

# Appendix B [Insert name of Plan] (“the Plan”): Partnership Share Agreement

This agreement is between:

Participant (“the Participant”)	Company (“the Company”)	Trustees (“the Trustees”)
Name: Home Address:	Name: Registered Address:	Name: Registered Address [if any]:
Payroll Number:	Registered Number:	

This agreement sets out the terms on which the Participant agrees to buy shares under the terms of the Plan and is subject to the rules of the Plan. The definitions in the Plan Rules apply to this agreement.

## NOTICE TO PARTICIPANT ABOUT POSSIBLE EFFECT ON BENEFITS

Deductions from your pay to buy partnership shares under this agreement may affect your entitlement to or the level of, some contributory social security benefits, statutory maternity pay and statutory sick pay.

They may also have a similar effect in respect of some contributory social security benefits paid to your spouse or civil partner.

With this agreement you should have been given information on the effect of deductions from your pay to buy partnership shares on entitlement to social security benefits, statutory sick pay and statutory maternity pay. The effect is particularly significant if your earnings are brought below the lower earnings limit for National Insurance purposes, and is explained in the information: it is therefore important that you read it. If you have not been given a copy, ask your employer for it. Otherwise a copy may be obtained from any office of HM Revenue & Customs, Department of Social Security, or, in Northern Ireland, the Department for Social Development. You should take the information you have been given into account in deciding whether to buy partnership shares. \*

\*Alternatively you can download leaflet [IR177](#) from the HMRC website

### PARTICIPANT

<p><b>£</b> (Insert amount between £10 and £125 (per month) and not more than 10% of my salary)</p>
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- I agree to allow my employer to deduct the following amount per [insert period] from my Salary:
- I agree that these deductions will be used to buy Partnership Shares in [insert name of company] for me. I agree that the Trustees will accumulate my deductions from [Company to specify beginning and end of Accumulation Period] and buy Partnership Shares in [insert name of company] for me after the end of the Accumulation Period.
- I agree to accept Matching Shares in [insert name of company] awarded to me under the Plan and leave them in the hands of the Trustees, and not to assign, charge or otherwise dispose of my beneficial interest in the shares for the whole of the Holding Period of [insert time-not less than 3 and not more than 5 years].
- I agree that all dividends paid on my shares will be used by the Trustees to buy more shares in [insert name of company] for me according to the rules of the Plan. I agree to accept the Dividend Shares bought for me and leave them in the hands of the Trustees, and not to assign, charge or otherwise dispose of my beneficial interest in the shares for the whole of the Holding Period of 3 years.
- I understand that shares may fall in value as well as rise.
- I have read this agreement and agree to be bound by it and by the rules of the Plan.

### COMPANY

- The Company agrees to arrange for shares in [insert name of company] to be bought for me, according to the rules of the Plan.
- The Company agrees to provide [insert number] Matching Share(s) for every [insert number] Partnership Share(s).
- The Company undertakes to notify me of any restriction on the number of Partnership Shares available in the (or each) Award.

PLEASE USE BLOCK CAPITALS AND READ THE WHOLE OF THE AGREEMENT BEFORE SIGNING

## Appendix B

## [Insert name of Plan] (“the Plan”): Partnership Share Agreement

### TRUSTEES

10. The Trustees agree to keep my Salary deductions in [insert name of bank/ building society] until they are used to buy shares in [insert name of company] for me.

Signature: \_\_\_\_\_

Date: \_\_\_ / \_\_\_ / \_\_\_\_\_

### Rights and Obligations

1. I agree that taking part in the Plan does not affect my rights, entitlements and obligations under my contract of employment, and does not give me any rights or additional rights to compensation or damages if my employment ceases.
2. I may stop the deductions at any time, or begin them again, by writing to my employer, but I may not make up any amounts missed when deductions were stopped.
3. I agree that the deductions from my salary, or the number of shares that I receive may be scaled down if the limit on the number of shares set by the Company for this award is exceeded.
4. I may ask the Trustees for my Partnership Shares at any time, but I may have to pay income tax and National Insurance Contributions when they are taken out of the Plan.
5. I agree to allow the Trustees to sell some or all of my shares to pay any income tax and National Insurance Contributions in respect of my shares ceasing to be subject to the Plan, unless I provide them in advance with sufficient funds to pay these amounts.
6. I agree that any deductions not used to buy shares will at the discretion of the Trustees be repaid to me after the deduction of any necessary income tax or National Insurance Contributions, or will be carried forward and added to the next deduction or Accumulation Period.
7. If there is a rights issue, I agree to allow the Trustees to sell some of the rights attached to my shares in the Plan, in order to fund the exercise of the rights attached to other shares held by me in the Plan.
8. I can at any time withdraw from this agreement by writing to my employer. Any unused deductions will be returned to me after the deduction of any necessary income tax or National Insurance Contributions.
9. I agree that withdrawal from this agreement will not affect the terms on which I agreed to buy shares already held for me under the Plan.

### Accumulation Period

10. The Accumulation Period shall come to an end when [specify nature of event(s)], but this agreement shall continue until terminated by any party giving notice to the others.
11. I may only restart deductions once in every [insert number] months.

### Matching Shares

12. The ratio of Matching Shares to Partnership Shares is [insert ratio - not more than 2:1] and may be varied by the Company. The circumstances and manner in which the ratio may be varied are [company to specify details here].
13. If the ratio varies, the Company will notify me before the Partnership Shares are bought for me.
14. I will lose my Matching Shares if:
  - I cease to be in Relevant Employment, or
  - I withdraw the Partnership Shares in respect of which the Matching Shares were awarded

(either or both of these options may be specified)

within [insert time not exceeding 3 years] from the date of the Award, unless the employment ceases for one of the following reasons:

  - (a) injury or disability
  - (b) redundancy
  - (c) transfer of employment to which the Transfer of Undertaking (Protection of Employment) Regulations 2006 apply
  - (d) change of control or other circumstances ending the associated company status of the employer company
  - (e) retirement on or after reaching Retirement Age
  - (f) death.

### Partnership Share Money held by Trustees

15. The Trustees are under no obligation to keep the deductions in an interest-bearing account, but if they do, they will pay the interest to me.

### Dividend Reinvestment

16. Cash dividends will be used to buy more shares (Dividend Shares) for me.
17. Any amount over £1500 in each tax year will be paid to me.
18. Any amount below £1500 not used to buy shares shall be carried forward and added to the next cash dividend to be reinvested.

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**Holding Period: Dividend and Matching Shares**

19. I understand that my obligations during the Holding Period will end:
  - a) if I cease to be in Relevant Employment, and this may lead to forfeiture of the Matching Shares;
  - b) if the Company terminates the Plan in accordance with Clause 23 of the Deed and I have consented to the transfer of the Shares to me.
20. I understand that my obligations under the Holding Period are subject to:
  - a) the right of the Trustees to sell my shares to meet PAYE obligations;
  - b) the Trustees accepting at my direction an offer for my shares in accordance with the Plan

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