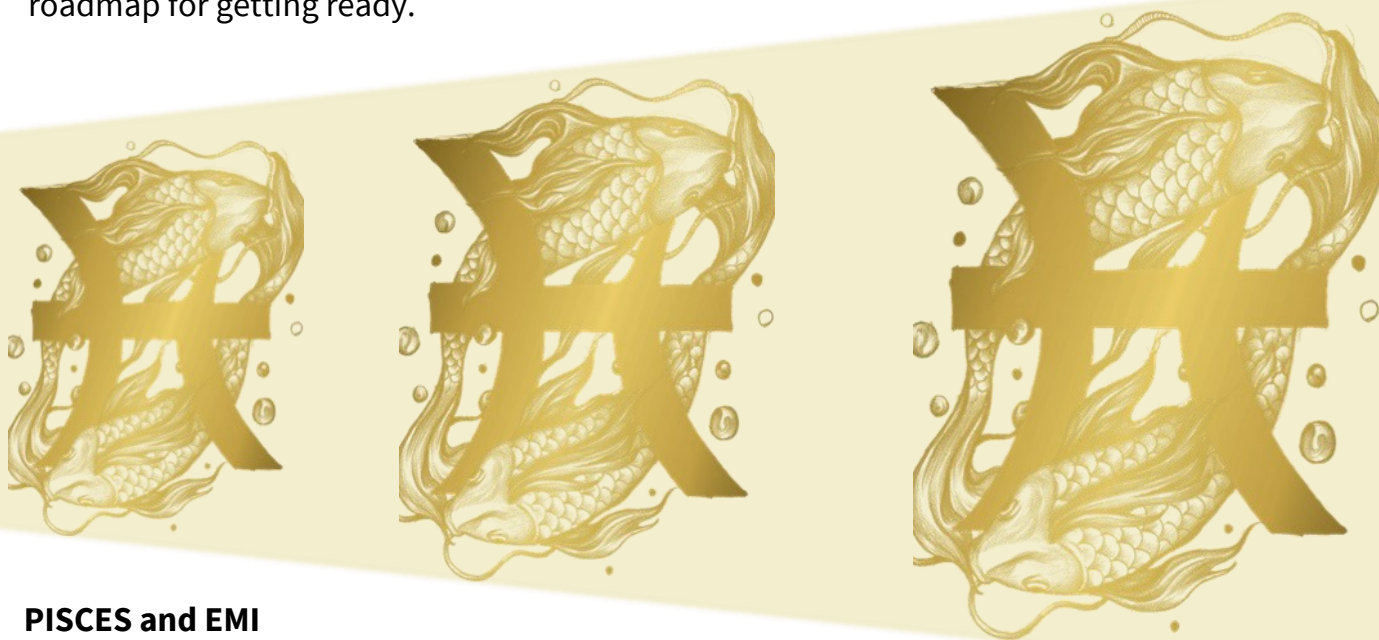




PISCES guide

Liquidity for private company shareholders used to mean one thing: wait. That's changing now that PISCES lets shareholders in private UK companies buy and sell shares during scheduled trading windows, without the company needing to go public or get acquired.

Vestd has put together a practical **guide covering what PISCES is**, how its model works without CREST or intermediaries, real use cases (employee liquidity, investor partial exits, pre-IPO prep), and a 90-day roadmap for getting ready.



PISCES and EMI

In a recent post, **CMS** partner Cathy Wears wrote “Many private companies have historic EMI option grants sitting quietly in the background gaining value and dating back to a time when everybody assumed there would be a straightforward exit event just around the corner. As we all know, things don’t always work out that neatly.”

“Historically, EMI rules could make it difficult to facilitate exercise and sale outside a traditional exit without risking the tax advantages that made EMI so attractive in the first place. The government has opened the door for companies to amend EMI options to allow participation in PISCES trading arrangements without jeopardising EMI status.”

“For me, that’s one of the most interesting opportunities arising from the PISCES reforms and importantly it’s a one time limited time deal. Even if you’re not actively considering a secondary today, why not review legacy EMI plans now?

“Those EMI options gathering dust at the back of the cupboard may be sitting on real value.”

Colleague Andy Quayle agreed, “PISCES offers a great opportunity for companies to help their employees unlock some of the value from their equity awards, especially where a full **exit event may be some years away.**”



Tax valuations on shares – 10 years of challenging art and science

Stuart James, partner at **MM&K** noted that March 2026 marked the tenth anniversary of HMRC withdrawing the facility for UK businesses to submit a Post Transaction Valuation Check (PTVC) in respect of the issuing of shares (including transactions involving employees).

While the ability to make a submission in respect of qualifying “tax approved” option/share plans has thankfully been retained by HMRC (including the ability to request a pre-transaction valuation), the issue of trying to establish the tax value of shares in a private company was **pushed firmly to companies and their advisers.**

Observed in the market over the last ten years:

1. *Shares are not options but option valuation modelling has taken hold.* Ten years ago, shares which contained performance conditions (typically dubbed Growth Shares) would have had low upfront cost – as it was considered that the future growth or “hope” was already priced into the current market value of the existing share classes.

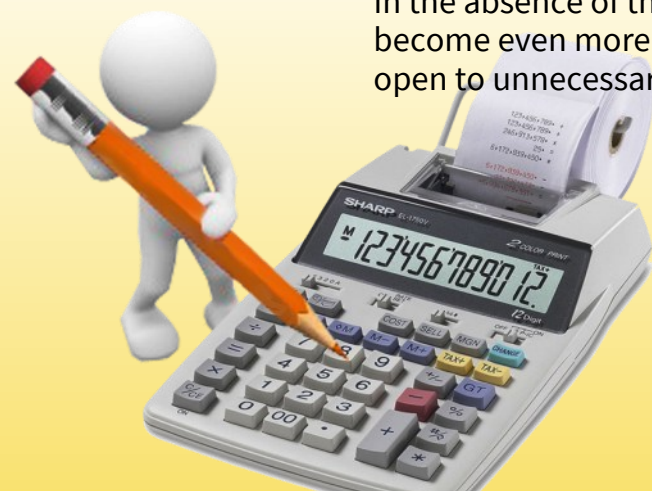
However, during the last decade, the idea has developed that no share could be bought for a “peppercorn” amount as anyone buying a share must think there is a possibility of valuing accruing. Accordingly, putting aside the slightly circular thinking involved, the solution many valuers have come to is to use option modelling to establish the value of the share.

2. *Valuations have become more conservative, despite performance conditions not objectively getting any easier.* It is not quite clear if it is causation or correlation, but the increased “mood music” around financial reporting in the UK (in particular audits and valuation) seems to be occurring alongside valuations which are uncommercial for many private companies (particularly start-up and scaling businesses).

While valuations should always be robust and based on established practices and techniques, there is also a responsibility to produce valuations which are accurate and reflect the commercial reality for many growing businesses.

3. *Getting an independent valuation matters even more.* The UK growth agenda relies upon a steady stream of businesses being grown for sale or IPO. These transactions are coming under scrutiny from more sophisticated due diligence practices. Having the perceived certainty of an agreed PTVC made this part of the transaction process much easier for employee shareholders.

In the absence of this, having an independent third party valuation has become even more crucial to make sure that the employee vendors are not open to unnecessary guarantees and warranties (or even price chips).





The wealth that share plans should create

According to Nigel Watson of **Burgess Salmon**, wealth creation can sound faintly embarrassing, almost a dirty expression.

The Labour government continues to face pressure to shift more of the tax burden from work towards assets and accumulated wealth, even though a comprehensive wealth tax is not currently government policy. In France, debate continues over the proposed “Zucman tax”, under which households worth more than €100m would pay taxes amounting to at least two percent of their net wealth each year.

Others are pushing back. Economist Gerard Lyons argues that wealth taxes are not a simple answer to Britain’s fiscal pressures. Much of the wealth they reach may be tied up in businesses and other productive assets, while a liability detached from cash flow may force an owner to borrow or sell simply to pay it. He also argues that such taxes may discourage investment, change behaviour and raise less than their supporters expect.

The argument about how wealth should be taxed is important. But supporters and critics generally enter at the same point: after the wealth has already been created, should it be taxed, transferred, protected, or left alone?

There is an earlier question which receives much less attention: who was given the opportunity **to participate while it was being created?**

Implementing the Employee Rights Act

The most significant overhaul of employment law in England, Scotland and Wales in a generation has now been enacted, with the Employment Rights Bill becoming law as the Employment Rights Act (ERA).

The legislation was one of the central pillars of the Labour government’s 2024 election manifesto and will make significant changes to laws governing pay; flexible working and employee rights, including rights to sick pay; and protection against unfair dismissal. Other reforms will impact how employers manage industrial relations; address the gender pay gap; support employees through the menopause; and protect against the risk of sexual harassment. The changes, which will be implemented in phases over 2026 and 2027, will require employers to update their employment contracts, policies and practices.

A separate package of employment law reforms is planned in Northern Ireland.

Pinsent Masons **picked out the most notable forthcoming dates** confirmed, including:

- ⇒ Employment tribunal time limits will increase from three to six months from October 1 2026, with Scottish breach of contract claims following on November 9 2026
- ⇒ Major trade union reforms, including strengthened union access rights and further union recognition reforms will take effect on October 30 2026
- ⇒ Workplace harassment reforms will take effect on October 30 2026. These include the new duty on employers to take “all reasonable steps” to prevent sexual harassment”.



Ensuring director remuneration policies align with company share plan rules

Pinsent Masons' Ian Shaw and James Sullivan-Tailyour suggest that UK quoted companies looking to refresh their directors' remuneration policy can use the opportunity to take stock of their remuneration arrangements more generally.

The requirement to put a directors' remuneration policy to shareholders recurs at least every three years. While attention is naturally mostly focused on the strategic changes that will be implemented via the new DRP, it is important for companies to make sure that they are taking a joined-up approach and that any changes made at the DRP level flow through to the implementation of their wider remuneration arrangements. Principally this can mean ensuring that any changes are reflected in the rules of any of the company's **annual bonus plans and share plans**.



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Private equity profits shared with employees

KKR has shared part of the proceeds from the sale of Integrated Specialty Coverages (ISC) with employees as part of its initiative to broaden ownership and distribute private equity gains among workers at portfolio companies. Justin Berk, a product manager who had worked at ISC for 12 years and experienced two previous company sales without receiving a financial benefit, received a cash bonus equivalent to 30 months of his salary when KKR sold the insurance technology business to Onex Partners. The payment illustrates KKR's approach to giving employees a direct financial stake in successful exits, rather than limiting the benefits of private equity ownership to investors and senior executives. The initiative forms part of a broader effort by KKR to extend equity participation throughout its portfolio companies, so employees can build meaningful wealth when businesses they work for are sold or perform strongly. For workers such as Berk, the arrangement represents a significant change from the traditional experience of being informed about a transaction without **sharing in its benefits**.



Workers turning to unregulated pension support put retirement at risk

UK employees are seeking support with their pensions, but many are turning to informal or unregulated sources, while others are not taking any action at all, according to **research from WEALTH at work**.

The study of 2,000 UK workers who have a defined contribution pension found that more than 14 percent of employees have not sought any pensions guidance at all. Among those who have, 28 percent rely on informal input from friends, family or colleagues, AI tools or online forums, rather than trusted or regulated sources. Nearly 23 percent of employees would welcome financial education and one-to-one guidance from their employer, while almost 30 percent feel unsupported in their workplace.

This comes as the Pension Schemes Act, introduced in April 2026, increases attention on how people are supported in accessing their pension savings. It reflects a broader shift towards improving retirement outcomes and the quality of support available.

According to WEALTH at work director Jonathan Watts-Lay: “Employees clearly want more help with their pensions, but many are not accessing reputable sources. There are significant risks if important decisions are based on informal or unverified information found online - particularly given the recent rise of ‘influencers’.

“As unregulated sources become more prominent, it’s increasingly important that employers reinforce their role as trusted sources of support, helping employees make informed decisions about their retirement.”

Are your equity incentives competitive? The art and science of benchmarking

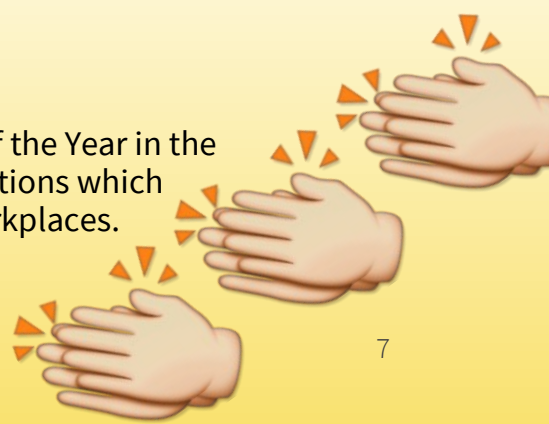
In a recent episode of **Optio**’s *Stock ‘N Roll* podcast, ceo Christoffer Herheim, sat down with equity compensation expert **Michael Sterchi** to explore the nuances of benchmarking. They discussed why it’s a critical step, what to measure, and how to navigate the complexities of data collection in a global market.

In the relentless race for top talent, a well-designed equity incentive plan can be a powerful tool. But how do you know if your plan is competitive enough to attract and retain the best people? The answer lies in benchmarking.

In the first of two podcasts on the topic, the discussion covers benchmarking in general, what it is, why you need it, what competitive equity packages look like in the market and **key differences between the US and Europe**.

Congratulations

Doyle Clayton has been shortlisted for Employment Law Firm of the Year in the **Personnel Today Awards 2026**. The shortlist recognises organisations which have demonstrated excellence in supporting employers and workplaces.





Members' Events

Q3 Moving Markets Conference – September 3, London

JP Jenkins and Ashurst Perkins Coie continue their Moving Markets series with the Q3 conference. The panellists - Ashurst Perkins Coie, Oberon, CFO Centre and JP Jenkins - will unpack the latest and most pressing developments in UK private markets, key challenges and innovation in regulatory frameworks. The discussion will include route to market, strategic financing and fundraising, full and partial sales using JP Jenkins' PISCES Market and other routes to exit events.



Q3 Moving Markets Conference: Thursday September 3 from 9:00 - 11:00 at Ashurst Perkins Coie, London. [Request to join the event.](#)

The Private Securities Market – conference September 3, London

Hot on the heels of three companies completing Private Securities Market auctions, **Deloitte** is hosting its second event on the subject from 14:00 on September 3 2026: *The Private Securities Market – practical lessons in unlocking liquidity*.

This event offers practical lessons learned from the first three deals and draws on speakers from companies which have already completed auctions, together with the London Stock Exchange, **Equiniti** and Crowdcube - with more speakers to be announced.

Speakers will aim to demystify the PISCES framework and provide a comprehensive debrief on how to unlock liquidity, including employee equity and incentives.

The event is intended for founders, private capital investors, shareholders, board members and company management teams. For more details or to register visit [Event Registration: The PSM - practical lessons in unlocking liquidity](#).





Members' Events more...

Remuneration Committee Workshop – October 7

Remuneration Committees are facing ever greater scrutiny and complexity. **MM & K's** Remuneration Committee Workshop, London on October 7 2026, offers a practical, interactive workshop designed to help current, new and aspiring Remuneration Committee chairs and members build confidence in meeting boardroom challenges.

The one day event costs £495 (inc VAT) to attend. To find out more or register visit [Remuneration Committee Workshop - October 7 2026 - MM&K](#).

Canadian employee ownership conference 2026 – October 20-22 Vancouver

Employee Ownership Canada's annual conference brings together business leaders, employee-owned companies, professional advisers and policy leaders for two and a half days. Hosted at the Pinnacle Harbourfront Hotel, it's designed for everyone interested in shaping the future of employee ownership in Canada. Details, including schedule, ticket prices and registration, can be viewed on [the event web page](#).

UK NEWS

Admiral staff to receive £1,800 in free shares

According to *Wales Online*, shares in insurance giant Admiral have leapt despite the Cardiff-based firm reporting that its profits had fallen in the first half of the year.

The car insurance to loans group, which employs more than 6,000 people in south Wales, said that its pre-tax profit dropped by 18 percent to £429.2m in the first half of the year, while turnover held steady at £3.11bn.

Over 13,000 employees will each receive [free share awards worth up to £1,800 under the employee share schemes](#).

Investors were reassured as the group cut its dividend less than had been expected and sent shares higher. The group is listed on the FTSE 100 index of the UK's largest companies and has a market capitalisation of £11.3bn following this morning's rise, making it the 46th largest company on the index.

In her statement to the stock market, Milena Mondini de Focatiis, group ceo, highlighted the success of the company's expansion beyond UK motor insurance with "continued profitable growth in our other UK personal lines and European insurance businesses, and Admiral Money".





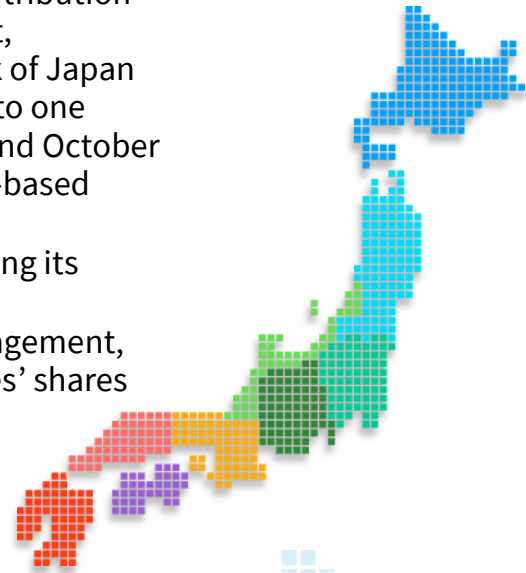
Japan

Mito Securities boosts esop with ¥800m trust top-up

Mito Securities Co has approved an additional monetary contribution of ¥800m (£3.7m) to its employee stock ownership plan trust, administered by Mizuho Trust & Banking, with Custody Bank of Japan as re-trustee. The funding will support the acquisition of up to one million shares on the exchange market between August 14 and October 22 2026, ensuring sufficient stock for future employee share-based benefits.

By reinforcing its J-ESOP framework, the company is signalling its **continued commitment to employee incentives**.

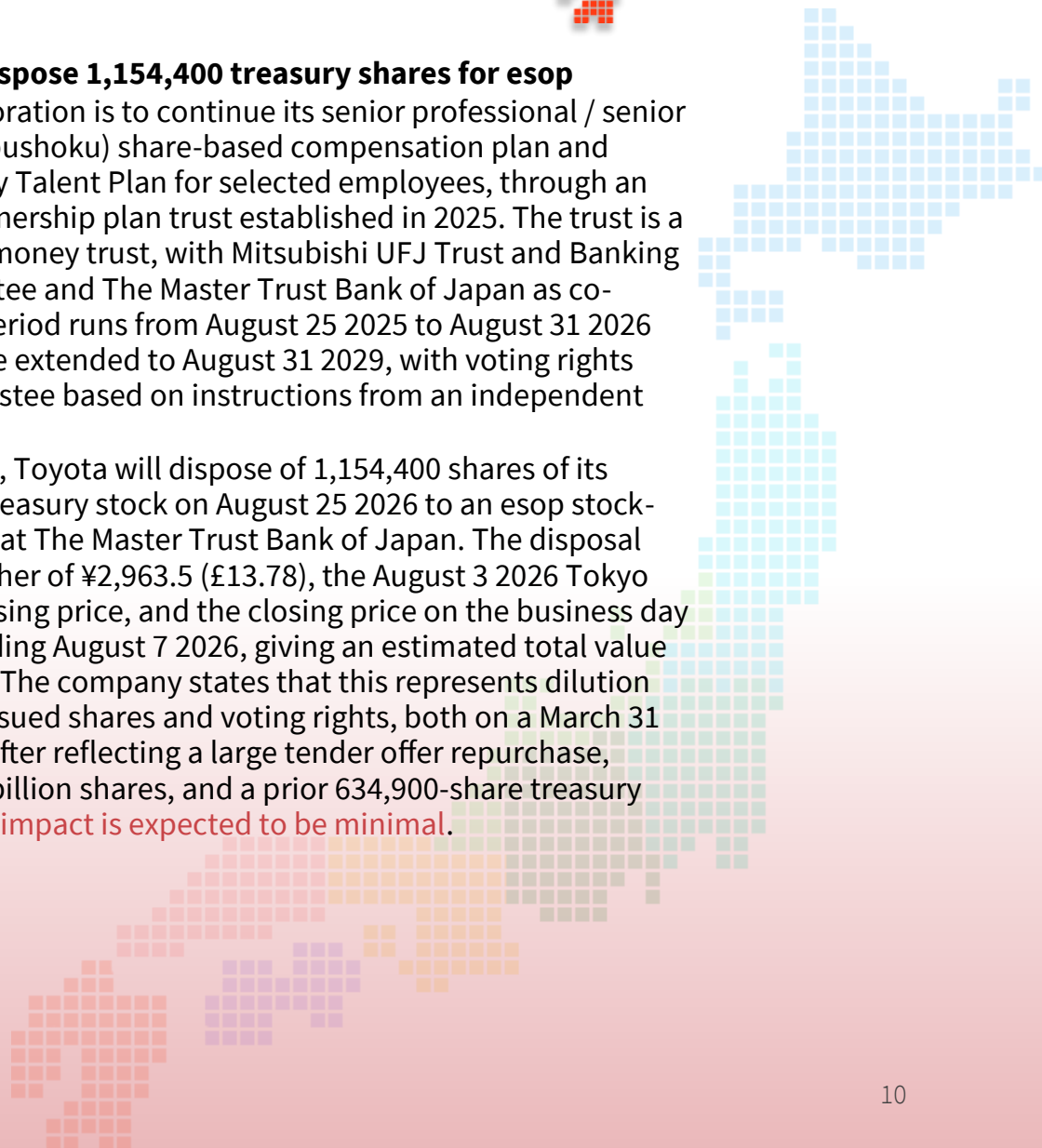
The move could both enhance long-term retention and engagement, while modestly increasing market demand for Mito Securities' shares during the planned purchase window.



Toyota Motor to dispose 1,154,400 treasury shares for esop

Toyota Motor Corporation is to continue its senior professional / senior management (Kanbushoku) share-based compensation plan and introduce a new Key Talent Plan for selected employees, through an employee stock ownership plan trust established in 2025. The trust is a third party benefit money trust, with Mitsubishi UFJ Trust and Banking Corporation as trustee and The Master Trust Bank of Japan as co-trustee. The trust period runs from August 25 2025 to August 31 2026 and is planned to be extended to August 31 2029, with voting rights exercised by the trustee based on instructions from an independent trust administrator.

To fund these plans, Toyota will dispose of 1,154,400 shares of its common stock as treasury stock on August 25 2026 to an esop stock-grant trust account at The Master Trust Bank of Japan. The disposal price will be the higher of ¥2,963.5 (£13.78), the August 3 2026 Tokyo Stock Exchange closing price, and the closing price on the business day immediately preceding August 7 2026, giving an estimated total value of ¥3.4bn (£15.9m). The company states that this represents dilution of 0.01 percent of issued shares and voting rights, both on a March 31 2026 baseline and after reflecting a large tender offer repurchase, cancellation of 1.2 billion shares, and a prior 634,900-share treasury disposition. **Market impact is expected to be minimal.**





South Africa

Metal mining company buys shares to fund Esop trust

Valterra Platinum has purchased 109,078 ordinary shares on the open market to meet obligations under its Thobo Employee Share Ownership Plan Trust, which will hold the shares for future distribution to participants. The shares were acquired on July 29 at a volume-weighted average price of R1,174.92 (£53.69), for a total consideration of R128.16m (£5.36m). The transaction forms part of the mining group's use of share-based incentives to align employees' interests with those of shareholders and support employee retention. By purchasing existing shares rather than issuing new equity, Valterra Platinum avoids diluting existing shareholders. The trust will distribute shares to eligible employees in accordance with the scheme rules. The transaction highlights the use of employee ownership structures in the platinum group metals sector, where retaining skilled employees remains important to mining companies. Valterra Platinum is incorporated in South Africa and listed in Johannesburg and London, with mining and processing operations **primarily in South Africa and Zimbabwe.**

USA

Food company lauds benefits of direct employee ownership

Boutique food and beverage distributor Founders Market wants to show other companies the benefits of direct employee ownership.

"We've learned that true ownership comes from understanding the full journey; celebrating the wins, and embracing the challenges," co-founder Scott Martino said. "When people see the whole picture, they become partners in building something meaningful."

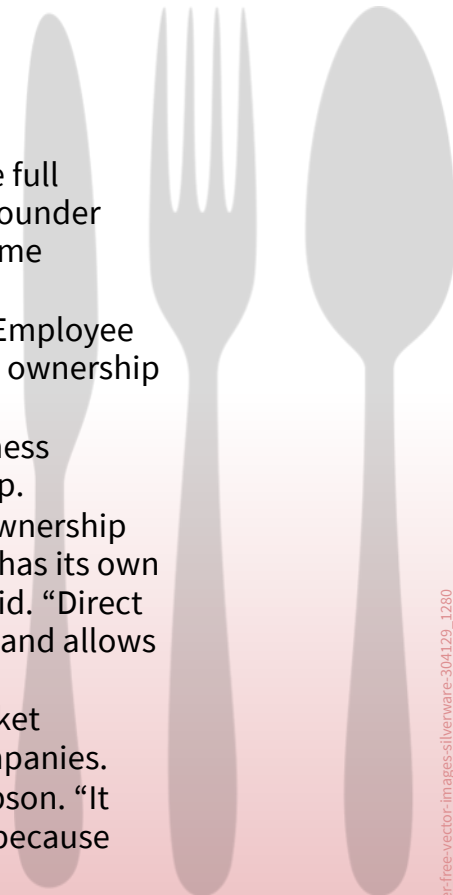
Kevin McPhillips, executive director of the Pennsylvania Center of Employee Ownership, said Founders Market shows how well direct employee ownership models can work.

Founders Market worked with the Tandem Center for Shared Business Success in Lancaster to make the transition to employee ownership.

"Direct employee ownership is a less common form of employee ownership than the more well-known Employee Stock Ownership Plan, but it has its own unique benefits too," Tandem executive director Drew Mousetis said. "Direct employee ownership is suitable for companies of any size or stage and allows for gradual ownership transitions."

Along with sharing ownership with their employees, Founders Market wants to share the benefits of employee ownership with other companies.

"It improves productivity at all levels," said co-founder Alex Thompson. "It improves retention. We believe it makes us a better place to work because people tend to care more."





USA

Bill would advance PLESA's and employee ownership funding

A US Senate bill aimed at making pension-linked emergency savings accounts (PLESA's) more attractive to employers has advanced through the Senate Health, Education, Labor, and Pensions Committee by 19 votes to three, alongside a proposal to increase funding for the Department of Labor's Employee Ownership Initiative. The Emergency Savings Enhancement Act would allow highly compensated employees to participate in PLESA's, removing the need for employers to track income eligibility, and raise the maximum account balance from \$2,500 (£1,950) to \$5,000 (£3,900). PLESA's were created under SECURE 2.0 but have seen limited adoption, with only 1.3 percent of plan sponsors reporting a scheme in 2024 and 84.7 percent saying they were not considering one. An amendment introduced by Senator Bill Cassidy would also extend funding for the Employee Ownership Initiative to 2035, bringing total authorised funding to \$180m (£140m). The initiative, also established under SECURE 2.0, supports the creation of Esops through grants for education, outreach, feasibility studies and state and local programmes. The ESOP Association welcomed the amendment, saying increased funding would help expand awareness and access to employee **ownership across the US**.



From cleaners to traders, staff share in hedge fund's multibillion-dollar gains



Billionaire investor Bill Ackman says every employee at his hedge fund, Pershing Square, owns company stock worth millions of dollars — from senior investment staff to receptionists and cleaners.

Ackman said the broad-based ownership model is a key part of the firm's workplace culture and has helped Pershing Square retain its employees. Speaking on *Fortune's Titans and Disruptors of Industry* podcast, Ackman said the firm believes in taking care of its employees.

Pershing Square manages about \$35bn in assets but has a workforce of just 48 people. Ackman said every employee owns "multiple millions of dollars" worth of stock in the company, **regardless of their role**.

LIBRARY OF WEBINAR BROADCASTS:

Esop Sofa: Transatlantic Perspectives On Employee Share Ownership With John Hoffmire; Esop Sofa: PISCES Progress; Esop Sofa: 2025 AGMs, Remuneration Policies And Share Plan Design; Esop Sofa 2024 Review: Budget & PISCES; The Employee Voice; The Role Of Direct Employee Share Ownership In Market Economics; Esop Sofa: Hot Topics In Employee Share Ownership – Newspaper Review VIII; Esop Centre *newspad* Online Round-table; Esop Sofa: Esop Round-Table newspaper Review VII; Esop Sofa: Hot Topics In Employee Share Ownership – newspaper Review VI; Employee Share Plans & The Benefits For SMEs; Employee Share Schemes, Levelling-Up & Social Mobility; Why Employee Share Ownership Matters; International Share Schemes: Exporting the Vision; Esop Sofa: Hot Topics In Employee Share Ownership – newspaper 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 – newspaper 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 - newspaper Review; Beyond Brexit: EU-UK Social Security Contribution Rules; Esop Sofa: Hot Topics – newspaper 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>



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ABOUT NEWSBRIEF

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

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