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# it's our business

newspad of the Employee Share Ownership Centre

## Special Edition



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#### ***From the life president***

*Former US President Bill Clinton is famous for many things, but growers of cannabis are now taking advantage of his Taxpayer Relief Act of 1997. It allows S corporations to be owned by Esops.*

*With an Esop, all in the chain of cannabis production from budtenders to investors can benefit from the success of the business.*

*It's good to know that US cannabis companies are rewriting the rules about what it means to be sustainable - economically, culturally and ethically.*

*Unlike, I suspect, some readers of this column, I never tried weed. I was saved by Havanas, which of course like Bill Clinton I never inhaled.*

***Malcolm Hurlston CBE***





# The 17<sup>th</sup> *newspad* all-employee share plan awards Results

The results of the 17<sup>th</sup> edition of the *newspad* all-employee share plan awards were announced at the Centre's **share plans symposium** on June 5 2025. The awards and commendations were presented by **James Ashton**, chief executive officer of the **Quoted Companies Alliance**.

The Centre thanks judges Anna Watch (Senior Manager Corporate Governance, Legal, Regulatory & CoSec at BT), Damian Carnell (Founder Director, Corpgro), and former *newspad* editor Fred Hackworth for generously giving their time and expertise. They were joined in their deliberations by Centre founder and life president, Malcolm Hurlston CBE and chairman Robert Pay.

The number of high-quality entries this year meant that **13** companies in all were shortlisted for the awards over the following categories:

1. Best all-employee share plan
2. Best share plan communications
3. Best use of technology, AI or behavioural science
4. Best share plan response to significant changes or challenging situations

Shortlisted for Category 1 – Best all-employee share plan, were:

**Beazley; JTC; Lloyds Banking Group; Rathbones Group; Sage Group; STEF Langdons; and Serco.**

For this category judges compared the effectiveness in extending ownership, and the communication strategy of each entry, along with employee uptake and enthusiasm.

**Baker  
McKenzie.**

The Esop Centre thanks Baker McKenzie for hosting the 2025 Share Plan Symposium



## Judges observations

**Beazley.** Demonstrating its effectiveness in extending ownership, Beazley successfully introduced a new SIP plan alongside its existing SAYE, achieving a high over-all take-up rate in the UK and 20 percent internationally.

Its highly detailed communication campaign involving brochures, comparison documents, emails, videos, an app, and translated materials for different countries ensured clarity.

The increase in SAYE take-up suggests strong enthusiasm.

**JTC.** JTC's approach is highly effective, with 100 percent of its employees owning 16 percent of the issued share capital—a level of participation unmatched by any other applicant. Its structured approach ensures that every employee benefits from the company's success.

Looking at its communication strategy, judges were impressed by JTC's innovative "Ownership for All" day concept, and comprehensive equity incentive portfolio, which includes various types of awards (New Joiner, Era, Referral, Ad Hoc), ensuring continuous engagement. Its corporate nominee service simplifies share trading and agm participation.

Employees have collectively benefited from £400 million in value, reinforcing the firm's strong ownership culture.



# AWARDS

## Results...

**Lloyds Banking Group.** Effectiveness in extending ownership is evident. With 60 percent of employees participating in Sharematch and 48 percent in Sharesave, Lloyds has one of the highest participation rates.

Its multi-channel communication (emails, vlogs, webinars, microsites, personal calls) ensured employees understood tax changes and took informed decisions. Calls to employees at risk of missing gains is a notable commitment.

The notable amount of ISA transfers recorded and the increase in Sharematch participation demonstrate strong employee engagement.

**Rathbones Group.** Effectiveness of Rathbones' share plans is shown by 67 percent of employees participating in its share schemes.

In communication, its new share plans website, webinars, in-person sessions, and app enhanced accessibility. New employees embraced ownership quickly, with around half of them joining SAYE alone, showing strong uptake.

**Sage.** Sage achieved over a third global participation in its share plans, with targeted improvements in India, France, and Spain.

The company implemented multi-media communications, interactive decision-making tools, and country-specific webinars, along with a new CGT calculator.

Participation in key markets jumped significantly, and a very high percentage of employees submitted maturity instructions within three months.

**Serco.** Serco is still in the early stages of growing participation, yet take-up has already increased to just over 10 percent.

The company's focus groups, union engagement, microsite, financial education, and webinars were impactful.

**STEF Langdons.** Judges recognised STEF for its unusual circumstances as a newly acquired company working with lorry drivers and were impressed by 29 percent participation rate for a first-time plan launch is impressive, considering the workforce demographic.

Its communication strategy including the ceo's involvement, roadshows, and site tours helped integrate employees into the broader STEF Group.

Roadshow feedback was highly positive, and uptake was strong for a new plan.

**WINNER: JTC**

**Highly commended: STEF Langdons**



Quoted Companies Alliance ceo James Ashton presents JTC's award for best all-employee share plan

Equiniti's Dominic Harrison accepts high commendation on behalf of STEF Langdons

# AWARDS



## Results...

Shortlisted for Category 2 – Best all-employee share plan communications, were:

**Beazley; JTC; Kier Group; Lloyds Banking Group; Rathbones Group; Sage Group; Serco; and Vestd.**

The high quality of share plan communications in this year's submissions is reflected in the number of entrants shortlisted.

**Beazley.** The company provided a detailed comparison document, multilingual materials, email updates, and video introductions demonstrating its effectiveness of communication. The techniques it engaged included a portal, mobile app, branding differentiation, and country-specific documents made the communications clear and accessible. An increase in SAYE take-up and high participation in SIP reflect strong engagement.

**JTC.** The company implemented a highly structured and engaging campaign, to reinforce the culture of shared ownership. The AI-powered Share Plan Assistant, 'Joogle' intranet hub, masterclasses, and celebratory events set JTC apart in terms of multi-channel communication. The results were that 86 percent of employees reported an improved understanding of the share plan, and 40 percent of the workforce attended live masterclasses.

**Kier Group.** Kier focused on reaching offline employees using a mobile app, roadshows, printed materials, and a dedicated microsite. Its QR code-enabled app, HR briefing packs, video content, and face-to-face engagement sessions helped reach employees who don't regularly access digital communications. The company's stats on exercise of options and sale rates indicate that employees fully understood their options.

**Lloyds Banking Group.** Lloyds used emails, vlogs, personal phone calls, dedicated microsites, and in-person events to communicate changes in tax regulations and share plans. The use of multi-channel engagement, including personalised calls to employees at risk of missing gains, was particularly effective. The large number ISA transfers and increase in Sharematch participation demonstrate strong response.

**Rathbones Group.** Good all round comms granularity and clarity. Judges commented that by fostering employee ownership in the organisation, 6.3 percent of the company is owned by employees.

**Sage Group.** The company, given its geographical communication challenges, achieved 36 percent global participation, with targeted improvements in India, France, and Spain. It implemented multi-media communications, interactive decision-making tools, and country-specific webinars, along with a new CGT calculator. The results were that participation in key markets jumped significantly, and a high percentage of employees submitted maturity instructions within three months. The judges liked its use of champions approach with "office magic events."



Stitch-Deloitte's Jane Darlington, Sage's Julie Shepherd and Wealth at Work's Sarah Long accept the award for best all-employee share plan communications, from James Ashton.



# AWARDS

## Results...

**Serco.** The company was particularly commended for working with a challenging demographic (low-paid, financially unsophisticated workforce). It conducted focus groups with employees and unions, held financial education webinars, and developed tailored materials. Its multi-region microsite, live Q&A sessions, and union engagement made the communication accessible. The resulting increase in participation and positive feedback on financial education sessions show success.

**Vestd.** It was evident that the company had made significant efforts in communicating its EMI offering to all employees.

**WINNER: Sage Group**  
**Highly commended: Serco**



Wealth at Work's Sarah Long accepts the high commendation on behalf of Serco

Shortlisted for Category 3 – Best use of technology in employee share plans, were: **AstraZeneca; Lloyds Banking Group; The International Stock Exchange.**

**AstraZeneca.** The company was commended for its comprehensive overhaul of communication strategy using 'EquatePlus', increased personalisation and efficiency by automating data retrieval, use of interactive materials to boost engagement, and improved accessibility through translations and country-specific microsites. It used strong metrics showcasing increased employee engagement and technology adoption. The judges liked its good use of automation and microsites to streamline ISA transfers; and its internal communications, including messages from the chief executive officer.

**Lloyds Banking Group.** Judges noted the effective use of a dividend calculator for financial transparency, a well-designed microsite to educate employees, streamlined ISA transfers with an automated end-to-end process, and extensive internal communication efforts, including engaging articles and direct feedback channels. The company leveraged automation, personalisation, and digital tools effectively. The judges noted that Lloyds has been supporting share plans for over 50 years.

**The International Stock Exchange – Private Markets.** For its employee shareholders, the company provides an innovative trading solution. Eliminating brokerage fees, it allows secondary trading of shares with seamless electronic settlements, and is a cost-effective and user-friendly platform with integrated registry tools.

**WINNER: AstraZeneca**  
**Highly commended: Lloyds Banking Group**



AstraZeneca's Elizabeth Crutchley accepts the award for best use of technology in an employee share plan



Equiniti's Dominic Harrison accepts the high commendation on behalf of Lloyd's Banking Group

# AWARDS



## Results...

Shortlisted for Category 4 – Best share plan response to significant changes or challenging situations, were:

**Bakkafrost;** and **National Grid.**

Though just two nominees were shortlisted for this category, the high standard of both made determining which was best a tough decision.

**Bakkafrost.** The judges could see that the company went above and beyond to get its message across, overcoming distrust of share-owning by the workforce. This was reinforced by 90 percent take up, which is impressive for a contributory plan in a low pay industry.

Bakkafrost's approach was highly personalised and superb in overcoming resistance and making share ownership accessible to a traditionally non-digital workforce.

It went beyond standard communication, physically reaching employees in remote locations to build trust and engagement.

**National Grid.** The company faced a complex, large-scale rights Issue, while ensuring employees and shareholders could participate effectively – a massive undertaking. Its response was highly competent in coordinating a transatlantic, multi-scheme effort involving 650,000 shareholders, ensuring employees across different geographies, levels of financial knowledge, and digital engagement could make informed decisions in a short time frame, and saw the need for clear, simplified communication and easy access to information despite the technical nature of the financial event. National Grid leveraged digital innovation and multi-channel communication to simplify complex financial decisions for employees and shareholders. The great result for its SIP extended share ownership in a major way.

**WINNER: National Grid**

**Highly commended: Bakkafrost**

Additional comments and special mentions - the judges wanted to give special recognition to companies working with less financially sophisticated workforces. **Serco** and **STEF Langdons** were praised for their efforts with traditionally difficult-to-reach employee groups. And the judges wanted to give **Bakkafrost** special recognition for its exceptional story and well-written submission.

Many congratulations to the winners, commended and all shortlisted for the 17th *newspad* All-Employee Share Plan Awards.



Equiniti's Dominic Harrison accepts the award for best share plan response to significant changes or challenging situations on behalf of National Grid



JP Mogan Workplace Solutions' Mayura Arankalle accepts the high commendation on behalf of Bakkafrost.



## Moniepoint's unicorn round made employees billions of naira

When Nigerian fintech company Moniepoint raised \$110 million in October 2024 to become a unicorn, not only its early investors made money from selling shares to new investors. At least two senior employees also sold part of their shares in the round, making \$20,000 and \$850,000 (₦1.3 billion), respectively, according to documents seen by Tech website *TechCabal*.

These employee share sales were the second of their kind for the decade-old company, as senior employees previously sold shares to investors during the company's last fundraise in 2022. Over time, secondaries have become an integral part of senior employee benefits as Moniepoint continues to attract and retain senior executives from other financial institutions.

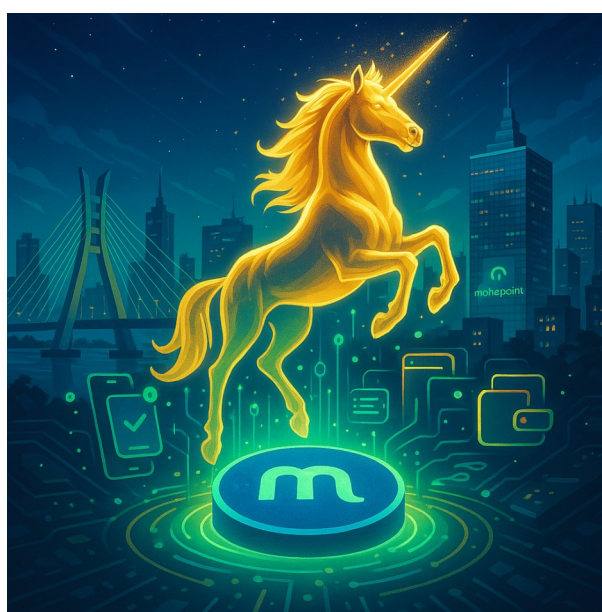
"Equity is both a way to acquire staff and a means of staff retention," HR specialist Emmanuel Faith said.

Earlier this year, at Moniepoint town hall meetings, the employee share sale was announced, and qualified employees were notified with criteria, documents, and instructions via mail. The company also educated employees on how to sell shares via Carta, a marketplace for startup equity, according to one of the employees.

"Moniepoint's continued growth and success in driving financial happiness for Africans everywhere has always been a team effort," said Tosin Eniolorunda, the ceo and co-founder of Moniepoint. "We are delighted to be progressive thinkers and see colleagues and their families benefit from our employee stock ownership plan – a testament to our commitment to helping our team thrive and build Africa's leading fintech in the right way."

Employee share sales remain rare in Africa's tech ecosystem. However, as the continent's largest startups remain private for longer periods and traditional exit paths, such as IPOs or acquisitions, remain scarce, secondary sales have emerged as a preferred way to reward long-term commitment and high-performing employees. Arnergy, a Nigerian solar energy startup, allowed employees to sell their shares to new investors in April.

"This was something we only saw in movies like Silicon Valley and The Social Network," said one of the Moniepoint employees who asked not to be named for privacy reasons. "I didn't expect it at first. Paystack did it, but that was later. We weren't familiar with it locally. Over time, **we learnt more and became hopeful.**"





## TOP STORIES

### eToro registers Esop, sees biggest post-IPO share price surge

Following its Wall Street debut earlier this month, eToro has taken a significant step in employee engagement by registering a new Employee Share Purchase Plan (ESPP) with the US Securities and Exchange Commission (SEC), triggering the largest single-day share price gain since its IPO. The British Virgin Islands-based fintech filed an S-8 registration statement on May 20, authorising the issuance of over 2.2 million Class A common shares under the new 2025 ESPP. The plan includes both a Section 423-compliant component for US employees and a non-Section 423 structure for international staff, enabling eligible employees to buy company stock at up to a 15 percent discount using payroll deductions. eToro's shares rose 4.5 percent on

Tuesday to close at \$66.14, reversing Monday's dip and outperforming broader market indices. The ESPP follows the company's successful IPO on May 15, which raised around \$620 million. The plan's provisions allow for annual share top-ups through 2035, cementing long-term employee participation. Ceo Yoni Assia and cfo Meron Shani formally signed the registration alongside board members. The company's dual-class share structure ensures founders retain control, while its recent product rollouts, including recurring buys for crypto and stocks and a French savings service in partnership with Generali, underscore its post-IPO momentum. Ark Invest's \$10 million IPO stake also signals strong **institutional interest in the platform's future.**

## EVENTS

### Esop Sofa webinar—June 18

#### AGMs, Remuneration Policy & Share Plan Design

The next Esop Sofa webinar will be at 11:00am on Wednesday June 18. The Esop Centre's panel of experts will look at AGM reports, which UK listed companies are publishing, to see what changes are coming through in remuneration policies and share plan design to reflect the recent updated guidance from institutional investors – and look at how those updates may be shaping the development of share plan implementation.

Panellists Carla Walsham of Tapestry and Gary Fereday of Deloitte will be joined by Centre chairman Robert Pay who will moderate. There will be plenty of opportunity to put your questions to the panel. **Register now.**





## Hidden costs in employment rights bill impact assessment

In their critique of the UK Government's impact assessment for its proposed Employment Rights Bill, *the Institute of Economic Affairs'* Len Shackleton and Matthew Lesh argue that the official estimate of up to £5 billion in annual business costs is a serious underestimate. While the assessment focuses almost solely on administrative burdens, the article highlights major omissions, including the impact on hiring practices, strike risks, and tribunal liabilities. It particularly challenges the analysis of flexible working rights, contending that the supposed low cost of handling such requests ignores the complexity and real operational consequences, especially for small businesses and the public sector. The authors point out the implausibly low time and cost assumptions made for HR decision-making and question the wisdom of granting day

-one flexible working and dismissal protections without evaluating new hires' performance. Moreover, examples like job shares, term-time roles, and compressed weeks are shown to introduce inevitable logistical and financial burdens, which the government's figures fail to capture. The piece argues that while flexible working has potential benefits, these are not properly evidenced or quantified. The impact assessment's optimistic assumptions about health, wellbeing, and productivity gains are largely speculative and unsubstantiated. Even with these favourable assumptions, the assessment still concludes a net negative economic impact, suggesting that the government itself cannot **convincingly justify the legislation**.

### Reminder: July 6 - HMRC online reporting deadline

If your business offers UK employee share plans, growth shares or share awards, you need to do the following by July 6 2025 for the 2024/2025 tax year:

- ⇒ complete end of year reporting for share plans and arrangements
- ⇒ register all new share plans and arrangements on the HMRC online system
- ⇒ self-certify new tax-favoured share plans.

If you don't take the above actions in time, you will be subject to automatic penalties and **lose the tax-favoured treatment for certain share options (including CSOP options)**.



## **Standardised executive pay may harm performance, study warns**

A new study from Virginia Tech reveals a growing convergence in how public companies pay their ceos, warning that this standardisation could be undermining performance. Between 2006 and 2019, ceo compensation across over 2,700 firms became 24 percent more similar, with companies increasingly adopting uniform pay structures, including base salaries, bonuses, and stock incentives, regardless of size, sector, or strategy. Assistant Professor Felipe Cabezón, the study's lead author, argues that pressure from institutional investors, proxy advisers, and regulatory disclosure requirements has incentivised boards to conform to widely accepted compensation models rather than tailor packages to fit unique corporate goals. While increased transparency has improved accountability, it also promotes mimicry, potentially weakening the link between executive incentives and business outcomes. The study found that firms embracing standardised pay saw reduced pay-performance sensitivity and lower Tobin's Q, a key measure of shareholder value. Moreover, companies required to hold annual Say-on-Pay votes exhibited a 10 percent increase in compensation similarity, highlighting the influence of shareholder oversight. Cabezón cautions that while these trends may reduce scrutiny, they may also erode firms' ability to use executive pay as a strategic lever. The findings, shared during a panel with senior compensation leaders from major corporations, suggest that a return to bespoke compensation plans aligned with individual business goals may better **serve long-term shareholder interests**.





## **Fintech legal chiefs among sector's top earners in 2024**

Top lawyers at major fintech firms earned multimillion-dollar compensation packages in 2024, with Robinhood and Coinbase leading the pack. Coinbase's chief legal officer Paul Grewal received over \$8.2 million, up from \$5.2 million in 2023, largely due to increased stock award value. Robinhood's Dan Gallagher earned \$8.6 million, though this marked a decline from previous years. Both executives hold tens of millions in stock and have sold substantial shares this year. The compensation reflects the growing influence of legal chiefs amid regulatory challenges and public listings. Circle's Heath Tarbert, a former CFTC chair, has earned nearly \$30 million since 2023, while SoFi's new general counsel Stephen Simcock made \$8.3 million in 2024. Other notable earners include Chime's Adam Frankel (\$3.5m), Affirm's Katherine Adkins (\$4.6m), and Fiserv's Adam Rosman (\$4.1m). The surge in pay underscores the strategic importance of legal leadership as fintechs face heightened scrutiny and **complex compliance demands**.

## **CBC scraps bonuses, but increases exec salaries amid public scrutiny**

CBC/Radio-Canada has announced it will eliminate individual performance bonuses for executives and over 1,000 non-unionised employees, replacing them with higher base salaries. The public broadcaster said the move aims to maintain overall compensation at market median levels, following a compensation review by consulting firm Mercer. While bonuses were deemed standard practice across Crown corporations and the broader market, CBC has faced criticism for awarding \$18.4 million in bonuses last year, including \$3.3 million to executives, while simultaneously laying off staff. Mercer's report noted that removing bonuses could place CBC below competitive compensation benchmarks and jeopardise talent retention. CBC has not specified whether salary increases will match lost bonus amounts but will ensure pay remains within the 50<sup>th</sup> percentile of its peer group. New president Marie-Philippe Bouchard has prioritised restoring public trust in compensation practices, pledging transparency and fiscal responsibility in managing taxpayer funds. Performance targets will remain, though new incentive **mechanisms are yet to be outlined**.



## EOTs remain under the radar among construction contractors

Despite a rise in the adoption of Employee Ownership Trusts among UK construction firms, many business owners remain unfamiliar with the model and often discover it inadvertently, according to recent research commissioned by HMRC and conducted by Ipsos.

EOTs, introduced into UK tax law in 2014, allow company owners to transfer a controlling interest to a trust for the benefit of employees. However, the study found that most former construction company owners learned about EOTs not through active succession planning but through peer networks, business events, or social media, particularly LinkedIn. Many only seriously considered the model after hearing success stories from fellow industry professionals. Advisers and consultants with EOT expertise were often

engaged later in the process to support transitions, which typically took between six months and two years. The model is gaining traction especially among family-run firms as a retirement pathway that preserves business continuity and supports staff retention by fostering an employee-focused culture. Financial incentives such as 100 percent capital gains tax relief were cited as the most compelling benefit, while tax-free employee bonuses were seen as secondary, though still valued. Inheritance tax relief, meanwhile, was the least understood and least influential factor. Notable firms recently adopting the EOT model include Gilbert-Ash, Nusteel Structures, and the John F Hunt Group. The findings suggest that broader awareness efforts may be needed to ensure more business owners understand EOTs as a viable exit strategy.

### EOT round-up

- ▶ Logistical and cargo solutions provider **Globexair**
- ▶ Law firm **Guest Walker**
- ▶ Recruitment consultancy **Heads Resourcing Group**
- ▶ Design practice **Ryder Architecture**
- ▶ Electronics manufacturer **Tioga**
- ▶ Creative agency **Union Group**
- ▶ Bathroom supplies business **Wetrooms International Group**

## New paper highlights global variations in trust-based EO models

A new comparative paper from the National Center for Employee Ownership (NCEO) provides a detailed examination of trust-based employee ownership across five countries: the US, UK, Canada, France, and Slovenia, highlighting both shared principles and key structural differences. Titled *Expanding Employee Ownership: Models in the US, UK, Canada, France, and Slovenia*, the report argues that trust-based ownership, rather than direct shareholding by employees, offers a more sustainable long-term model, particularly when supported by tax incentives and employer funding. In the US, the Employee Stock Ownership Plan framework links employee ownership to retirement savings, granting workers equity funded by the company and redeemable at departure. The UK's Employee Ownership Trust, however, permanently holds company shares and

redistributes profits to employees without conferring personal equity stakes. Canada's recently introduced EOT system closely mirrors the UK's but allows companies to provide equity rights to employees. France and Slovenia take a different route: their models permit direct employee contributions but rely primarily on employer funding. France uses EOTs mostly in larger firms, often connected to mandatory profit-sharing for companies with over 50 employees. Meanwhile, Slovenia blends cooperative, Esop, and EOT principles, placing stronger emphasis on employee governance. Authored by international experts, including NCEO founder Corey Rosen, the paper sees trust-based ownership as a growing international movement, but notes that legislative and financial support remain critical **for broader adoption**.





## France



### Renault Group deepens employee engagement with 2025 Esop

Renault Group has renewed its commitment to inclusive corporate ownership by launching the fourth edition of its employee share ownership scheme, the *Renaulution Shareplan*. As of the end of 2024, employees already held 5.63 percent of the company's share capital, and the 2025 plan aims to increase that stake while aligning staff more closely with the company's long-term goals. Nearly 100,000 eligible employees across 30 countries will receive three free shares, no investment required. Additionally, from May 12 to 30, workers in 24 countries can purchase Renault shares at a heavily discounted price of €31.34 (£26.41) - 30 percent below the reference price of

€44.76 (£37.72). Renault further sweetens the deal with a strong incentive: for every share purchased, employees will receive three more for free, resulting in seven shares for just €31.34. Based on the reference price, this represents a gross benefit of nearly €282 (£237.63). Participation is capped at 25 percent of an employee's gross annual salary. This initiative is not only a financial benefit but also an expression of the Group's strategy to embed its workforce into the company's ownership structure, reinforcing its social values and commitment to shared success. It marks Renault's culture as it moves **toward carbon neutrality in Europe by 2040**.

### Société Générale launches 32nd global Eso programme

On May 20 2025, Société Générale launched a new global employee share ownership programme, offering eligible current and retired employees the opportunity to subscribe to a capital increase under preferential terms. The subscription window runs from June 2 to 16, with the settlement and delivery of shares scheduled for July 24 2025.

This initiative follows the approval of the 27<sup>th</sup> resolution at the general meeting on May 22 2024

and was formalised by the Board of Directors on February 5. Société Générale emphasised that employee share ownership is a long-standing strategy to foster employee engagement and align their interests with the group's long-term growth. The 2025 scheme is the group's 32<sup>nd</sup> such programme marking its commitment **to inclusive and sustained value creation**.



## Germany



### Boost for employee ownership in Germany

On May 23 2025, Datagroup's management and supervisory boards issued a joint statement welcoming and supporting the public takeover offer made by Dante Beteiligungen, an investment vehicle managed by Centre member KKR. The offer, published on May 9 2025, aims to acquire Datagroup shares and facilitate a delisting from the open market. The boards consider the offer price to be fair and attractive, and believe the deal aligns with the interests of the company, its shareholders, employees, and customers. A key element of the offer is a long-term strategic partnership between KKR and Max H-H Schaber's family holding company HHS, under which both parties will jointly control the company through a

50-50 ownership of Dante Beteiligungen. Consequently, the company's leadership recommends that shareholders accept the offer and confirms its intention to tender its own shares. The agreement includes plans to delist the company's shares after the offer's settlement, without requiring a separate delisting procedure. The transaction is governed solely by German law, and does not fall under the jurisdiction of the German Takeover Act. The offer is not being extended into jurisdictions such as the United States. Investors are advised to read the full offer documentation for details. The announcement includes **legal disclaimers and forward-looking statements**.

## Iceland



### Festi rolls out three-year plan to align employees with company growth

Wholesale and retail group, Festi has formalised a comprehensive share option plan for its permanent employees, reinforcing its strategy to strengthen alignment between employee incentives and long-term shareholder value. Approved during the company's annual general meeting on March 6 2024, the plan will run till May 2027 and is grounded in Iceland's Income Tax Act No. 90/2003. It is open to all permanent employees of Festi and its subsidiaries, present and future, and extends to employees of any new companies integrated into the group during this period. Under the terms, eligible staff can enter share option agreements beginning with the next

available exercise date following the start of their contract. Currently, 1,350 employees hold valid option agreements covering a total of 7,816,349 shares. These include options for 6,389,589 shares at an exercise price of ISK 187 and 1,426,760 shares at ISK 297.1. The exercise prices are subject to downward adjustments in the event of dividend distributions or similar asset returns to shareholders. By embedding employee ownership into its framework, Festi aims to foster a performance-driven culture, improve retention, and reinforce commitment **to the company's strategic objectives through to 2027**.



## India



### Opinion: Do Indian fintech Esops create real wealth or merely hope?

In India's rapidly evolving fintech sector, Employee Stock Ownership Plans are increasingly seen as strategic tools for retention and engagement. Yet, the question persists: are these schemes genuinely enriching employees or simply fostering aspirational loyalty? Leaders from Veefin, BRISKPE, and M1xchange suggest that the answer depends on how transparently and purposefully Esops are designed and communicated. Amit Sachdev of M1xchange stresses that Esops, when linked to a company's growth and eventual public listing, can generate substantial wealth, fostering a culture of ownership. Gautam Udani of Veefin highlights inclusivity, noting that their Esops extend to all employees, ensuring real participation and potential financial gain. At BRISKPE, Sanjay

Tripathy argues that Esops must evolve from mere retention tools to structured wealth engines, supported by education and clear communication. Key challenges persist, notably a widespread knowledge gap and poor liquidity planning. Performance-based vesting, simplified documentation, and regular workshops are emerging as best practice. Leaders agree that trust, underpinned by strong governance, regular updates, and independent valuations, is vital to avoid disillusionment. Ultimately, fintech Esops remain a model in motion. While some companies have turned stock options into tangible wealth, others must mature their practices to ensure that options deliver **value for their employees**.

## USA



### Labour secretary backs Esops in first major retirement speech

In her first public address on retirement since taking office, newly confirmed US Secretary of Labor Lori Chavez-DeRemer voiced strong support for employee stock ownership plans at the ESOP Association's National Conference in Washington, DC. A former Representative for Oregon's 5th District and long-time Esop advocate, Chavez-DeRemer was warmly received by the Esop community. In her keynote, she affirmed the current administration's commitment to fostering Esop growth, stating that the Department of Labor aims to "undo the culture of harassment" that has stifled these plans. Her remarks directly addressed recent regulatory tensions, notably the Biden-era proposal to define "adequate consideration" in Esop share valuation, which was withdrawn earlier

this year. She pledged a more collaborative regulatory process, saying the DOL "should promote Esops rather than discouraging them." Highlighting legislation like the Employee Equity Investment Act and the current American Ownership and Resilience Act, she expressed support for policy initiatives that ease transitions to employee ownership. Chavez-DeRemer emphasised that Esops empower workers and enhance business success, noting their \$2 trillion in wealth-generating assets. "It is my mission to support you, not regulate you into oblivion," she declared, vowing that the DOL will ensure Esops are "supported and thriving." Her speech signals a clear shift in regulatory tone in the Trump era **and renewed federal backing for the Esop model**.



## USA

### New senate bills aim to strengthen Esops and boost employee ownership

Senator Bill Cassidy has introduced two new bills designed to enhance employee stock ownership plans and expand worker participation in company equity. The *Employee Ownership Fairness Act* seeks to amend the Employee Retirement Income Security Act (ERISA) by excluding Esop contributions from annual defined contribution (DC) plan limits. Currently, combined employee and employer contributions, capped at \$23,500 for 2025, can restrict Esop participants from fully using 401(k) plans.

This bill would give employees greater flexibility to build diversified retirement savings without penalty. The second bill, the *Employee Ownership Representation Act*, proposes adding two Esop-focused seats to the ERISA Advisory Council, ensuring employee-owned companies have a voice

in shaping federal retirement policy. Both bills were referred to the Senate HELP Committee. Separately, the *American Ownership and Resilience Act*, a bipartisan proposal, seeks to help retiring business owners sell to workers through Esops, bolstering American ownership and supply chain stability. These legislative efforts follow the Department of Labor's withdrawn attempt to clarify employer stock valuation rules in Esops earlier this year. Collectively, the new bills aim to modernise Esop regulations and promote employee ownership as a retirement and economic resilience strategy. The US system is more sophisticated than that in the UK where only government brings forward new legislation in this way.

### Cannabis companies turn to employee ownership in United States

Faced with punishing tax burdens and continued federal legal ambiguity, cannabis companies are increasingly turning to employee ownership models to reshape their financial futures and deepen community ties. Central to this shift is a surprising tax strategy enabled by the Taxpayer Relief Act of 1997. Under this law, S corporations fully owned by an Employee Stock Ownership Plan can operate free of federal income tax, a game-changer for cannabis businesses contending with the restrictions of Section 280E of the IRS tax code. This provision disallows most standard deductions due to cannabis's Schedule I classification, often pushing effective tax rates beyond 70 percent. By becoming 100 percent employee-owned,

companies can route profits into a tax-exempt trust, legally avoiding 280E penalties. But beyond the numbers, the Esop model resonates with the cannabis sector's ethos of equity, sustainability, and community. It gives frontline workers, from budtenders to cultivators, a real stake in ownership, improving retention and morale in a high-turnover industry. Transitioning to Esops is complex and demands expert guidance on valuation and compliance, with specialists like MBO Ventures playing a key role. Still, as cannabis businesses mature, the movement toward shared ownership is reframing what sustainable growth looks like, not just financially, **but socially and ethically.**



*The Employee Share Ownership Centre is a membership organisation which lobbies, informs and researches on behalf of employee share ownership.*

