

Application for share valuation in connection with Share Incentive Plan (SIP)

If your company operates a SIP approved under Schedule 8 Finance Act 2000, you will need to establish the value of your company's shares on the following occasions:

- on award of free and matching shares
- on purchase of partnership shares with no accumulation period
- on purchase of partnership shares with accumulation period.

You will need to establish the value of the shares at the beginning of the accumulation period and at the acquisition date:

- dividend reinvestment. The market value will need to be established on the date that dividend shares are acquired with the cash dividend

- when a participant ceases employment in the first five years of an award of free and matching shares, in circumstances where there is an Income Tax charge on the shares
- on withdrawal of partnership shares from the plan within five years of acquisition, in circumstances where there is an Income Tax charge on the shares
- on acquisition of shares by trustees in order to quantify the Corporation Tax deduction to be claimed.

To request a share valuation for any of the above occasions, complete this form and return it to HM Revenue & Customs Shares and Assets Valuation (SAV). Their address and phone number is shown on page 2 of this form.

1 Company details

The name of the company that has established the SIP

The company's registration number

The company's HM Revenue & Customs office and reference *if known*

2 Contact details

Who should we send correspondence to?

Full name

Address

Postcode

Is this the company's agent?

No Yes

If 'No' go straight to Section 3. If 'Yes' please complete the declaration below.

I declare that the above person/firm is authorised to agree the market value of the company's shares.

Signed for and on behalf of the company

Name *use capital letters*

3 Request for a share valuation

Class of share, for example, 'ordinary'

The nominal value per share

£ .

The event for which you want the valuation, for example, the grant of Enterprise Management Incentive options

The date for which you want the valuation, for example, the date of award of free shares *DD MM YYYY*

Your proposed value per share

£ .

Class of share, for example, 'ordinary'

The nominal value per share

£ .

The event for which you want the valuation, for example, the award of free shares

The date for which you want the valuation, for example, the date of award of free shares

Your proposed value per share

£ .

4 Other details we need

To support your proposed valuation, you should send with this form the documents and information listed below.
Tick box when enclosed.

A copy of any valuation report you have.

Any available balance sheets, trading accounts and profit and loss accounts for up to three years before the valuation date.

An up-to-date copy of the company's Articles of Association.

Details of any shares allotted since the date of the last accounts. This should include particulars of the date and price per share and the number of shares issued.

Details of any transactions in the shares of the company within one year of the date(s) of valuation. This should include particulars of:

- the date each transaction occurred
- the number of shares sold
- the price paid per share
- whether the sales were made at arm's length.

Details of any dividends paid or declared after the date of the last accounts. This should include particulars of the date(s) of payment or declaration and the amount(s) per share.

5 Other information

Use this space to give us any other information that you consider relevant to your valuation. This should include:

- any background information that would help us to understand the nature of the company's trade and circumstances, and
- any change to the company's share or loan capital which, at the occasion for valuation, is
 - completed or actively contemplated, and
 - not apparent from the other information you have given us.

Please continue on a separate sheet if necessary.

6 Agreeing a value for a defined period

Would you like the value you agree with SAV to last for a defined period? *Tick one box only.*

No Yes

How long would you like the defined period to last?
Not to exceed six months

If you have previously agreed a value for a defined period, what was the date of that agreement? *DD MM YYYY*

Notes

You can apply to us to agree the value for a defined period. If this is agreed, it will not be for more than six months initially. If you wish to do this, you should attach to the form written confirmation that you are unaware of any circumstances that will affect the value of the shares during the proposed defined period. If you have agreed a defined period and wish to extend it, you will then have to provide similar written confirmation.

The conditions that apply once an application to agree a value for a defined period has been accepted, are set out in more detail. For further information go to www.hmrc.gov.uk/shareschemes/svd2.htm select **Duration of agreed values for Share Incentive Plans** or you can get copies by phoning **0115 974 2222**.

If another valuation occasion arises during the defined period, you must inform SAV immediately of any change in circumstances that might affect the value of the shares.

If the value of the shares is affected, the defined period will end and the share value agreed will no longer be valid.

What to do next

Send the completed form and your supporting documentation to:

HM Revenue & Customs

Shares and Assets Valuation
Ferrers House
PO Box 38
Castle Meadow Road
Nottingham
NG2 1BB

Phone **0115 974 2222**

Fax **0115 974 2197**

Completing and returning this form to Shares and Assets Valuation does **not** mean that you have notified HM Revenue & Customs of shares awarded under a Share Incentive Plan (SIP).

Further information

If you have any queries on the operation of your company's SIP go to www.hmrc.gov.uk/shareschemes/sip_employers.htm or phone **020 7147 2853**.