

<i>Date issued</i>	<i>My reference</i>

## Share Incentive Plan approved under Schedule 2 Income Tax (Earnings and Pensions) Act 2003

**Year ended 5 April 2005**

You are required to complete this form and return it to me **within 3 months** of the date of issue shown above.

Explanatory notes are provided to help you complete this form. Please read these **before** completing the form and signing the declaration.

**Penalties may be imposed for any failure to give the information required by this form within the prescribed time limit or for the submission of an incomplete or inaccurate return.**

If there is not enough space under any headings, please give further details in the additional information box provided and if necessary on a separate sheet.

The completed form should be sent to the address shown below.

Janice Cross

IR Share Schemes  
Room G52  
1 Parliament Street  
London  
SW1A 2BQ

Telephone **020 7147 2819 or 2843**  
Fax **020 7147 2747**

## **About this form**

This form has been issued under Paragraph 93 Schedule 2 Income Tax (Earnings and Pensions) Act 2003. This enables the Board of Inland Revenue to ask any person to give any information that the Board thinks is necessary.

Under Section 98(1) TMA 1970 (as amended by paragraph 137 Schedule 6 ITEPA 2003) the Board can start proceedings for penalties if there is a failure to provide the information requested, or if that information is inaccurate or not provided within the required time limit.

Under Paragraph 83 Schedule 2 ITEPA 2003 the Board can withdraw approval of the plan because of the company's failure to give the information required.

## **Notes for company**

If the company is listed on any investment exchange other than the Daily Official List of the London Stock Exchange or the New York Stock Exchange prior agreement with IR Shares Valuation is required for the market valuation on awards of shares.

For participants who receive taxable income from Inland Revenue approved share schemes you are required to tick box M on form P11D. You can provide the participant with the information included in the tables on pages 7 and 8. Box M on form P11D does not need to be ticked for any employee who does not have taxable income from any Inland Revenue approved share schemes.

## **Individual Reporting Requirements**

Even though awards and withdrawals of shares under the plan are included on this form, the individual must still declare the transaction on his or her personal Tax Return where taxable income arises.

## **Further Help**

If you have any questions about how to complete this form, You can,

- write to the address on the front page, or
- telephone on **020 7147 2819** or **020 7147 2843**, or
- fax on **020 7147 2747**.

Further guidance on how to complete this return and on reporting requirements in general can be found on our internet web pages at [www.inlandrevenue.gov.uk/shareschemes](http://www.inlandrevenue.gov.uk/shareschemes) or in our booklet IR2005, *Share Incentive Plans*, which can be obtained by calling our Orderline on **0845 9000 404** between 8.00am and 10.00pm, seven days a week (except Christmas Day).

# 1 Shares Awarded

## A Free Shares

Please read the notes below before completing this section.

- Complete the columns below for each date on which free shares were awarded under the plan during the year. (If on any date shares were awarded over more than one class or denomination of share, please complete a separate row for each class or denomination of share.)

In the column asking for 'Description of shares', please give the class or denomination of share, for example, 10p A Ordinary, and the name of the company.

If the company is listed on the AIM, NASDAQ (in the USA) or is not listed on the Stock Exchange Daily Official List or New York Stock Exchange, prior agreement to the market value with Inland Revenue Shares Valuation is essential.

Date of award	Description of shares	'Initial market value' per share at date of award	Value of shares awarded	Number of participants	The largest value of shares awarded to any one participant	The number of participants receiving the largest value
		£	£		£	
DD/MM/YY	10p Ord. A shares XYZ plc	00.00	00.00		00.00	

- Were any awards of free shares made under the plan during the year by reference to performance?

✓ as appropriate

Yes  No

The plan may provide for awards of Free shares to be made by reference to performance. There are two possible methods:

### Method 1:

- at least 20% of the award of shares must be without reference to performance,
- the remaining shares must be awarded by reference to performance, and
- the highest number of shares within (b) awarded to an individual must not be more than four times the highest number of shares within (a) awarded to an individual.

### Method 2:

- some or all of the shares must be awarded by reference to performance, and
- the awards of shares to members of the same performance unit must be on the same terms (that is varied only in accordance with level of pay, length of service, or hours worked).

If you answered 'Yes' which performance method was used?

✓ as appropriate

Method 1.  Method 2.

If you used different methods for different awards made in the year please complete a separate page (photocopy) for Method 1 and Method 2 awards.

If Method 1 was used

- what percentage of shares was awarded without reference to performance?

- what was the value of the highest performance award made to an individual?

- what was the value of the highest non-performance award made to an individual?

## B Partnership Shares

Please read the notes below before completing this section.

1. Complete the columns below for each date on which partnership shares were bought for employees under the plan during the year. (If on any date shares were bought on behalf of employees over more than one class or denomination of share, please complete a separate row for each class or denomination of share.)

The 'acquisition date' is a date, set by the trustees, which must be within 30 days of:

- In a plan with no accumulation period, the last date on which the partnership share money to be applied in acquiring shares was deducted and
- In a plan with an accumulation period, the end of the accumulation period.

In the column asking for 'Description of shares', please give the class or denomination of share, for example, 10p A Ordinary, and the name of the company.

If the company is listed on the AIM, NASDAQ (in the USA) or is not listed on the Stock Exchange Daily Official List or New York Stock Exchange, prior agreement to the market value with Inland Revenue Shares Valuation is essential.

Acquisition date	Description of shares	Market value per share on acquisition date £	Total value of shares bought by participants £	Number of participants buying shares in this award	The largest value of shares bought by any one participant £	Number of participants buying largest value
DD/MM/YY	10pOrd.A shares XYZ plc	00.00	00.00		00.00	

2. Did the company operate an accumulation period in the year in relation to this award?

✓ as appropriate  
Yes  No

If Yes, how long was the accumulation period?

3. Were partnership share applications scaled down because employees applied to buy a greater number of shares than were available?

✓ as appropriate  
Yes  No

## C Matching Shares

Please read the notes below before completing this section.

Complete the columns below for each date on which matching shares were awarded to employees under the plan during the year. (If on any date shares were awarded to employees over more than one class or denomination of share, please complete a separate row for each class or denomination of share.)

In the column asking for 'Description of shares', please give the class or denomination of share, for example, 10p A Ordinary, and the name of the company.

If the company is listed on the AIM, NASDAQ (in the USA) or is not listed on the Stock Exchange Daily Official List or New York Stock Exchange, prior agreement to the market value with Inland Revenue Shares Valuation is essential.

Award date	Ratio of matching: partnership shares	Description of shares	Market value per share on award date  £	Total value of shares awarded  £	Number of participants awarded matching shares
<i>DD/MM/YY</i>	<i>1:3 (one matching share for every three partnership shares)</i>	<i>10pOrd.A shares XYZ plc</i>	<i>00.00</i>	<i>00.00</i>	

## D Dividend Shares

Please read the notes below before completing this section.

Were dividends arising in the year on plan shares reinvested through the plan to buy more plan shares?

✓ as appropriate  
 Yes  No

If 'Yes', complete the columns below for each date on which dividend shares were bought for employees under the plan during the year. (If on any date shares were bought for employees over more than one class or denomination of share, please complete a separate row for each class or denomination of share.)

Dividend reinvestment cannot be more than £1500 for each participant. Any provision for dividend reinvestment outside the plan should not be included here.

The 'acquisition date' is a date, set by the trustees, which must be within 30 days of the date the trustees receive the dividend to be reinvested.

In the column asking for 'Description of shares', please give the class or denomination of share, for example, 10p A Ordinary, and the name of the company.

If the company is listed on the AIM, NASDAQ (in the USA) or is not listed on the Stock Exchange Daily Official List or New York Stock Exchange, prior agreement to the market value with Inland Revenue Shares Valuation is essential.

Acquisition date	Description of shares	Market value per share on acquisition date £	Total value of dividends reinvested by participants £	Number of participants reinvesting in dividend shares	Largest value of dividends reinvested by any one participant £
DD/MM/YY	10p Ord. A shares XYZ plc	00.00	00.00		00.00

## 2. Shares ceasing to be subject to the plan

### A Within three years of date of award

Please read the notes below before completing this section.

Complete the columns below for each individual whose free shares, matching shares or partnership shares ceased to be subject to the plan within three years of the date of their award. (If there is more than one class or denomination of share, please complete a separate row for each class or denomination of share.) Shares ceasing to be subject to the plan on the third anniversary of award should be included in part B below. Free shares or matching shares that were forfeited, or dividend shares ceasing to be subject to the plan, should not be included here.

If the company is listed on the AIM, NASDAQ (in the USA) or is not listed on the Stock Exchange Daily Official List or New York Stock Exchange, prior agreement to the market value with Inland Revenue Shares Valuation is essential.

A charge to Income Tax arises on the date on which the shares cease to be subject to the plan unless the participant has ceased employment by reason of injury, disability, redundancy, a transfer of employment to which the Transfer of Undertakings Regulations (TUPE) apply, a company reorganisation under which the employer company loses its associated status, retirement on or after the age specified in the plan, or death.

Last name	Initials	National Insurance number	Name of employer	PAYE reference of employer	Date shares ceased to be subject to the plan	Total market value (at cessation) of shares ceasing to be subject to the plan	Did a charge to income tax arise on the date shown in column 6	Was PAYE operated and NICs deducted on shares ceasing to be subject to the plan?
1 <i>Smith</i>	2 <i>F. J.</i>	3 <i>AB123456C</i>	4 <i>Bloggs &amp; Co. plc</i>	5 <i>606/4111</i>	6 <i>DD/MM/YY</i>	7 £ <i>00.00</i>	8 ✓	9 ✓
						Total		

## B In the period of three to five years of the date of the award

Please read the notes below before completing this section.

Complete the columns below for each individual whose free shares, matching shares or partnership shares ceased to be subject to the plan in the period of three to five years of the date of their award. (If there is more than one class or denomination of share, please complete a separate row for each class or denomination of share.) Shares ceasing to be subject to the plan on the fifth anniversary of award should not be included here. Free shares or matching shares that were forfeited, or dividend shares ceasing to be subject to the plan, should not be included here.

If the company is listed on the AIM, NASDAQ (in the USA) or is not listed on the Stock Exchange Daily Official List or New York Stock Exchange, prior agreement to the market value with Inland Revenue Shares Valuation is essential.

A charge to Income Tax arises on the date on which the shares cease to be subject to the plan unless the participant has ceased employment by reason of injury, disability, redundancy, a transfer of employment to which the Transfer of Undertakings Regulations (TUPE) apply, a company reorganisation under which the employer company loses its associated status, retirement at or after the age specified in the plan, or death.

Last name	Initials	National Insurance number	Name of employer	PAYE reference of employer	Date shares ceased to be subject to the plan	Free shares and matching shares: total market value on date in column 6 or, if less, on the award date	Partnership shares: total market value on date in column 6 or, if less, the amount of partnership share money used to buy them	Did a charge to Income Tax arise on the date shown in column 6	Was PAYE operated and NICs deducted on shares ceasing to be subject to the plan?
1	2	3	4	5	6	£ 7	£ 8	✓ 9	✓ 10
Smith	F. J.	AB123456C	Blaggs & Co. plc	606/44444	DD/MM/YY	00.00	00.00	✓	✓
Totals									

### 3. Capital reorganisations and/or reconstructions

Please read the notes below before completing this section.

Complete this section where, as a result of a reorganisation and/or reconstruction, shares, Qualifying Corporate Bonds or other securities are now held by the trustees in substitution for the shares that were originally awarded. Enter details of all reorganisations and reconstructions including particulars of:

- Bonus issues
- Rights issues
- Alterations of rights attaching to a share class
- Conversion of securities including exchanges
- Company amalgamations and takeovers
- Reduction or reorganisation of share capital.

Where there has been a company reconstruction it is necessary to apportion the market value at the date of award of the old 'corresponding shares' among the 'new shares'. The steps are to

- find the aggregate market value at the date of award before the reconstruction of the old 'corresponding shares'

**and**

- distribute that market value at date of award among all the 'new shares' (including any of the old shares that survive into the new holding), pro rata according to their value immediately after the reconstruction.

Any subsequent income tax charged in respect of the shares in the new holding will be by reference to their adjusted market value using the same date of award.

## 4. Summary

### A Forfeiture

1. • Do awards made under the plan provide for forfeiture of free shares on leaving employment within a period of up to three years from award?

✓ *as appropriate*

Yes  No

- If 'Yes' what was the initial or adjusted value of free shares forfeited in the year?

2. • On cessation of employment, do awards made under the plan provide for forfeiture of matching shares within a period of up to three years from award?

✓ *as appropriate*

Yes  No

- If 'Yes' what was the initial or adjusted value of matching shares forfeited on cessation of employment in the year?

3. • On withdrawal of partnership shares, do awards made under the plan provide for forfeiture of matching shares within three years of award?

✓ *as appropriate*

Yes  No

- If, 'Yes' what was the initial or adjusted value of matching shares forfeited on withdrawal of partnership shares in the year?

### B Market value of plan shares

If plan shares are listed on the:

- Stock Exchange Daily Official List\*
- Alternative Investment Market\*
- New York Stock Exchange\*
- NASDAQ\*
- Any other exchange\*

please state the share price at 5 April 2005

\*delete as appropriate

### C Participating Companies

If a subsidiary company has become a participating company during the year, give the following information, in a separate schedule if necessary, for each such company

- name of company

- registered office

Address
<input type="text"/>
<input type="text"/>
Postcode
<input type="text"/>

- date company became a participating company

- if it has since ceased please give the date and enclose a copy of the relevant deed or resolution

- company's corporation tax reference

- PAYE reference

If a company has ceased to be a participating company, give the same information as above clearly stating that the company is no longer a participating company.

If any company has ceased to be a participating company, at the time it ceased did that company employ any persons eligible to participate in the plan?

✓ *as appropriate*

Yes  No

## Declaration

### False declarations can result in prosecution

The information I have given on this form and in the additional information boxes is correct and complete to the best of my knowledge and belief.

Throughout the year (or that part of it in which plan shares were awarded or held in the plan) the plan shares satisfied the requirements of paragraph 25 Schedule 2 ITEPA 2003. References to plan shares are to the shares that have been awarded or acquired by participants in accordance with the plan.

No alterations have been made to any key features of the plan which have not been approved by the Inland Revenue. A feature of the plan is a 'key feature' if it relates to a provision that is necessary in order to meet the requirements of Schedule 2 ITEPA 2003.

The Taxes Acts require that the declaration should be completed by the Secretary or acting Secretary of the company. If liquidators have been appointed, they should complete the declaration. *Sections 108(1) and (3) TMA 1970.*

Signature

Name (use capital letters)

Position in company

Telephone

Fax

E-mail

Date

### Change in particulars of the company

If the company has changed its name or the address of its registered office please enter the new details below.

Company name

Address

Postcode

### Additional information box