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it's our business

newspad of the Employee Share Ownership Centre

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WELCOME

In this issue

From the life president

According to an article in Le Figaro by Hervé Rousseau, the share prices of 33 French ESO-friendly companies rose by ten percent in the first quarter of this year, compared to a rise of only seven percent among other CAC 40 companies. During 2023, the share price performance gap was much greater - an 18 percent rise against eight percent, according to survey work by Clifford Chance for the FAS.

In the past large employee shareholdings have helped some French companies resist contested takeovers, notably in 1999 when bank BNP, was forced to withdraw its takeover bid for Société Générale by the latter's employees and in 2008 when construction group Eiffage, which is 22 percent employee owned, repelled a takeover bid by Spanish company Sacyr. "A strong mobilisation of Eiffage employee shareholders played a major role in the defeat of the attempted takeover," reported Le Figaro financial journalist Herve Rousseau.

This is important grist to the mill for the call from Centre chairman Robert Pay who is suggesting UK-quoted companies aim at 10 percent employee shareholding, rather than the more normal one percent.

Malcolm Hurlston CBE

newspad all-employee share plan awards 2023

On Thursday April 25, at the Esop Centre's Seventh British Isles Share Plan Symposium - hosted by White & Case and co-sponsored by Vestd, Centre president and founder, Malcolm Hurlston CBE announced the results of the Annual *newspad* All-Employee Share Plan Awards for 2023.

He thanked the expert judges: Damian Carnell, of CORPGRO, Anna Watch of BT, and Ann Tyler of Ownership at Work who worked earlier for founder member of the Centre, New Bridge Street Consultants.

We had four categories this year. Overall the quality of the entries was excellent. The judges applauded drives for greater diversity in share plan take up, with higher numbers of female and younger employees taking part, and linking employee share plans to ESG goals.

The four categories were:

- ★ **Best all-employee share plan**
- ★ **Best share plan communications**
- ★ **Best use of technology, AI or behavioural science in employee share plans**
- ★ **Best share plan response to significant changes or challenges**

From all entries, ten companies' plans were shortlisted. In recognition each received a *newspad star* which they are free to display.

AWARDS

The results

Category 1 – Best all-employee plan

All-employee share plans help spread the wages of capital and boost company productivity. They can be a particularly effective way for a large or multinational company to bring together a diverse workforce to achieve key corporate goals. Employee engagement can be vital to a small or fledgling businesses too as employee share plans give employees a stake in the company.

Applications to this award category were judged on how successfully the share plan met company objectives, for example: in inclusivity within the workforce as a whole; or in light of the complexities of cross-border arrangements; or in how the share scheme has been used to benefit employee and business alike.

Shortlisted for this award were:

Drax for its *Sharesave Plan,* which stood out for its phenomenal success. The 'wow factor' was that Drax is helping 85 percent of employees mitigate their liabilities. Helping employees to become financially literate is a boost to the wider social and economic environment;

Generali for *We SHARE 2023,* its employee share purchase plan, the core of which is buy ten shares, get two free. In addition, an extra two for each 10 bought was awarded if the company hit ESG goals, in particular, the climate CO2 reduction goal - minus 35 percent between 2019 and 2025. However, the three-year plan was issued in 2023, so we await the results in 2026 with especial interest;

LEO Pharma, a Danish company, with 6000 employees in 60 countries, with 88 percent eligible for its first employee share purchase plan. It's plan included matching one for two, time vested for 2025, with a second match one for two at IPO as well. The plan achieved 43 Percent take up, thanks to creativity used to overcome multi-jurisdictional issues;

Secure Trust Bank, a UK based challenger bank with 585 employees operated a Sharesave plan for the first time which led to 41 percent take up. It engaged Wealth at Work to promote financial education, financial counselling and advice. I liked its "Worriers' Guide", which encourages staff not to be shy about asking questions;

Vestd has a share plan tech platform, and is highly active. It runs EMI option plans for all its employees who are eligible, which you might expect them to do as a fast growth tech company, but what is commendable in this is that they want contractors and NEDs and everybody close to the action to be within share ownership in some manner, going beyond its own employees. It the backs the 10 percent pledge campaign trying to get all companies to commit to a 10 percent ownership of share capital within employee share ownership.

Overall winner of **best all-employee plan: Drax.**

Because standards were high in this closely contended category, the judges **highly commended LEO Pharma**'s ESPP, impressed by the company's commitment to inclusivity and accessibility for all employees.

Secure Trust Bank received a **special mention** for its "Worriers' Guide".

Equiniti's Jennifer Rudman and WEALTH at work's Sarah Long accept the Best All-Employee Share Plan award on behalf of Drax.

AWARDS

Category 2 – Best share plan communications

Communication is key to the success or failure of an all-employee share scheme. This award category highlights the need for communications programmes that are sensitive to the circumstances of an individual company and the make-up of its workforce.

Shortlisted for this award were:

CM.com, which operates in 118 countries, has a celebration IPO shares for employee share purchase plan. For its share plan communications it uses internet, video leadership presentations, leaflets and posters . Not having operated a plan before, it has done well to use the full gamut of communications tools.

CVS Group operates a classic Sharesave. What stood out in the submission was a series of face-to -face meetings, and use of a neat QR code so employees could easily access a large range of communications;

Diageo operates three plans in in combination: Sharesave, SIP and Free Shares, offering choice and a supportive culture. The company has branded share plans as part of its financial wellness programme, aiming to change behaviour so employees see it as a wealth vehicle as well as a motivator. Notable were the use of minimum jargon, multi-channel comms and a CGT calculator. There is access to one-on-one personal tax advice - going beyond education. Auto-enrol produced 99.83 percent participation for Free Share and on site iPads were provided.

Drax used good communications to ensure that nobody missed the message, clearly demonstrating its effort to reach all its employees;

EasyJet clearly is keen on share plans, and puts a lot of effort into its plans and communications. Share plan communications were excellent but impersonal, perhaps explaining the lack of a "wow factor".

Generali's communications had a particularly complex task. The plan was complicated by many matchings and horizons of time, ESG metrics and downside protections, plus a donation to a charity. The link to ESG goals is notable. The demands proved overwhelming.

SThree's global employee share purchase plan emphasised simple communications with video book; circulars; posters; online information and rules summary. It achieved 38 percent participation. The comms overall were commendable but nothing stood out as *startlingly good*.

Overall winner of **best share plan communications 2023** was **Diageo**.

Generali was **commended** for its ESPP scheme comms.

easyJet received a **special mention** for clarity and good use of technology.

Diageo's Ceri Newby and Lindsey Spencer accept the Best Share Plan Communications award from Centre president Malcolm Hurlston CBE.

AWARDS

Category 3 - Best use of technology, AI or behavioural science in employee share plans

Without effective technological solutions, all-employee share plans would be prohibitively expensive and time consuming for many companies. This award category recognises innovative uses of technology.

Shortlisted were **Diageo**: the judges liked its use of Business Intelligence to analyse its plans' impact on low earners;

easyJet made good use of the EQ app in its SAYE;

Vestd's enthusiasm for employee share plans came over well in its submission. An ambassador for its own product, the company uses the Vestd platform to administer its own share scheme, with surety of its ease of use, flexibility and peace of mind needed to make the most of the plan.

Overall Winner of **best use of technology, AI or behavioural science** was **Vestd**

Commended in this category was **Diageo**

Vestd's ceo Ifty Nasir accepts the Best Use of Technology, AI or Behavioural Science award.

Category 4 - Best share plan response to significant changes or challenges

Since 2020, the pandemic, global crises, rising inflation and the cost of living have brought many challenges to business, not least of which is the change to working life and finances. All-employee share plans can play a key part in rising to such challenges by contributing to employees' savings, morale and engagement. This award is designed to recognise ingenuity in either adapting a share plan or creating a special plan to fit the rapidly shifting landscape or help alleviate some of the pressures that arise from extraordinary situations.

Shortlisted for this award were **Drax** and **Generali**, both close contenders in this category. Drax stands out as it is saying to employees "we are thinking about you in the middle of mayhem". The company's approach in the round was very good, though it was benefitted by a massive increase in share price. Generali's linkage of employee share plans to its climate goals was compelling. This was well communicated to employees. The link to ESG is rarely seen in broad-based plans and it echoed its executive compensation disclosures on ESG. This gives good encouragement for others. Other companies will need to follow this lead.

Overall winner of **best share plan response to significant changes or challenges** was **Generali**

Highly Commended: Drax.

Darren Smith of nominator Global Shares collects the award for Best Share Plan Response to Significant Changes or Challenges on behalf of Generali.

Great success of ESO in France

The share prices of quoted French companies who invest in substantial all-employee share schemes are easily outstripping their counterparts who do not operate such schemes, revealed a survey by FAS, the Federation of Salaried Shareholder Associations, and Centre founder Clifford Chance.

One of the reasons why the share prices of companies like Capgemini (8.4 percent employee owned), Total Energies (eight percent) – see story on page 15 of this *newspad* -, Vinci (9.9 percent) and Safran (6.7 percent) are racing ahead in the CAC 40 share index of leading French companies is higher than normal levels of motivation among their employees, said the survey.

Another reason is that such Eso-friendly companies, who include AirFrance-KLM and Stellantis (Peugeot, Citroen, Chrysler and Fiat) find it easier to recruit dynamic and talented young people who can boost corporate performance. Renault intends to increase its employee shareholdings from five to ten percent of the listed equity.

Almost three million employees in France are now shareholders in their employers - the highest level of employee participation in Europe - said FAS, whose new index of Eso share price performance has been launched by Euronext. Collectively, the shareholdings of these employees are worth €90 billion.

Average share prices among 33 French Eso-friendly companies rose by ten percent in the first quarter of this year, compared to a rise of only seven percent among other CAC 40 companies. During last year, the share price performance gap was much greater - an 18 percent rise against eight percent, according to FAS/Clifford Chance.

Large employee shareholdings have helped some French companies resist contested takeovers, notably in 1999 when bank BNP, was forced to withdraw its takeover bid for Société Générale by the latter's employees and in 2008 when construction group Eiffage, which is 22 percent employee owned, repelled a takeover bid by Spanish company Sacyr. "A strong mobilisation of Eiffage employee shareholders played a major role in the defeat of the attempted takeover," reported *Le Figaro* financial journalist Herve Rousseau.

Symposium: Employee share plans - Beyond the 1%

The Esop Centre's seventh British Isles Share Schemes Symposium, focused on increasing productivity through increasing the percentage of total equity in employee ownership.

In a keynote speech, **Lorraine Young**, a chartered governance professional, NED and accredited mediator, examined this theme— if at least 10 percent of equity is in the hands of employees, this should give productivity a boost and benefit all investors. Delegates were too, given a view from the USA by **David Binns**, former Executive Director of the ESOP Association.

A report from the event will follow.

The symposium, hosted by White & Case and co-sponsored by Vestd, was a great success, and the Centre is looking forward to the next one!

Thank you to everyone who took part.

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Sharesave schemes – the pros and cons

In a piece for *Money Saving Expert*, Helen Saxon helps employees decide whether participation in a Sharesave scheme would be right for them.

She said that the idea behind Sharesave is that you get the opportunity to take part in the success of the company you work for, emphasising "Best of all, there's **no risk** to your cash as you can get every penny saved back if you don't end up buying the shares," adding the caveat that Sharesave isn't right for everyone.

More than 14,000 companies in the UK, such as Asda, Next and Tesco operate a Sharesave scheme, and latest figures show more than one million people in the UK are part of one of these schemes.

Helen listed the main advantages as: saving is risk free; savings are taken directly from your paypacket; you could make a profit in the £1,000s or even £10,000s! But cautioned that these are best if you're on a financially secure footing and have disposable income to spare.

Consumer confidence bounces back

Consumer confidence is bouncing back in the UK, with people predicting a brighter financial future for the first time since August 2021. Natwest found more consumers expect their position to be better in 12 months' time. Its economic forecast suggests inflation will fall to 2.5 percent by the end of this year. Headline consumer price inflation is still above the Bank of England's two percent target at 3.2 percent but has fallen sharply from a peak of 11.1 percent in October 2022, the *Guardian* reported.

Photo by Karsten Winegeart on Unsplash

Lost pension pots

Almost £2bn has been lost from UK pension pots in the last five years. This is because the authorised financial providers and advisers managing them have gone out of business, with £800m unable to be refunded. Over 43,000 claims have been made against companies who have gone bust and left people without a pension since 2019. However, refunds are limited to pensions protected by compensation rules, and often capped at £85,000. This means investors were left with up to £800m in lost pension funds, *City A.M* reported.

Whitbread to cut jobs

Premier Inn owner Whitbread is to cut 1,500 jobs as it closes restaurants and expands its hotel business. It plans to cut its number of branded restaurants, including Brewers Fayre and Beefeater, by more than 200 in favour of building more hotel rooms. The job cuts, which are subject to consultation, will come from a total UK workforce of 37,000 employees. It plans to sell 126 of its less profitable restaurants, with 21 sales already having been agreed.

Widening the transatlantic gap - US exec pay jumps nine percent

A soaring stock market is adding to the fortunes of American bosses compared with counterparts in the UK.

The median pay for S&P500 ceos jumped nine percent to $15.7m in the year to April 15. The rises came despite the underperformance of some US companies last year, according to analysis by ISS-Corporate, a division of Institutional Shareholder Services.

In the UK, FTSE boards are under pressure to increase chief executives' pay. UK bosses complain they are underpaid in comparison with their transatlantic peers, with several warning of a talent exodus unless their pay is more competitive.

Median total pay for UK ceos at the first 55 companies to publish annual reports rose four percent to £4.5m in 2023, according to Deloitte research.

Green-eyed ceos should beware the lure of higher pay

Shakespeare's green-eyed monster is stalking the biggest UK and European public companies, according to an Opinion piece by Brooke Masters in *the FT*. Top executives look across the Atlantic and see their American counterparts take home even larger pay packages and are jealous.

The biggest US companies have revenues and profits that most European groups can only dream about, but there is a strong cultural element too. In a comparison of similar sized companies, UK and western European companies are in the same ball park, but US median pay is substantially higher.

Big pay packages can exacerbate inequality and stoke populist resentment, but global companies compete for talent in the real world. Masters puts forward the view: The UK is struggling with high turnover among chief financial officers and can ill-afford for the problem to spread.

Shareholders back £7m pay rise for London Stock Exchange boss

The *Guardian* reported that shareholders have voted in favour of doubling the pay packet of London Stock Exchange Group's chief executive to £13m on the same day that fears were reignited about an exodus of UK-listed firms.

Investors backed the group's plans to increase David Schwimmer's maximum pay levels from £6.25m to more than £13m. The resolution passed, with nearly 89 percent voting in favour of the new pay policy.

Why UK exec pay is so uncompetitive

The Investment Association is concerned that executive pay structures have become too rigid and that, while pay comparisons make for easy headlines, the underlying dynamics are much more complex. It hopes to simplify its "Principles of Remuneration" later this year. But how much of a difference are these likely to make?

The IA expects companies to tailor pay based on what's appropriate for each situation. Some companies, for example, might wish to drop the performance conditions on share awards, and so award only restrictive shares. Some may wish to award both, although that would make pay look more complicated – and shareholders often say they want simpler pay structures. At the same time, though, they've demanded stronger safeguards – such as mandatory holding periods, the ability to claw back pay and requirements for executives to keep shareholdings after they resign. Since the financial crisis of 2008, companies have had to publish more about how their executives are paid, and to hold binding shareholder votes on remuneration policies. These have all added layers of complications.

Boss of Southend Airport PE owner handed $187m pay package

Harvey Schwartz, the new chief executive of private equity giant Carlyle Group, has been handed a $187m pay package in his first year leading the firm that recently took control of London Southend Airport. While Schwartz's base salary was $838,462, the vast majority came from long-term share awards worth almost $180m that will vest over time subject to performance. He also received a $6m bonus, double the target level.

Carlyle's board cited Schwartz's overperformance on cost-cutting, compensation strategy changes and revenue growth in awarding the maximum possible bonus. The massive pay day comes as Schwartz spearheads efforts to return Carlyle to growth after struggles raising funds and lagging rival firms' stock performance. His priorities include finding $40m in cost savings and boosting investor returns. Carlyle's moves reflect broader challenges in the private equity industry, with the firm increasing share buybacks and overhauling executive compensation as it seeks a turnaround under its new ceo's leadership.

Morgan Stanley shareholders urged to vote against executive pay

Proxy shareholder adviser Glass Lewis has urged Morgan Stanley shareholders to vote against an executive pay proposal at the next annual general meeting on May 23.

The agm will be the first in 14 years without James Gorman as chief executive, who handed the reins over to Ted Pick and moved to the chairman role in January.

Gorman earned $37m in 2023 under the current executive pay scheme, but Glass Lewis said Morgan Stanley "paid significantly more than its peers, but performed worse".

"The misalignment between pay and performance alignment is indicative of a costly ceo transition," it added.

Glass Lewis is facing an uphill battle- the previous year's proposal received approximately 96 percent approval, indicating robust shareholder support.

Earlier this month, Glass Lewis recommended that AstraZeneca shareholders vote against chief executive Pascal Soriot's £18.7m ($23,5m) pay package. Soriot's pay was approved, albeit with nearly 40 percent of shareholders voting against it.

South Africa: ESG must be linked to executive compensation

According to *FA News*, Xperien ceo, Wale Arewa stated that executive compensation needs to be tied to environmental, social, and governance (ESG) performance driven by the shift towards stakeholder capitalism and sustainability imperatives. Arewa argues that by aligning incentives with broader ESG objectives, companies can reinforce commitment to sustainable growth, drive positive change in areas like diversity and climate action, and enhance transparency and accountability to stakeholders. However, he notes challenges such as lack of standardised ESG metrics, transparency concerns, and ensuring ESG goals are material, durable and auditable. Companies must rigorously identify relevant goals, benchmark peers, engage stakeholders, and periodically reassess effectiveness.

Clear communication with investors on the rationale and expected impacts is also crucial. Arewa advocates leveraging IT asset disposition solutions to address hardware management and advance ESG principles across C-suite domains like finance, marketing, and technology. Ultimately, thoughtful integration of ESG into compensation will position companies for long-term success in an interconnected, sustainable business landscape.

How to link ESG goals to executive pay

The practicalities of tying ceos rewards to ESG goals has gained broad acceptance, but are far from straightforward.

In a piece for *Raconteur*, Sam Birchall wrote that Unilever hit the headlines in 2014 when it paid its then ceo, Paul Polman, a £432,000 bonus for his work on the company’s sustainability reforms. While this case drew criticism from those who saw it as a fat cat profiting from addressing global problems that his firm may have been part of, it fuelled the theory that the best way to persuade business leaders to manage their assets for the public good is to pay them to do so.

The movement to tie bosses’ rewards to their companies’ environmental, social and governance performance has since gathered momentum. By 2022, more than 90 of the FTSE 100 were incorporating ESG measures into their executive incentive plans, according to a Deloitte study.

Like most things ESG-related, the practice has encountered scepticism. Is the promise of these bonuses really driving business leaders to hit ambitious targets, or do such schemes equate to a Trojan horse, designed to sneak inflated compensation packages into the C-suite under the guise of rewarding corporate social responsibility?

It can, when done well in the right context, reinforce executive accountability to meet ESG targets. The main challenge lies in the "tricky practicalities of getting it right". The main risk is that the practice could result in more pay, not more effective action, but there are steps that firms can take to avoid this outcome and other pitfalls:

⇒ Establish clear measures of success

⇒ Communicate why you're doing it

⇒ What gets measured gets done

⇒ Take it a step further

The pushback against ESG has hit Europe

In a think piece for *Reuters*, authors Niall O'Shea and Hugh Wheelan suggest how investors can ride out the battle against ESG: "That catch-all term, which covers "sustainable", "responsible" and "impact" investment, is nursing a splendid hangover, and having to contemplate the consequences of over-indulgence. In the US, ESG faces outright hostility from political enemies, and the pushback is arriving in Europe, where newly emboldened sceptics have let rip on ESG's pieties and promises.

"Some of the scepticism is deserved: greenwash is rife, and there are too many arguments and practices that don't stand up to scrutiny. To add to the indignity, ESG now faces regulatory pushback of its own with the EU's Green Claims directive. Investment firms' must back up lofty product claims with reference to verifiable evidence and standards.

"Let's get some perspective, though. ESG's present troubles are an acknowledgement of how far it has come."

COMPANIES - EO NEWS

Roadshow to promote employee ownership model in Scotland

A new roadshow *Selling a Business to an Employee Ownership Trust*, is designed to raise awareness of employee ownership among professional advisers. The Law Society of Scotland, the Institute of Chartered Accountants Scotland (ICAS) and Co-operative Development Scotland have joined forces to host the roadshow, to be held across Scotland in May and June.
It will target members in law, accounting and banking. The events also aim to increase the number of firms that are able to offer specialist guidance.

New EOTS

- Specialist finance business Liberty Leasing
- Consultancy and project management services provider CPC Project Services
- Architect firm 7N Architects
- Architect firm Associated Architects
- Catering equipment distributor Bluestone Catering Solutions
- Motor and air compressor supplier and service provider EDC Group
- Marketing and media sector’s recruitment and training partner, The Industry Club
- Ophthalmic lens and coatings manufacturer and supplier Optimum Coatings
- IT solutions provider Port-P

WORLD NEWSPAD

China

Acceleration in share repurchase rate of Alibaba stock

According to a Morgan Stanley analyst note, Alibaba exhibited a significant acceleration in its share repurchase activities in the January-March 2024 quarter. The e-commerce giant bought back 524 million shares worth $4.8 billion during this period, markedly higher than the $2.6 billion quarterly average over the prior nine months. These repurchases, coupled with adjustment for employee stock ownership plan allocations, effectively reduced Alibaba's total outstanding shares by 5.1 percent over fiscal 2024. Morgan Stanley highlighted that Alibaba's buybacks plus dividends over the last 12 months imply an eight percent yield for shareholders.

The analysts expect Alibaba to continue monetising non-core assets to fund enhanced shareholder returns, an approach that could stabilise the company's stock value over time. Management has indicated an intent to retain strategic assets like express delivery firms central to Alibaba's operations. The accelerated buyback rate demonstrates Alibaba's commitment to boosting shareholder value through repurchases and dividends amid broader capital management efforts.

Finland

United Bankers' directed share issues to employees

United Bankers plc, a Finnish expert on wealth management and investment markets, has arranged an employee share issue, offering new shares in the company for subscription by the employees and management. The Board of Directors also resolved to organise a directed share issue to the tied agents of the United Bankers Group that operate in the form of a limited liability company and to certain holding companies of key persons acting as directors of alternative investment funds managed by the Company's Group. A total maximum of 190,000 new shares in the company are to be issued.

In the Employee Share Issue, the subscription price of the share will amount to €15.28 per share. The subscription price will be based on the volume -weighted average price of the share on Nasdaq Helsinki during the time period of March 1 to March 31 2024 less a discount of approximately ten percent.

In the Tied Agent Share Issue, the subscription price of the share shall be the volume-weighted average price of the share on Nasdaq Helsinki during the time period of March 1 to 31, i.e., €16.97 per share.

France

TotalEnergies ranks 1st in employee shareholder ownership in Europe

In an April 26 press release, TotalEnergies claimed that employee shareholder ownership is the best way to associate the employees with the Company's transition strategy, and therefore it is at the heart of its value sharing policy. On April 25 2024, TotalEnergies' Board of Directors validated several such initiatives, including:

The allocation of 100 TotalEnergies shares to each of the company's 100,000 employees worldwide. This is the most important universal grant in the company's history and is in honour of its 100-year anniversary. This exceptional grant will be made to the company's employees on the date of the definitive grant by the board, for those present on March 28 2024. These shares will be definitively acquired by the employees present five years after the grant date.

A capital increase reserved for employees and former employees for a €46.90 subscription price equal to the average of the closing price of TotalEnergies shares on the Euronext over twenty consecutive trading sessions, with an exceptional 30 percent discount (compared to 20 percent in 2023).

TotalEnergies' policy puts the company at the top of the ranking of European firms for employee shareholding, based on the amount of the share capital held by its employees.

By year-end 2023, over 65 percent of TotalEnergies' employees were shareholders, holding about €11 billion out of the Company's €149 billion share capital. Consequently, with 7.4 percent of the capital, TotalEnergies' employees represent the Company's largest group of shareholders, receiving €525 million in dividends in 2023.

"Making every one of our 100,000 employees a TotalEnergies shareholder, with an amount of such magnitude, is a unique initiative for a company of our size. It demonstrates our commitment to employee shareholding, which is at the heart of our value sharing policy", said chairman and ceo Patrick Pouyanné.

India

XYXX announces inaugural Esop buyback

Men's lifestyle brand XYXX has announced its first Employee Stock Ownership Plan buyback, four years after introducing a stock option programme. Eligible employees who have completed their tenure can sell shares back to the company at a sixfold premium over the allotted price, with a zero-strike price. The buyback spans various levels from senior managers to executive leadership. The strike price is the predetermined future purchase price for employees, typically set below market rates to allow them to benefit from stock appreciation. XYXX has a relatively young workforce, average participant age is 36. Founder and ceo Yogesh Kabra said that the inaugural buyback "reaffirms my belief in the collective success of Team XYXX" and their pivotal role, allowing the startup to offer competitive wealth creation opportunities alongside leading tech firms.

Italy

Eni launches an Esop

Energy company Eni's board of directors, chaired by Giuseppe Zafarana, is to submit a proposal to the shareholders' meeting on May 15 to authorise the adoption of an Employee Stock Ownership Plan 2024-2026 and the related funding arrangements.

The Plan will initially be implemented for employees in Italy and then gradually extended to foreign subsidiaries, consistent with local legislation, with the aim of strengthening the sense of belonging across the company, in line with the interests of the shareholders.

The Plan permits two annual grants (in 2024 and 2025) of free shares with an annual individual monetary value of 2,000 euros. A three-year lock-up period applies to each grant, during which the employee must not dispose of the shares.

In 2026, a co-investment model will be implemented whereby, upon the employee's purchase of shares, free shares will be granted equal to 50 percent of the shares purchased, up to a maximum value of 1,000 euros. A lock-up period of one year will be applied to the shares purchased by the employee and a lock-up period of three years to the free shares granted.

Executives participating in the existing Long-Term Incentive Share-based Plan will be symbolically granted one share.

Eni values human capital as a fundamental part of its transformation and evolution path and this initiative complements the extraordinary intervention plan that Eni launched in October 2023 to support the group's more than 20,000 employees in Italy during the economic downturn.

South Africa

Worker share ownership schemes key to economic transformation

President Cyril Ramaphosa advocated for giving workers ownership stakes in companies at the inaugural Worker Share Ownership Conference in Johannesburg. He said having worker shareholders fosters innovation, morale and builds economic resilience. When workers are owners, they better understand company challenges and can effectively partner for growth. Ramaphosa called this an empowering "paradigm shift" making workers stakeholders with capital ownership, not just wage earners. He said worker ownership boosts productivity as people invest more when they have a vested interest in success.

Worker share ownership schemes enabled by BEE and other acts are valuable economic empowerment tools, Ramaphosa stated. While government provides guidance and funding support, he stressed a shared commitment among stakeholders is crucial to build a better, sustainable worker shareholder model.

Workers call for tighter legislation in share incentive plans

Workers representatives have called for further legislation governing employee share benefits schemes in South Africa. This came as the Department of Trade, Industry and Competition held an inaugural conference (April 24) to provide a platform for advocacy for the Employee Share Ownership Plans, celebrating their successes, raising awareness and exploring possible collaborative solutions.

National Union of Mineworkers (NUM) representative Seipati Malema said they wanted to see the rules set by the High Court judgement change to state as law what companies were required to do to empower workers.

In September 2021, the Gauteng High Court delivered a judgment declaring the Mining Charter III was simply policy and not legislation.

Harmony concludes landmark wage negotiations

Gold miner Harmony Gold has reached a landmark five-year wage agreement covering 2024 to 2029 with five labour unions - NUM, UASA, Solidarity, AMCU, and NUMSA. This is the first time the unions negotiated jointly as a coalition, which Solidarity's Gideon du Plessis called "a victory for trade union unity." Harmony ceo Peter Steenkamp said concluding the multi-year deal with all unions reflects well on the company's labour relations.

The agreement provides annual wage increases between 6-6.5 percent or inflation for miners and officials, and flat increases for other categories over five years. Housing and living allowances will also increase annually. Notably, it makes *provision for implementing a new employee share ownership plan within three months*, which du Plessis said will ensure miners benefit. Steenkamp called the deal "fair and balanced" considering cost of living impacts, while being within Harmony's planning parameters at around six percent annual increases.

WORLD NEWSPAD

Norway

Adevinta ESPP notification

On April 26, employees of Adevinta ASA received a total of 26,393 Adevinta treasury shares. After withholding tax, a total of 13,736 shares were sold at a price of 113.89983 NOK per share to cover tax responsibilities and the net number of shares to be transferred to the employees will be 12,657 shares. The net shares will be transferred to the participants in the coming days. This transaction is related to bonus matching shares given to employees who enrolled in the Employee Share Saving Plan.

Vietnam

SeABank reports profit increase of 41% in first quarter results

Southeast Asia Commercial Joint Stock Bank (SeABank) reported profitable first quarter 2024 results, with profit before tax (PBT) reaching $60.66m, up nearly 41 percent year-on-year. Other key metrics also showed stable growth - total operating income rose 19.54 percent YoY to $109m, while total revenue increased 4.6 percent to $259.3m. SeABank's net non-interest income saw a near 51 percent YoY jump to $28.9m.

As of end-Q1 2024, SeABank's total loans reached $7.3bn and deposits/valuable papers totalled $6.79bn. Its NPL ratio was contained at 1.95 percent. Total assets grew 2.06 percent YoY to $10.94bn, while charter capital stood at $1bn. SeABank plans to raise this to $1.2bn through measures including an *employee stock ownership plan share issuance*, digital technology focus and product diversification strategy.

USA

Economic growth lower than expected

The US economy grew by less than forecast in the first three months of this year. However, inflation gathered pace and could delay an interest rate cut. Official figures revealed the economy expanded at an annualised rate of 1.6 percent, far below expectations and the growth seen in the final months of 2023. Inflation is yet to fall back to the Federal Reserve's two percent target. Economic growth has slowed from 3.4 percent growth in the final three months of last year to 1.6 percent, the BBC reported.