

it's our business

newspad of the Employee Share Ownership Centre



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From the life president

Professor Joseph Blasi of Rutgers has told the Harvard Institute for Business in Global Society that we have to get away from our fixation on what percentage of a business is employee-owned. "Small percents of giant companies deliver as much wealth as 100 percent of closely-held Esops"!

Employee share ownership is key to better businesses and always will be but more wealth for more employees should be equally welcome. As Blasi says, we need to broaden access to equity participation in corporations and cash profit sharing too, however much we prioritise the Esop we know and love.

Malcolm Hurlston CBE



TOP STORIES

The state of play for employee share ownership

In an interview for Harvard Business School's Institute for Business in Global Society, Joseph Blasi, J Robert Beyster professor emeritus at Rutgers University, made the case for small holdings in large companies.

“Worker ownership is about one word: shares. Shares of capital ownership and shares of capital income. Shares of equity ownership by employees is an example of shares of capital ownership, which is common in Silicon Valley and across Fortune 500 companies. And cash profit sharing or gain sharing is an example of shares of capital income, which are more common in closely held companies and several hundred stock market companies.

“Traditionally, there's been this fixation on wage income for the working middle class. But we know that families who accumulate wealth have mainly accumulated it because of capital ownership, the stock market, capital income, dividends, and shares of profits, shares of business income in publicly traded and closely held companies, and inheritance. The fixed wage system is important, but it is not going to bring the working middle class into another stage of wealth because, adjusted for inflation, fixed wages are not rising rapidly for most of the middle class. To accomplish that, we need to broaden access to equity participation in corporations and cash profit sharing.



“There are two types of contemporary examples. First, Employee Stock Ownership Plans are when a company sets up a trust, and it typically borrows money to purchase stock on behalf of workers, using federal tax incentives. The company, not the employees, pays back the loan out of its earnings. Many closely-held corporate Esops hold 51 to 100 percent of the shares, many hold more than 30 percent. The Esop median for stock market companies is closer to two percent of total shares outstanding, but the individual employee stakes can add up to significant wealth accumulation.

“Second, there are many examples of non-esop forms of equity participation. Microsoft gives restricted stock to every one of its employees, from the janitor right up to the ceo. Amazon also has broad-based employee ownership. The equity participation plans at Amazon and Microsoft certainly represent far less than 20, or even 10 percent of total shares outstanding, but ... they add up to a lot of wealth. We have to get away from this fixation on the percent of the company that is employee-owned. Small percents of **giant companies deliver as much wealth as 100 percent of closely-held Esops!**”



TOP STORIES

Windfall for staff at UK's most valuable fintech

Revolut employees are in line for big windfalls, according to the *Financial Times*, as the fintech allows staff to sell down their shares in the company at a \$75bn valuation.

Revolut told staff on September 1 that they would be allowed to sell up to 20 percent of their shares to make way for other investors.

The company's performance over the past year "has led to further investor demand from both new and existing world class investors" a document seen by the FT said.

The company hopes the fundraising round will accelerate its international expansion plans. It comes as Revolut considers buying a nationally chartered bank in the US, which would **allow it to lend across all 50 states**.



EVENTS

Webinar – Esop Sofa: PISCES Progress

Tuesday September 23 2025, 11:00am.

In our **next Esop Sofa webinar**, the Centre's panel of experts discuss recent progress of the Private Intermittent Securities and Capital Exchange System (PISCES) – and look at how those updates might affect employee share plan implementation.

The debate will be moderated by Damian Carnell and there will be plenty of opportunity to put your questions to the panel.

It is free to attend and **registration is open** now.





Ninth Share Plans Symposium—March 26 2026

Esop Centre's **ninth Share Schemes Symposium**, will consist of two sections:

⇒ Background material: The speakers' presentations will be recorded during February and early March. They will be made available in advance of the

⇒ Live session: face-to-face event to discuss the presentation topics.

The live session, in Baker McKenzie's Central London offices from 13:15 on Thursday March 26 2026, will feature four interactive discussion sessions.

The symposium will conclude with the presentation of the 18th *newspad* all-employee share plan awards and a celebratory reception.

The programme of 10 to 12 presentations by employee equity experts will include developments and issues in all-employee and international share plans; share plans in SMEs and private companies; employee ownership and benefit trusts; executive remuneration within the employee remuneration context; and case studies of employee share plans in action.

The Symposium provides an opportunity for people with a professional interest in all forms of employee share ownership to learn about latest legal, regulatory, governance and tax issues affecting employee share plans and to exchange ideas.

Admission rates:

*Delegates from **plan issuer companies** will be admitted **free of charge**.*

Practitioners: Members: £450; Non-members: £800

Trustees: Members: £400; Non-members: £650

Multi-booking discount: 50% off cost of ticket for your third delegate.

**All prices are subject to UK standard rate VAT*

There will be strictly limited opportunities to attend remotely exclusively for international members not able to travel to London.

To register a delegate, email :
events@esopcentre.com



Thank you to our
sponsors:

The Centre's 2026 symposium
is hosted by **Baker McKenzie**

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18th All-Employee Share Plan Awards

newspad all-employee share plan awards

The 18th *newspad* all-employee share plan awards are now **open for submissions**.

The *newspad* awards recognise the achievements of companies which offer employee share plans and hold up best practice models for other companies to follow.

If your company or client made a notable contribution to employee share ownership, issued an inspirational share plan, or showed excellence in its communication and presentation; has been creative in using share plans to overcome significant changes or challenging situations, increasing participation or using technology; or if the chairman, ceo, or share plan team leader has upped the game with enthusiasm for employee share ownership, why not take this opportunity to tell the world about it?

Companies can either nominate themselves or advisers can make submissions on their behalf. Entrants can apply for awards in more than one category. **Submitting nominations** is free and simple. Required information is kept to a minimum. Clarity matters more than length. The deadline for nominations is **17:00 on Wednesday December 17 2025**.

The awards present a great opportunity to celebrate your company or clients' achievements.

The award categories for 2025 are:

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**

Category descriptions and rules of entry can be viewed on the [Awards webpage](#).

We look forward to receiving your nominations.



China



DongHua Testing launches first employee stock ownership plan

DongHua Testing Technology (300354.SZ) has announced its first employee stock ownership plan. The scheme, worth up to RMB 11.298m (£1.2m), will be funded entirely from the firm's allocated reward fund and represents around 9.27 percent of its audited 2024 net profit. Under the plan, employees will be able to acquire up to 300,000 shares, equivalent to 0.2169 percent of the company's total share capital of 138,320,201 shares. The purchase price is set at the average repurchase cost of RMB 37.66 (£4.05) per share. Participation will be capped at 17 individuals, including six directors (excluding independent directors) and senior management, with final

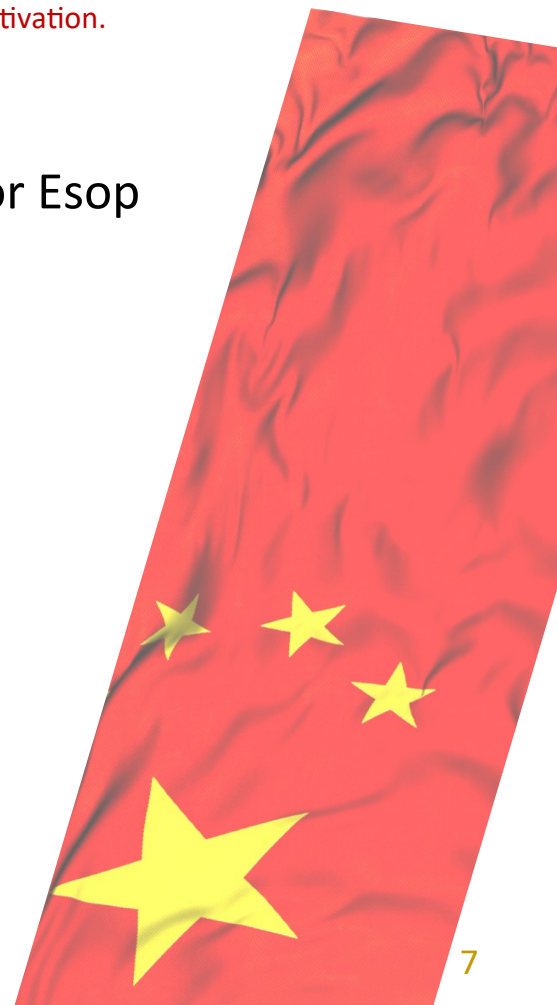
numbers depending on voluntary uptake. The plan will run for 24 months and include a mandatory 12-month lock-up period from the date of transfer.

By introducing this scheme, DongHua Testing aims to align employee incentives with shareholder interests, strengthen corporate governance, and enhance long-term competitiveness by directly rewarding contributions to company growth. This move mirrors a broader trend in China's corporate landscape, where employee stock ownership, albeit weighted towards management, is increasingly used as a mechanism **to retain talent and improve motivation.**

Yangtze Optical completes share transfer for Esop

Yangtze Optical Fibre and Cable Joint Stock Co has completed the transfer of six million A Shares to its 2025 employee share ownership plan, representing 0.79 percent of its total share capital. The company has also held its first holders' meeting for the Esop, establishing a management committee to oversee the plan.

Additionally, a supervisor of the company, Mr Xiong Zhuang, has subscribed to 67,535 A Shares under the Esop, which accounts for 1.1256 percent of the shares held under the plan. This move is part of the company's strategy to align employee interests with corporate performance, potentially impacting its market positioning and **stakeholder engagement.**



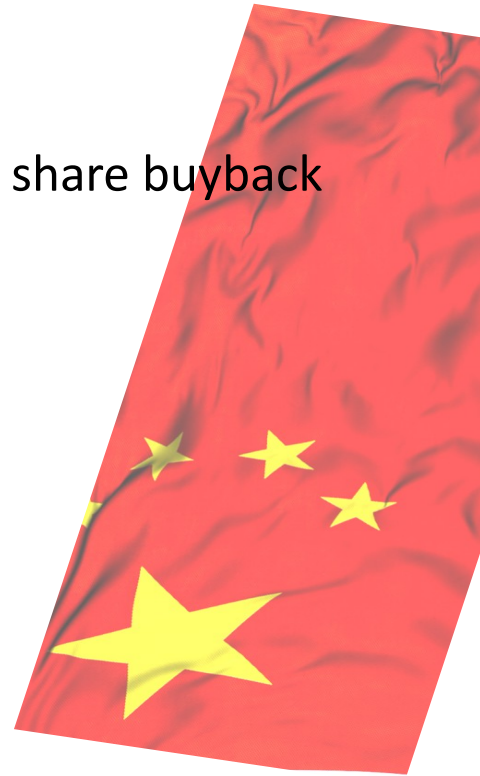


China

ByteDance valued at over \$330bn in employee share buyback

ByteDance, the Chinese technology giant that owns TikTok, is preparing a new round of employee share buybacks that will value the company at more than \$330bn, according to *Reuters*. The move comes as the firm posts strong revenue growth despite mounting regulatory pressure in its key overseas markets.

The buyback programme, expected to launch this autumn, will offer current employees \$200.41 per share, representing a 5.5 percent increase from the \$189.90 offered in a similar programme six months ago. At that time, the **valuation stood at about \$315bn**.



Pakistan

Exemption granted to employee share schemes in tax year 2025-26

The Federal Board of Revenue (FBR) has announced a significant tax relief for employees by granting exemptions to employee share schemes under the updated Income Tax Ordinance, 2001 for the tax year 2025-26.

Under Section 14 of the Ordinance, the value of a right or option to acquire shares through such schemes will not be chargeable to tax at the time it is granted.

Although the grant of an option is tax-exempt, taxation may apply later depending on how the scheme is structured:

1. Shares Issued Without Transfer Restrictions - If an employee receives shares directly under a scheme, the taxable amount is based on the fair market value of the shares on the date of issue, minus any payment made by the employee.

2. Shares with Transfer Restrictions - If there are restrictions on selling or transferring the shares, no tax is charged until the restriction is lifted or the shares are disposed of. At that time, the fair market value will be calculated, and tax will apply accordingly.

3. Disposal of Rights or Options - If an employee decides to sell their right or option instead of exercising it, tax will be applied to any gain made from the disposal.

This exemption encourages companies to offer employee share schemes as part of compensation packages **without imposing an immediate tax burden**.





South Africa

Valterra Platinum buys shares for Esop

Valterra Platinum has bought 130,767 ordinary shares on the open market to fulfill obligations under its Thobo Employee Share Ownership Plan Trust, according to a company statement released in August.

The transactions occurred between July 28 and July 31, 2025, with final book build purchases concluding on July 31 for settlement on August 5. The shares were acquired at a volume weighted average price of R873.08.

Valterra Platinum, formerly known as Anglo American Platinum Limited, is listed on both the [Johannesburg Stock Exchange](#) and [London Stock Exchange](#).

Thungela buys shares for Esop settlement

Thungela Resources bought 127,356 ordinary shares on the open market last week to be used for future settlement of employee share awards, according to a company statement released August 25.

The coal mining company acquired 36,477 shares on August 21 at a volume weighted average price of R90.04 per share, with prices ranging between R87.56 and R91.03. The transaction value totalled R3,284,389.08. On August 22, Thungela purchased an additional 90,879 shares at a volume weighted average price of R93.04, with prices ranging from R91.15 to R95.61. This second transaction amounted to R8,455,382.16.

The combined purchases totalled approximately R11.74m (\$642,000). The shares will be held in treasury until they vest under the rules of the 2021 Thungela Share Plan, [which issues rights as conditional shares to employees](#).



USA

Sustainability with skin in the game

According to *Green Matters*, consumer packaged goods have always been about scale. But as consumer expectations shift, scale alone isn't enough. Some of today's shoppers look for more than a familiar label or a low price. They want to know who makes their products, how those people are treated, and what the company is doing to limit its environmental footprint. For CPG brands, this is where the employee ownership model starts to become a way to link purpose with performance.

When employees have a stake in the company, sustainability can become a shared priority. Line workers noticing energy waste in production aren't just flagging an operational inefficiency; they can be protecting a business they own a piece of.

Environmental, social, and governance commitments can sometimes feel like lofty aspirations, but the companies that integrate them into daily decision-making tend to see the most tangible results. Employee ownership can make that integration stick. If you're part of the ownership team, you have an incentive to look at packaging waste **not just as a compliance concern but as a margin opportunity.**

BDO Esop suit axed on standing grounds

Jacklyn Wille, legal reporter at Bloomberg Law, has noted that BDO USA notched an early win in a lawsuit over its employee stock ownership plan when a federal judge said the complaint didn't identify a tangible injury that would give workers standing to sue.

The proposed class action centres on an August 2023 transaction in which a newly established Esop purchased 42 percent of BDO's common stock from executives and other principals for about \$1.3bn in an exchange financed by a private credit deal with Apollo Global Management affiliates.

Plaintiff Tristin Taylor said the transaction was done at an inflated purchase price that **gave workers a bad deal.**





USA

New EOT empowers caregivers

Consumer Direct Holdings Inc, known as Consumer Direct Care Network, is now partially employee-owned through the formation of an Employee Ownership Trust—which puts caregivers at the centre of company success. CDCN is Certified Employee Owned, with more than 30 percent of the company dedicated to employee ownership. With the launch of the EOT, eligible caregivers will join administrative employees to share in the company’s success through a profit-sharing model designed to honour the essential contributions of caregivers.

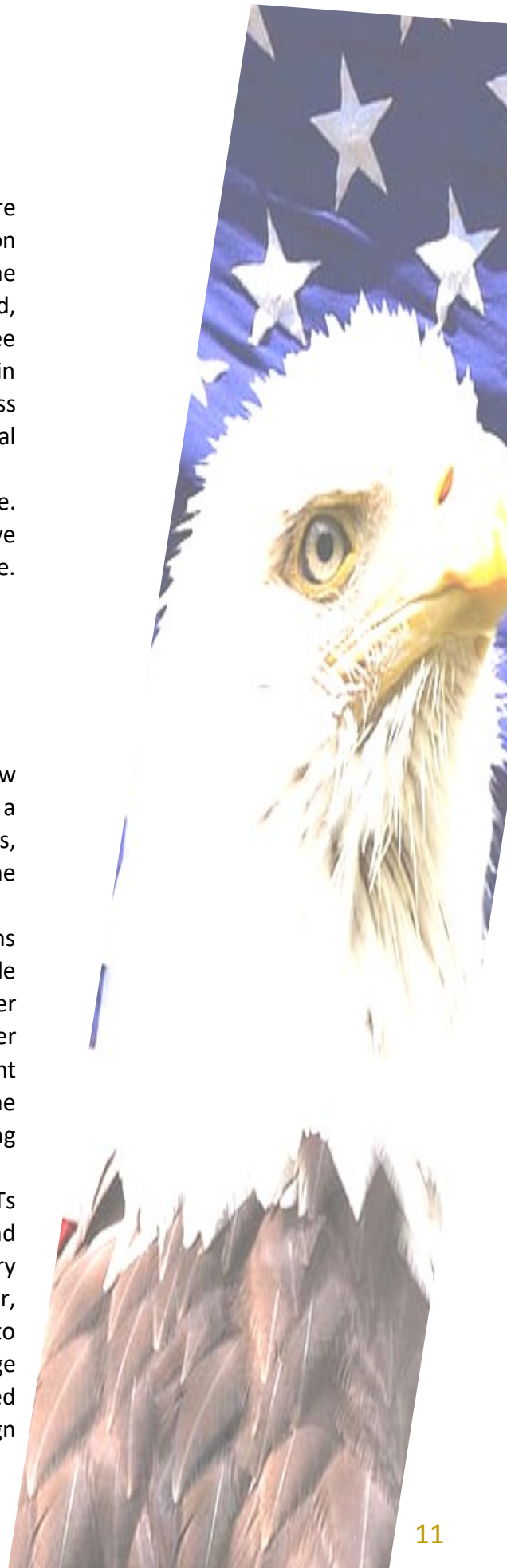
“Care is not a commodity,” said ceo and president Ben Bledsoe. “The people who dedicate their lives to providing care deserve better than boardroom decisions that put profit over people. That’s why we are **making a lasting investment in care.**”

Esops: renewed relevance in 2025

According to *Financial Advisor* magazine contributor Matthew Erskine, employee stock ownership plans have long played a pivotal role in business succession across the United States, though their complexity has at times relegated them to the margins of estate planning conversations.

This year, however, Esops, which are qualified retirement plans under ERISA, are gaining renewed national attention. Notable corporations and professional firms—including Charter Communications, KKR’s “Ownership Works,” and Perelson Weiner Accountants and Advisors Inc—demonstrate a significant expansion in employee ownership initiatives, reshaping the landscape for closely held and family businesses considering succession strategies.

The resurgence of Esops and emergence of alternatives like EOTs reflect a transformative moment in American estate and succession planning. With enhanced legislative and regulatory clarity, Esops continue to deliver powerful benefits. However, other models, most notably EOTs, offer streamlined paths to collective employee stewardship. Business owners should engage with qualified ERISA counsel, tax advisers and other experienced professionals to analyse succession options and how they align with the **preservation of family values and enterprise resilience.**





June Davenport joins the board of Optio Incentives

June Davenport has joined the Board of Optio Incentives and will also act as strategic adviser to the company. June brings with her over 25 years of global share plan management experience, including senior leadership roles at Solium in Canada, the US, and Asia-Pacific, and later at Morgan Stanley in the UK and across Europe.

On accepting the post, June said *“My passion has always been about delivering the best possible*

outcomes for clients—and that starts with truly understanding their needs. When you combine excellence in partnerships with a commitment to client happiness, that’s when the magic happens. That’s exactly what I see at Optio, and I’m excited to be part of shaping what’s next.”

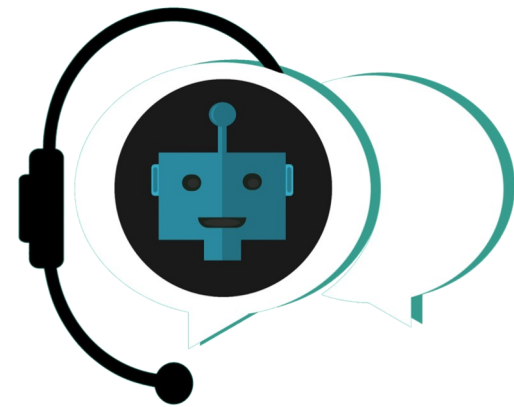
Optio recently acquired Centre member Vu Live Share Plans from Investec.

UK Corner

Does HR still need humans?

Andrew Hill wrote in the *FT* that communications software company RingCentral hired 4,000 people at the height of the pandemic to deal with a surge of clients as remote working took hold. But over the past two years, the company has cut its pandemic-era human resources team of 300 by nearly half. Head of HR, Alvin Lam, told his superiors that he cannot lose more people - but, if it came to it, he probably could cut back again.

Artificial Intelligence tools such as the company’s HR chatbot Ringo would probably allow him to “figure out a way to continue to produce the **same level of service [for] all our stakeholders and still be able to deliver”**.



Harworth Group & Ultimate Products: employee share news

According to *TipRanks*, property developer Harworth Group announced the acquisition of ‘Partnership Shares’ and the awarding of ‘Matching Shares’ to eligible employees under its 2019 Share Incentive Plan. This initiative allows employees to acquire shares free of income tax and NIC if held for five years. Harworth’s aim is to **enhance stakeholder value and reinforce its market position**.

The EBT of domestic appliance supplier Ultimate Products has bought 21,206 ordinary shares, 2.91 percent of the company’s issued share capital. The aim is to enhance its attractiveness as an employer, **with a positive impact on its operations and market positioning**.

(TipRanks is a financial technology company that uses artificial intelligence to analyse financial big data to provide stock market research tools for retail investors).





How much stock do Ireland's top ceos own in their firms?

Ireland's *Business Post* has revealed which ceos have the biggest stakes in their companies, how much their holdings are worth and why some bosses have the least skin in the game.

Michael O'Leary of Ryanair is on track for one of the most lucrative payouts in European corporate history by 2028 – qualifying for share options worth more than €100m after the airline's shares hit the **target required to activate his bonus plan**.

Shareholder revolt as FTSE 100 ceo pay hits record highs

The Canary reports that ceo pay across the UK's largest listed companies has sparked unprecedented backlash from shareholders, with Melrose Industries at the centre of the storm. Two-thirds of its investors rejected a proposed bonus for ceo Peter Dilnot, yet he still received a record-breaking £45.4m – the largest single pay packet in FTSE history.

Overall, FTSE 100 bosses earned a combined £550m last year, the mean average rising by 15.9 percent to a record high of £5.91m in the financial year 2024-25, according to **analysis by the High Pay Centre**. This surge contrasts sharply with real average UK worker pay, which remains nearly three percent lower than in 2008.

Shareholder rebellions are growing, with 11 companies seeing more than 20 percent of votes against executive pay deals. Critics argue such "fat cat" salaries highlight the need for public ownership of essentials like energy and healthcare, ensuring profits are reinvested in services rather than funnelled to executives. The growing dissent suggests patience **with extreme executive pay may be wearing thin**.

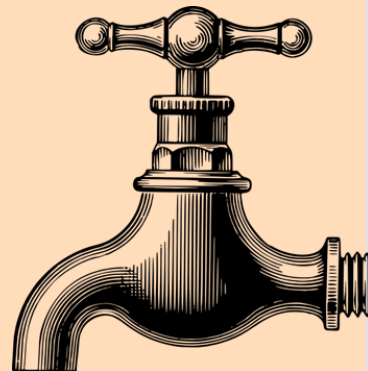




The paradox of pay: assessing the long-term viability of executive compensation in the FTSE 100

The UK FTSE 100 has long been a barometer of corporate governance and shareholder value creation. Yet, recent trends in executive compensation have sparked a critical debate: Is the fast-rising pay of top executives a red flag for investors, or a necessary adaptation to global competitive pressures?

As median ceo pay in the FTSE 100 surged to £4.58m in 2024—122 times the average worker's salary—the question of sustainability looms large. An analysis on *Alinvest* (an AI-powered stock analysis platform) examines the interplay between executive pay, corporate performance, and governance frameworks to determine **whether investors should view these trends as a warning or a recalibration.**



Water bosses receive £230K pay rise amid soaring bills

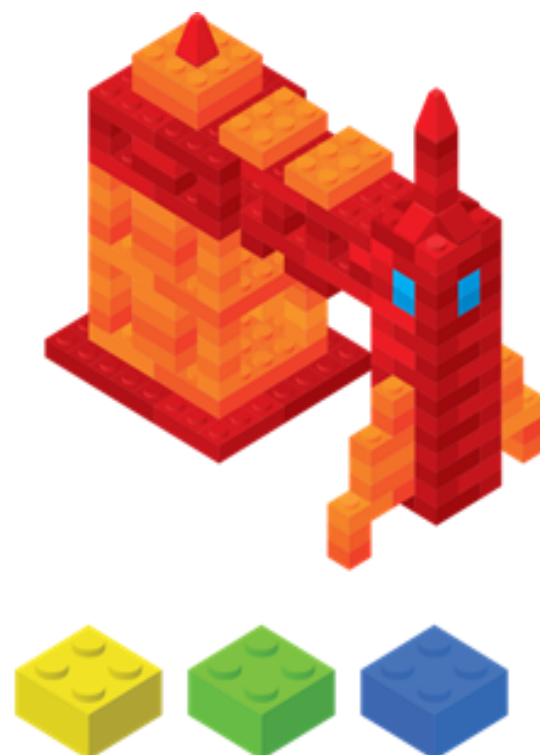
Scottish Water's top executives have faced criticism after receiving a combined £230,000 increase in pay and bonuses during the last financial year, while customer bills rose by almost 10 percent. The publicly owned utility's annual report shows executive pay climbed from nearly £1.15m to £1.38m. Labour's Dame Jackie Baillie condemned the "eye-watering" rises, accusing bosses of taking hefty bonuses "just for doing the job they are already paid for" as households face steep bill hikes. Scottish Water defended the figures, arguing that executive pay is lower than in equivalent private utilities, with the largest percentage increases going to the lowest-paid staff, and bonuses tied to strong performance, including 94 percent customer satisfaction. However, Scottish Liberal Democrat leader Alex Cole-Hamilton said bonuses had totalled over £2.5m in the past decade and accused the SNP government of "rewarding failure," citing 24,398 sewage dumps last year and poor monitoring compared to England. His party is proposing a Clean Water Act to modernise Scotland's sewage network, reduce dumping, **and improve transparency.**



Landmark move to EO for the Entertainer

Karl Matchett writes in the *Independent*, that the UK's largest toy retailer, is set to become employee-owned. Founder Gary Grant has announced plans to transfer the 160-store chain into an Employee Ownership Trust.

The move will see around 1,900 staff – many with over a decade of service – gain a direct stake in the business, receiving performance-related, tax-free bonuses once the scheme is in place. Profits will be distributed annually, with the first expected in early 2027, after the company's peak Christmas trading period. Founded in 1981 in Buckinghamshire by Grant and his wife, The Entertainer recorded pre-tax profits of £6.7m last year and now operates via its own outlets, TheToyShop.com, and partnerships with Tesco, M&S, and Matalan. The Grant family will be paid for their shares over time through company profits. Day-to-day operations will remain under ceo Andrew Murphy, the first non-family leader, who praised the business as a “true British success story” built on strong community values. The EOT structure includes an advisory board to give employees a formal voice in shaping the company's future, marking a significant step in ensuring long-term stability and **shared success for the retailer's workforce.**



EOT round-up

- ▶ Accountancy software provider **bluQube**
- ▶ Architecture firm **Buttress Architects**
- ▶ Plant hire business **Cheetham Hill Construction**
- ▶ Marketing agency **Clone Media**
- ▶ New and used van dealership **David Spear Commercials**
- ▶ Architectural practice **HRI Munro Architecture**
- ▶ Lifestyle brand **Lucy & Yak**
- ▶ Provider of 'pay as you go' fulfilment services **My Warehouse**
- ▶ Northern Ireland mechanical, electrical and plumbing consulting engineer **SCC**



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



The Z/yen Group